PART C TERM SHEETS FOR MATERIAL CONTRACTS REQUIRED TO IMPLEMENT THE FINANCING ENTITY

Declaration of Trust	
General Description	On the assumption that the Financing Entity will be a trust, it will be established by a trust company (the "**Issuer Trustee**") entering into a Declaration of Trust. The Issuer Trustee will delegate all of its powers as trustee to OPG pursuant to a Financial Services Agreement (described below) and an Administrative Services Agreement (described below). In case it is determined that the Financing Entity should be a corporation rather than a trust, the Declaration of Trust would be replaced by articles of incorporation.
Key Terms	**Establishment of Trust:** Declaration establishes the trust to carry on activities for the benefit of unit holders. **Unitholders:** To help establish that OPG controls the trust, the sole initial unitholder and beneficiary of the trust will be OPG (or a wholly-owned subsidiary of OPG) **Permitted Activities:** The permitted activities of the trust will be limited to: • purchasing "regulatory assets" or "investment assets" from the IESO or other Financing Entities; • funding such purchases by issuing or incurring "funding obligations"; • activities ancillary to the points above in order to perform the functions expected of Financing Entities in the Act. **Replacement of Issuer Trustee:** the Issuer Trustee may be replaced at any time by the Financial Services Manager (to help establish that OPG controls the trust) **Net Income:** All net income of the trust each year will be fully distributed to unitholders, either in cash or promissory notes (to ensure no taxable income in the trust).

Administrative Services Agreement	
Parties	• Issuer Trustee , on behalf of the Financing Entity • OPG, as Administrative Services Manager
Key Terms	**Delegation Re. Appointment of Certain Servicers:** Issuer Trustee delegates to the Administrative Services Manager specific duties regarding the management of the Financing Entity including the retention of third party servicers such as legal counsel, accounting, auditing and paying agents. **Fees:** Administrative Services Manager's compensation will be limited to reimbursement of third party expenses [plus a markup approved by the Ontario Energy Board]. The priority of the Administrative Services Manager's compensation under this agreement will be subject to the terms of the Master Trust Indenture (described below). **Resignation/ Termination:** The Administrative Servicer may resign from its duties only if it appoints a replacement. The Administrative Servicer may only be terminated by the Issuer Trustee if the Issuer Trustee is required to do so under the terms of the funding obligations of the Financing Entity.

Financial Services Agreement	
Parties	• Issuer Trustee, on behalf of the Financing Entity • OPG, as Financial Services Manager
Key Terms	**Delegation Re. Management of Trust:** Issuer Trustee delegates to the Financial Services Manager all powers and duties of managing the Financing Entity not otherwise delegated pursuant to the Administrative Services Agreement (described above), including: initiating requests for true up amounts and exercising all other rights of the Financing Entity under the Act. **Incurrence of Funding Obligations:** Financial Services Manager will determine how and when to incur funding obligations to acquire investment assets or refinance existing funding obligations. **Separation Covenant:** Financial Services Manager will be subject to "separateness covenants" which, in general, are intended to ensure that the Financial Services Manager operates the Financing Entity on a stand-alone basis, separate from OPG, including ensuring that all funds remitted by the Servicer under the Master Sale and Servicing Agreements (described below) are paid directly to accounts of the Financing Entity rather than through accounts in the name of OPG. **Fees:** Financial Services Manager will be entitled to reasonable compensation for its services [as approved by the Ontario Energy Board]. The priority of the Financial Services Agent's entitlement to compensation under this agreement will be subject to the Master Trust Indenture (described below). **Resignation/ Termination:** The Financial Services Manager may resign from its duties only if it appoints a replacement. The Financial Services Manager may only be terminated by the Issuer Trustee if the Issuer Trustee is required to do so under the terms of the funding obligations of the Financing Entity.

Master Trust Indenture	
Parties	• Issuer Trustee, on behalf of the Financing Entity, acting through the Financial Services Manager • Indenture Trustee, acting for the benefit of Specified Creditors (described below)
Key Terms	**Issuance of Debt:** Provides for the issuance of commercial paper or separate series of term notes ("**Series Notes"**) through supplemental indentures. **Subordination:** Provides for different levels of subordination for both commercial paper and Series Notes. **Security:** Security is granted over all assets of the Financing Entity to the Indenture Trustee for the benefit of all "Specified Creditors" (described below)

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<tr><td></td><td> “Specified Creditors”: all persons who may have contractual claims against the Financing Entity (including holders of senior and subordinated commercial paper and Series Notes, senior and subordinated lenders, hedge counterparties, credit enhancers, liquidity providers, the Financial Services Manager, the Administrative Services Manager, the Indenture Trustee, the Issuer Trustee).
Priority: Includes detailed provisions providing for the priority of payments among Specified Creditors both before and after the occurrence of a “Trigger Event” (described below). All Specified Creditors would be required to agree in their respective agreements to be bound by the priority provisions in the Master Trust Indenture and to limit recourse to the assets of the Financing Entity.
“Trigger Event”: will include payment defaults and covenant breaches (subject to applicable cure periods) and insolvency events.
Consequence of a Trigger Event: Upon the occurrence of a Trigger Event:

the payment priorities change to direct all amounts that would otherwise be payable on subordinated funding obligations towards payment of senior funding obligations; and
certain remedies become available, including the right to replace OPG as Financial Services Manager and Administrative Service Manager.

Customary Terms: Additional customary terms would include: representations and warranties, covenants, the list of Trigger Events and applicable remedies, governance for meetings of noteholders and Specified Creditors. </td></tr>
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<tr><th colspan="2">Supplemental Indenture</th></tr>
<tr><td>Parties</td><td>
Issuer Trustee, on behalf of the Financing Entity, acting through the Financial Services Manager
The Indenture Trustee, a trust company, acting for the benefit of Specified Creditors
</td></tr>
<tr><td>Key Terms</td><td> Series Notes: Includes key terms applicable to certain Series Notes including:

the designation of all notes in a Series and aggregate principal amount of each class of notes in a series;
interest rate for each class of notes;
expected final payment dates and legal maturity dates;
periodic payment dates;
terms specific to the Series that are not in the Master Trust Indenture.
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<tr><th colspan="2">Senior Funding Agreements</th></tr>
<tr><td>General Description</td><td> Funding agreements could take several forms, depending on the form of the underlying funding obligation, but all parties to any form of funding agreement would be a Specified Creditor for the purposes of the Master Trust Indenture.

Note Purchase Agreement: Would typically be used in connection with the issuance of commercial paper pursuant to the Master Trust Indenture and would normally provide for the purchase of commercial paper on a committed or uncommitted basis for a period of one to three years, subject to extension. Indebtedness would be expected to be repaid from the proceeds of issuance of Series Notes.
Credit Agreements: Would be used to provide short term loans (perhaps up to 3 years) to fund the purchase of investment assets. Indebtedness would be expected to be repaid from the proceeds of issuance of Series Notes.
Agency and Subscription Agreements: When Series Notes are offered through investment dealers (“Dealers”) on a best efforts agency basis, the Dealers will enter into an Agency Agreement with the Financing Entity in connection with the offering of Series Notes. Individual investors under an agency distribution would enter into subscription agreements with respect to the Series Notes they purchase.
Underwriting Agreements: When Series Notes are to be purchased by Dealers on an underwritten basis it would be effected through an underwriting agreement between the Dealers and the Financing Entity.
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<tr><th colspan="2">Subordinated Funding Agreements</th></tr>
<tr><td>General Description</td><td>Whenever senior funding obligations are incurred by the Financing Entity, it is expected that OPG or a subsidiary of OPG (the "OPG Investor") will acquire corresponding subordinated funding obligations to maintain a ratio of senior funding obligations to subordinated funding obligations of 51:49. The options available to the OPG Investor as to how to invest in subordinated funding obligations are flexible, so long as whatever options are chosen, the terms must provide that the rights of the OPG Investor are subject to the priority provisions in the Master Trust Indenture.

