INDEMNITY AGREEMENT

TO: BNY Trust Company of Canada, in its capacity as Indenture Trustee of Fair Hydro Trust (in such capacity, the "**Indenture Trustee**")

RE: Management Agreement dated as of ■, 2017 (the "**Management Agreement**") made between Ontario Power Generation, as manager (in such capacity, the "**Manager**") and Fair Hydro Trust (the "**Issuer**")

AND RE: Warehouse Senior Series 2017-1 Supplemental Indenture dated as of ■, 2017 (the "**Supplemental Indenture**") made between, *inter alios*, the Issuer and the Indenture Trustee

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WHEREAS the Government of Ontario has passed the *Ontario Fair Hydro Plan Act, 2017* (the "**Act**") for the purpose of, among other things, ensuring that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers;

AND WHEREAS Ontario Power Generation Inc. has been appointed as Financial Services Manager under the Act to, among other things, evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring and financing Investment Interests;

AND WHEREAS the Issuer is a Financing Entity established, at the request of the Financial Services Manager and pursuant to the Act, by Computershare Trust Company of Canada;

AND WHEREAS the Issuer and the Manager have entered into the Management Agreement in furtherance of, and in accordance with, the Act;

AND WHEREAS the Manager has agreed to execute this Indemnity Agreement to provide certain indemnities with respect to its duties and obligations under the Management Agreement.

IN CONSIDERATION OF the mutual covenants and agreements herein and the sum of $1.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

1. Unless otherwise defined in this Indemnity Agreement, all capitalized terms used herein shall have the meanings ascribed thereto, either directly or by incorporation therein, in the Management Agreement.

2. The Manager shall indemnify the Indenture Trustee, on behalf of itself and on behalf of the Administrative Agent, each Funding Agent, each CP Conduit Purchaser, the Group Bank and each Non-Conduit Purchaser (in each case, as defined in the Supplemental Indenture) and each of their respective officers, directors, agents and employees (each, an "**Indemnified Person**") and defend and hold harmless each such Indemnified Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "**Indemnified Losses**") imposed on, incurred by or asserted against such Indemnified Person, as a result of (i) the failure of the Manager to perform its covenants and other obligations under the Management Agreement or any other Program Agreement to which

the Manager is a party; or (ii) the breach by the Manager of any of its representations or warranties under the Management Agreement or any other Program Agreement to which the Manager is a party and, except to the extent of Indemnified Losses resulting from the willful misconduct, bad faith or gross negligence of such Indemnified Person seeking indemnification hereunder; provided that, in each case, the Manager shall not be required to indemnify an Indemnified Person for any amount paid or payable by such Indemnified Person in the settlement of any Proceeding or investigation without the written consent of the Manager, which consent shall not be unreasonably withheld or delayed. Promptly after receipt by an Indemnified Person of notice of the commencement of any Proceeding or investigation, such Indemnified Person shall, if a claim in respect thereof is to be made against the Manager under this Section 2, notify the Manager in writing of the commencement thereof. Failure by an Indemnified Person to so notify the Manager shall relieve the Manger from the obligation to indemnify and hold harmless such Indemnified Person under this Section 2 only to the extent that the Manager suffers actual prejudice as a result of such failure. With respect to any Proceeding or investigation brought by a third party for which indemnification may be sought under this Section 2, the Manager shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Person, the defence of any such Proceeding or investigation (in which case the Manager shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Person except as set forth below); provided, that the Indemnified Person shall have the right to participate in such Proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Manager's election to assume the defence of any Proceeding or investigation, the Indemnified Person shall have the right to employ separate counsel, and the Manager shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Person and the Manager and the Indemnified Person shall have reasonably concluded that there may be legal defences available to it that are different from or additional to those available to the Manager, (ii) the Manager shall not have employed counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action, (iii) the Indemnified Person shall have been advised by counsel to the Indemnified Person that there may be a conflict of interest between the Manager and the Indemnified Person, or (iv) the Manager authorizes the Indemnified Person to employ separate counsel at the expense of the Manager. Notwithstanding the foregoing, the Manager shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Persons other than one local counsel, if appropriate. The Manager will not, without the prior written consent of the Indemnified Person, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or Proceeding in respect of which indemnification may be sought under this Section 2 (whether or not the Indemnified Person is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Person from all liability arising out of such claim or Proceeding.

Indemnification under Section this 2 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the termination of this Indemnity Agreement or the Management Agreement and will rank pari passu with other general, unsecured obligations of the Manager.

Notwithstanding anything contained in this Indemnity Agreement or the Management Agreement, it is expressly understood that the Manager is not agreeing to indemnify or hold any Indemnified Person harmless with respect to any of the following: (i) any losses resulting from any breach or failure to perform by the Manager caused by a breach or failure to perform on the part of any other third party under any Program Agreement, the Act or the Regulations; provided that the foregoing clause (i) shall not apply to limit the liability of the Manager in respect of any delegation to a third party as provided for in section 4.7 of the Management Agreement; (ii) any losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision, other than losses resulting solely from the Manager's failure to comply with section 4.1(a)(xiv) of the Management Agreement; (iii) any losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province or to any Indemnified Person or any material part thereof being disaffirmed by or on behalf of the Province; or (iv) any liability of any Indemnified Person incurred after the termination of this Indemnity Agreement or the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination.

To the fullest extent permitted by applicable law, no Specified Creditor (other than the Indenture Trustee) will have any right to institute any proceeding, judicial or otherwise, or to make any claim for indemnification, with respect to this Indemnity Agreement or the Management Agreement, or for the appointment of a receiver or trustee or similar official, or for any other remedy hereunder, except in accordance with Section 8.12 of the Indenture.

The parties hereto agree that the Manager is not providing any representations, warranties or covenants in this Indemnity Agreement or the Management Agreement, and shall have no liability to any Indemnified Person, with respect to the collectability of the Clean Energy Adjustment or the Carrying Costs, or that the Clean Energy Adjustment amounts or Carrying Costs collected will be sufficient to satisfy the Issuer Funding Obligations.

3. This Indemnity Agreement may be amended in writing by the Manager and the Indenture Trustee, and with satisfaction of the Rating Agency Condition, such satisfaction to be confirmed by the Indenture Trustee at the time of such amendment. Promptly after the execution of any such amendment, the Indenture Trustee shall furnish copies of such amendment to each of the Rating Agencies.

4. This Indemnity Agreement shall enure to the benefit of and shall be binding upon the Manager and the Indemnified Parties and their respective successors and assigns.

5. If one or more provision of this Indemnity Agreement is for any reason whatever held invalid, such provision will be deemed severable from the remaining covenants, agreements and provisions of this Indemnity Agreement and will in no way affect the validity or enforceability of such remaining provisions or the rights of any parties hereto.

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

7. This Indemnity Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Indemnity Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Indemnity Agreement by such party.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the undersigned have executed this Indemnity Agreement as of December ____, 2017.

ONTARIO POWER GENERATION INC.

By: ______________________________

Name:

Title:

BNY TRUST COMPANY OF CANADA, in its capacity as Indenture Trustee of **FAIR HYDRO TRUST**, and not in its personal capacity

By: ______________________________

Name:

Title:

By: ______________________________

Name:

Title: