Message

From: Picard, Michel [mpicard@kpmg.ca]
Sent: 2018-01-15 12:28:11 PM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
CC: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
Subject: RE: Fair Hydro MTI

Michael,

I enclosed below the relevant paragraphs in the Master Trust Indenture (MTI) that relate to the IESO Cash Reserve Deposit Amount.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) **[0.50]**% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(a) $[■]. **[NTD: three months of expected interest costs for May, June and July, 2021. Method of calculating to be discussed.]**

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (x) an amount equal to **[0.50]**% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (y) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

The discussion we had with Peter Hamilton on Friday was slightly different. My reading of the MTI is that IESO is responsible to fund permanently the reserve deposit amount which equals to the aggregate of 0.5% of the O/S principal amount <u>at any given time</u> plus 3 months of interest costs. Will the cash reserve deposit amount be a permanent fund for the next 30 years?

Regards,

Michel

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: Friday, January 12, 2018 4:29 PM
To: Picard, Michel <mpicard@kpmg.ca>
Subject: FW: Fair Hydro MTI

As requested.

From: Peter Hamilton [mailto:PHamilton@stikeman.com]
Sent: January 12, 2018 3:59 PM
To: Michael Boll
Subject: FW: Fair Hydro MTI

You were looking for this. I do not have the signed version.

Peter Hamilton

Direct: +1 416 869 5564
Email: phamilton@stikeman.com

Stikeman Elliott

Follow us: LinkedIn / Twitter / stikeman.com

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, ON M5L 1B9 Canada

---

From: Olusoga, Yinka [mailto:yolusoga@torys.com]
Sent: Monday, December 11, 2017 7:01 PM
To: Peter Hamilton; Glenn Zacher
Cc: Feldman, Michael
Subject: Fair Hydro MTI

Hi Peter,

Attached is the draft MTI that went to the rating agencies.

Regards,

Yinka Olusoga

P. 416.865.7522 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

TORYS LLP

This email was sent to you by KPMG (http://info.kpmg.ca). To sign up to receive event invitations and other communications from us (we have some informative publications that may be of interest to you), or to stop receiving electronic messages sent by KPMG, visit the **KPMG Online Subscription Centre** (http://subscribe.kpmg.ca).

At KPMG we are passionate about earning your trust and building a long-term relationship through service excellence. This extends to our communications with you.

Our lawyers have recommended that we provide certain disclaimer language with our messages. Rather than including them here, we're drawing your attention to the following links where the full legal wording appears.

- **Disclaimer concerning confidential and privileged information/unintended recipient** (http://disclaimer.kpmg.ca).
- **Disclaimer concerning tax advice** (http://taxdisclaimer.kpmg.ca).

If you are unable to access the links above, please cut and paste the URL that follows the link into your browser.