Subordinated Note Purchase Agreements: Where the senior funding obligations consist of commercial paper issued pursuant to the Master Trust Indenture, the OPG Investor may acquire subordinated commercial paper through a Subordinated Note Purchase Agreement that will largely correspond to the Note Purchase Agreements for the senior commercial paper, except that the commercial terms will reflect the subordinated nature of the investment.
Subordinated Credit Agreements: Where the senior funding obligations consist of loans made pursuant to Credit Agreements, the OPG Investor may make subordinated loans pursuant to a Subordinated Credit Agreement that will largely correspond to the Credit Agreements for the senior loans, except that the commercial terms will reflect the subordinated nature of the loans.
OPG Investor Subscription Agreements: Where senior Series Notes are issued pursuant to an Agency Agreement or Underwriting Agreement, the OPG Investor may acquire subordinated Series Notes created under the same supplemental indenture as the senior Series Notes pursuant to a Subscription Agreement with the Financing Entity. The terms of the subordinated Series Notes would largely correspond to the terms of the senior Series Notes, except that the commercial terms would reflect the subordinated nature of the notes.
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<tr><th colspan="2">OPG Equity Subscription Agreement</th></tr>
<tr><td>Parties</td><td>Issuer: OPG
Subscriber: Her Majesty the Queen in right of Ontario, as represented by the Ministry of Energy</td></tr>
<tr><td>Key Terms</td><td>Equity Subscription: Subscriber agrees to subscribe for Class A Shares of the Issuer in an amount equal to [44%] of total funding obligations (approximately $11B).

Class A Shares: OPG will amend its Articles to create an additional class of shares- Class A shares- which will be non-voting and redeemable at OPG's option.

Use of Proceeds: OPG agrees to use the equity subscription proceeds solely for funding the Financing Entity's subordinated debt obligations (as described above).

Value of Shares: Class A Shares will be issued and redeemed at a value per share equal to the book value, as determined from OPG's quarterly financial statements.

Redemption Rights: OPG will have the right to redeem the Class A Shares, which right is expected to be exercised once the subordinated debt is being repaid.</td></tr>
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<tr><th colspan="2">Master Sale and Servicing Agreement</th></tr>
<tr><td>Parties</td><td>IESO, as Seller and Servicer
Issuer Trustee, on behalf of the Financing Entity acting through the Financial Services Manager, as purchaser
[OPG, as Financial Services Manager]</td></tr>
<tr><td>General Description</td><td>Provides for the sale, from time to time, by the IESO to the Purchaser of the IESO's rights under its regulatory asset, thereby creating or increasing the Purchaser's investment asset</td></tr>
<tr><td>Key Terms</td><td>Amount: IESO to advise the Financial Services Manager of the amount of its regulatory asset from time to time. Upon the Purchaser securing funding obligations, the Purchaser may offer to purchase from the IESO rights in respect of a specified amount of the regulatory asset and IESO shall sell its rights to such portion of the regulatory asset to the Purchaser in accordance with the Act and regulation.

Investment Asset: In accordance with the Act, the rights under the regulatory asset acquired from IESO become a part of the Purchasers investment asset under the Act.

Fully Serviced Asset: The Seller will sell its rights under the regulatory assets on a "fully serviced basis", meaning that it will receive no additional compensation for carrying out its duties under the Act and regulations to bill electricity distributors for the amount of "clean energy adjustments" required to fund the Purchaser's funding obligations, and collecting such amounts from electricity distributors and remitting the same to the Purchaser in accordance with the Act and regulation.

Standard of Care of Servicer: The Agreement will set out the standard of care of IESO as Servicer. While IESO will not be guaranteeing that collections from electricity distributors will equal the amounts invoiced to them, IESO will be expected to exercise the same degree of care and diligence that it uses in connection with the collection of other amounts from electricity distributors.

