GLOBAL DIRECTION AND RECEIPT

April 20, 2018

Reference is made to the trust indenture made as of December 21, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Trust Indenture**") between Computershare Trust Company of Canada, in its capacity as trustee of Fair Hydro Trust, as issuer (the "**Issuer**"), and BNY Trust Company of Canada, as indenture trustee. Capitalized terms used but not defined in this global direction and receipt have their respective meanings as set forth in the Trust Indenture.

I. Introduction

On the date hereof, the Issuer intends to purchase an Investment Interest by means of the Transfer of a regulatory asset (as defined in the Act) from the Independent Electricity System Operator (the "**IESO**") to the Issuer in the amount of $149,000,000 pursuant to a Transfer Notice dated April 11, 2018 (the "**April 2018 Investment Interest**").

On the date hereof, the Issuer intends to increase the aggregate principal amount of Floating Rate Variable Funding Senior Notes, Series 2017-1 (the "**Senior Notes, Series 2017-1**") by C$75,990,000, increase the aggregate principal amount of Floating Rate Variable Funding Subordinated Notes, Series 2017-1 (the "**Subordinated Notes, Series 2017-1**") by C$58,110,000, and increase the aggregate principal amount Floating Rate Variable Funding Junior Subordinated Notes, Series 2017-1 (the "**Junior Subordinated Notes, Series 2017-1**" by C$14,900,000 and together with the Senior Notes, Series 2017-1 and the Subordinated Notes, Series 2017-1, the "**Notes**") for aggregate gross proceeds of C$149,000,000 pursuant to Supplemental Indentures dated December 21, 2017.

The Issuer intends to use the proceeds of the increase of the Notes to purchase the April 2018 Investment Interest.

Each of the Issuer, the IESO, Royal Bank of Canada and Canadian Imperial Bank of Commerce (collectively, the "**Funding Agents**"), Goldman Sachs Bank USA (the "**Non-Conduit Purchaser**" and together with the Funding Agents, the "**Senior Warehouse Lenders**") and Ontario Power Generation Inc. ("**OPG**") hereby acknowledge and agree that this global direction and receipt describes the agreed upon payments and contains all directions and receipts in connection with the transactions described above.

II. Directions

The applicable parties hereby irrevocably and unconditionally direct the following:

A. Purchase of Investment Asset

1. The IESO directs the Issuer to transfer $149,000,000, representing the purchase price payable by the Issuer to the IESO in connection with the purchase of the April 2018 Investment Interest in accordance with the wire instructions in Schedule A.

B. Payment of Purchase Price

The following payments shall be made in the following order:

Increase of Junior Subordinated Notes (Warehouse)

2. In partial satisfaction of the payment described in paragraph 1 above, the Issuer directs OPG to transfer C$14,900,000, representing the proceeds from the increase of the Junior Subordinated Notes, Series 2017-1 (the "**Warehouse Junior Subordinated Note Proceeds**"), to the IESO in accordance with the wire instructions in Schedule A.

Increase of Subordinated Notes (Warehouse)

3. In partial satisfaction of the payment described in paragraph 1 above, the Issuer directs OPG to transfer C$58,110,000, representing the proceeds from the increase of the Subordinated Notes, Series 2017-1 (the "**Warehouse Subordinated Note Proceeds**"), to the IESO in accordance with the wire instructions in Schedule A.

Increase of Senior Notes (Warehouse)

Following confirmation that the wire transfers in 2 and 3 have been sent:

4. In partial satisfaction of the payment described in paragraph 1 above, the Issuer directs each of the Senior Warehouse Lenders, on behalf of its respective Purchaser Group, to transfer the amount set out opposite to such Senior Warehouse Lender's Purchaser Group (such amounts totaling C$75,990,000 and representing the proceeds from the increase in the Warehouse Notes, (the "**Warehouse Senior Note Proceeds**") to the IESO in accordance with the wire instructions in Schedule A:

Purchaser Group	**Amount**
Canadian Imperial Bank of Commerce	C$30,870,937.50
Royal Bank of Canada	C$30,870,937.50
Goldman Sachs Bank USA	C$14,248,125.00
Total	**C$75,990,000.00**

C. Update of Grid Schedules

Increase of Junior Subordinated Notes (Warehouse)

5. In satisfaction of the payment described in paragraph 2, the Issuer directs the Indenture Trustee to update the grid schedule to the note representing the Junior Subordinated Notes, Series 2017-1 to reflect an increase in the principal amount of the Junior Subordinated Notes, Series 2017-1 outstanding and payable by the Issuer to OPG in connection with the Junior Subordinated Increase Notice by C$14,900,000 (the "**Junior Subordinated Increase Amount**"). Each of the Issuer and OPG hereby acknowledges that the maximum aggregate principal amount of Junior Subordinated Notes, Series 2017-1 is $156,862,745.10, of which $80,760,000 will be drawn following the actions contemplated by this paragraph 5.

Increase of Subordinated Notes (Warehouse)

6. In satisfaction of the payment described in paragraph 3, the Issuer directs the Indenture Trustee to update the grid schedule to the note representing the Subordinated Notes, Series 2017-1 to reflect an increase in the principal amount of the Subordinated Notes, Series 2017-1 outstanding and payable by the Issuer to OPG in connection with the Subordinated Increase Notice by C$58,110,000 (the "**Subordinated Increase Amount**"). Each of the Issuer and OPG hereby acknowledges that the maximum aggregate principal amount of Subordinated Notes, Series 2017-1 is $611,764,705.88 of which $314,967,000 will be drawn following the actions contemplated by this paragraph 6.

Increase of Senior Notes (Warehouse)

7. In satisfaction of the transfer described in paragraph 4, the Issuer directs the Indenture Trustee to update the grid schedules attached to each of the notes representing the Senior Notes, Series 2017-1 to reflect an increase to the applicable principal amount of the Senior Notes, Series 2017-1 outstanding by an amount that is equal to the respective amount

directed to be paid by each such Senior Warehouse Lender set out in paragraph 4 above.

8. Each of the Issuer and the Administrative Agent, on behalf of the Senior Warehouse Lenders, hereby acknowledges that the maximum aggregate principal amount of Senior Notes, Series 2017-1 is $800,000,000, of which $411,880,000 will be drawn and outstanding following the actions contemplated by paragraph 7 above.

III. Receipts

9. The IESO hereby acknowledges receipt of the Warehouse Senior Note Proceeds, Warehouse Subordinated Note Proceeds and Warehouse Junior Subordinated Note Proceeds in full satisfaction of the purchase price of the April 2018 Investment Interest.

[Remainder of the page intentionally left blank]

IN WITNESS HEREOF the parties have executed this global direction and receipt as of the date first written above.

ONTARIO POWER GENERATION INC., as manager of FAIR HYDRO TRUST

By: ______________________________

Name: John Lee
Title: Vice President - Treasurer

By: ______________________________

Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: ______________________________

Name:
Title:

By: ______________________________

Name:
Title:

ONTARIO POWER GENERATION INC.

By: ______________________________

Name: John Lee
Title: Vice President – Treasurer

By: ______________________________

Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ROYAL BANK OF CANADA

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

GOLDMAN SACHS BANK USA

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE A

[redacted]