GLOBAL DIRECTION AND RECEIPT

December 21, 2017

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 $1,179,000,000 pursuant to a Transfer Notice dated December 21, 2017 (the "**December 2017 Investment Interest**").

On the date hereof, the Issuer intends to issue C$601,290,000 aggregate principal amount of Floating Rate Variable Funding Senior Notes, Series 2017-1 (the "**Senior Notes, Series 2017-1**"), C$459,810,000 aggregate principal amount of Floating Rate Variable Funding Subordinated Notes, Series 2017-1 (the "**Subordinated Notes, Series 2017-1**"), and C$117,900,000 aggregate principal amount Floating Rate Variable Funding Junior Subordinated Notes, Series 2017-1 (the "**Junior Subordinated Notes, Series 2017-1**" and together with the Senior Notes, Series 2017-1 and the Subordinated Notes, Series 2017-1, the "**Notes**") for aggregate gross proceeds of C$1,179,000,000 pursuant to Supplemental Indentures dated the date hereof.

The Issuer intends to use the proceeds of the issuance of the Notes to purchase the December 2017 Investment Interest.

The IESO has deposited C$6,000,000 in the Collection Account on account of Carrying Costs expected to be to be due and payable in the month of December, 2017. In connection with the issuance of the Senior Notes, Series 2017-1, the Issuer has agreed to pay certain fees to Canadian Imperial Bank of Commerce, Royal Bank of Canada and Goldman Sachs Bank USA (and/or affiliates thereof) pursuant to a fee letter dated December 21, 2017.

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 $1,179,000,000, representing the purchase price payable by the Issuer to the IESO in connection with the purchase of the December 2017 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:

Issuance of Junior Subordinated Notes (Warehouse)

2. In partial satisfaction of the payment described in paragraph 1 above, the Issuer directs OPG to transfer C$117,900,000, representing the proceeds from the issuance 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.

Issuance of Subordinated Notes (Warehouse)

3. In partial satisfaction of the payment described in paragraph 1 above, the Issuer directs OPG to transfer C$459,810,000, representing the proceeds from the issuance of the Subordinated Notes, Series 2017-1 (the "**Warehouse Subordinated Note Proceeds**"), to the IESO in accordance with the wire instructions in Schedule A.

Issuance of Senior Notes (Warehouse)

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

4. Each Senior Warehouse Lender, on behalf of its respective Purchaser Group (as defined in the Supplemental Indenture in respect of the Senior Notes, Series 2017-1), directs the Issuer to transfer such Purchaser Group's portion (in accordance with its Commitment Percentage) of C$1,600,000, representing the aggregate closing fees payable by the Issuer in connection with the issuance of the Senior Notes, Series 2017-1 (the "**Closing Fees**"), to such Senior Warehouse Lender on behalf of its respective Purchaser Group in accordance with the wire instructions in Schedule B.

5. In satisfaction of the payment described in paragraph 4 above, the Issuer directs BNY Trust Company of Canada, acting in its capacity as the Paying Agent, to transfer the Closing Fees from the Collection Account to the Senior Warehouse Lenders, on behalf of their respective Purchaser Groups, in accordance with the wire instructions in Schedule B.

Following confirmation that the wire transfers in 5 have been sent:

6. 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$601,290,000 and representing the proceeds from the issuance of 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$244,274,062.50
Royal Bank of Canada	C$244,274,062.50
Goldman Sachs Bank USA	C$112,741,875.00
Total	**C$601,290,000.00**

III. Receipts

7. 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 December 2017 Investment Interest.

8. Each of the Senior Warehouse Lenders hereby acknowledges receipt of their percentage interest of the Closing Fees.

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IN WITNESS HEREOF the parties have executed this global direction and receipt as of this 21 day of December, 2017.

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

By: ______________________
Name: John Lee
Title: Vice President - Treasurer

By: ______________________
Name: Lubna Ladak
Title: Vice President, Fair Hydro Plan

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: KMarshall

Name: kimberly marshall
Title: Vice President, Corporate Services and Chief Financial Officer

By:

Name:
Title:

Signature Page to Global Direction and Receipt

ONTARIO POWER GENERATION INC.

By:

Name: John Lee
Title: Vice President - Treasurer

By:

Name: Lubna Ladak
Title: Vice President, Fair Hydro Plan

ROYAL BANK OF CANADA, as a Funding Agent

By: ______________________
Name: Ian Benalah
Title: Authorized Signatory

By: N Khan
Name: Nur Khan
Title: Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE, as a Funding Agent

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

GOLDMAN SACHS BANK USA, as a Non-Conduit Purchaser

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

ROYAL BANK OF CANADA, as a Funding Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as a Funding Agent

By: ______________________________
Name: Sunil Adalja
Title: Authorized Signatory

By: ______________________________
Name: Andrew Maciel
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as a Non-Conduit Purchaser

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ROYAL BANK OF CANADA, as a Funding Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE, as a Funding Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

GOLDMAN SACHS BANK USA, as a Non-Conduit Purchaser

By: ______________________________
Name: Charles D. Johnston
Title: Authorized Signatory

By: ______________________________
Name:
Title:

SCHEDULE A

Bank Account Name: Independent Electricity System Operator

[redacted]

SCHEDULE B

[redacted]