Servicer Defaults: The Agreement will set out specific "Servicer Defaults". Upon the occurrence of a Servicer Default, it is expected that the Purchaser will be entitled to [require the Province to appoint a replacement Servicer who will perform IESO's duties as Servicer] (See "Provincial Support/Guarantee" below).</td></tr>
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Provincial Support Agreement/ Guarantee	
Parties	• Guarantor: Her Majesty the Queen in right of Ontario, as represented by the Ministry of Energy • Beneficiaries: Indenture Trustee under the Master Trust Indenture acting for the benefit of all Specified Creditor (as defined in the Master Trust Indenture)
Key Terms	**Term:** The Guarantor's obligations under the Provincial Support Agreement will continue until [one year][1] after all Funding Obligations of all Financing Entities have been repaid. **Performance Guarantee:** [Upon the occurrence of a Performance Guarantee Event], the Indenture Trustee will be entitled to require the Guarantor to appoint a replacement servicer who will perform IESO's duties as servicer under the Master Sale and Servicing Agreement (described above). In the event that the performance guarantee is unenforceable against the Guarantor, the Provincial Support Agreement will contemplate a separate legal obligation by the Guarantor to indemnify the Indenture Trustee. **"Performance Guarantee Event"**: A "Servicer Default" occurs, as defined in the Master Sales and Services Agreement (described above). **Payment Guarantee:** [Upon the occurrence of a Payment Guarantee Event and within [5/10] business days after receiving a demand from the Indenture Trustee], the Guarantor shall [guarantee and indemnify the Indenture Trustee (for and on behalf of the Beneficiaries) by paying all regularly scheduled interest and principal payments during the term of a Financing Entity's contractual obligation to such Beneficiary]/[assume the contractual obligations of a Financing Entity to the Beneficiaries][2], which for greater certainty shall not include any default, penalty, prepayment, or make whole amounts. **"Payment Guarantee Event"** includes: • if the Legislative Assembly of Ontario repeals the Act; or • if the Legislative Assembly of Ontario amends the Act or Regulation thereunder in a way that adversely impacts the ability of a Financing Entity to fully recover an investment interest in order to fully pay all obligations incurred by such Financing Entity in respect of such investment interest; or • if a court of competent jurisdiction (i) determines all or a portion of the Act to be *ultra vires* in a way that adversely impacts the ability of a Financing Entity to fully recover an investment interest in order to fully pay all obligations incurred by such Financing Entity in respect of such investment interest or (ii) declares any funding obligations to be invalid or unenforceable. **Limits Under Guarantee:** Under no circumstances shall the Guarantor be obligated to indemnify any Beneficiary for special or punitive damages, or loss of profits. **Priority of Payments:** The priority of the Beneficiaries to any payment made by the Guarantor under the Provincial Support Agreement shall be governed by the priority provisions in the Master Trust Indenture (described above). **Subrogation:** Where the Guarantor has repaid a Beneficiary, to the extent of such payment, the Guarantor is subrogated in and to all the rights of recovery of such Beneficiary in respect of the applicable indebtedness and the security granted by a Financing Entity to the Indenture Trustee. After repayment by the Guarantor of all amounts owing to a Beneficiary, the Indenture Trustee will acknowledge and agree on behalf of such Beneficiary that the Guarantor is entitled to exercise all of the rights, powers and privileges that the Beneficiary has or may exercise in respect of the repaid indebtedness, all in accordance with the terms of the Master Trust Indenture.

[1] This mirrors the requirement expected to be in the Regulations under the Act not to wind up, dissolve or liquidate a Financing Entity until at least one year after all of its Funding Obligations have been repaid.

[2] To confirm if Province will become the debtor under the applicable debt documentation or if the Financing Entity will continue to be the primary obligor with the Province acting as secondary obligor.