Adherence of the Change of Law Protection Agreement to Approved Obligations

Words that are not defined below and that are defined in the OFHPA or otherwise in the General Regulation will have the meanings given in the OFHPA or the General Regulation, as applicable.

Approval Process

Subject to satisfaction of the conditions described under "Adherence Condition", below, the Change of Law Protection Agreement will apply (without duplication) in respect of the following "Specified Claims" (as defined in the Term Sheet) of the applicable financing entity (collectively, the "Approved Obligations"):

1. repayments[1], other than to the extent that funds are available for payment thereof from one or more committed refinancings or from amounts on deposit in a capital account, finance reserve account or supplemental reserve account or from payment proceeds under a related derivative agreement ("Principal Obligations");

2. obligations incurred by the financing entity to pay specified redemption amounts, other than to the extent that funds are available for payment thereof from one or more refinancings or from amounts on deposit in a capital account, finance reserve account or supplemental reserve account or from payment proceeds under a related derivative agreement ("Redemption Obligations");

3. interest payable under outstanding indebtedness of the financing entity, other than to the extent that funds are available for payment thereof from a finance reserve account or supplemental reserve account, from a funding rebate[2] or from payment proceeds under a related derivative agreement ("Interest Obligations");

4. derivative payments due and payable by the financing entity, determined on a net payment basis after the application of any collateral posted or available for posting by or on behalf of the financing entity to or for the benefit of the applicable counterparty, other than to the extent that funds are available for payment thereof from a capital account, finance reserve account or supplemental reserve account or from a funding rebate ("Hedging Obligations");

5. other funding costs due and payable by the financing entity and that are not included in 2, 3 or 4, above, other than to the extent that funds are available for payment thereof from a finance reserve account or supplemental reserve account or from a funding rebate ("Other Funding Obligations"); and

[1] This assumes that repayments will only include scheduled principal amounts, without regard to default and acceleration.

[2] Incorporate alternative GA stream, as applicable, in relation to all covered amounts – including interest, derivative payments, other funding costs and expenses contemplated in paras. 3 to 6.

6. finance entity expenses, due and payable by the financing entity and that are not included in 2 to 5, above and [other than amounts charged by the Financial Services Manager][3], other than to the extent that funds are available for payment thereof from a finance reserve account or supplemental reserve account or from a funding rebate ("Third Party Expense Obligations"),

but excluding in each case payments due and payable by the financing entity in respect of any contingent obligation of the financing entity to the extent that such payments would in the aggregate exceed the maximum amount specified therefor in the applicable governing document.

For greater certainty, the Change of Law Protection Agreement will not apply to any other amount or obligation of the financing entity, including (a) any amounts that are or become payable as a result of the exercise of an option of the financing entity following a Protection Event (e.g., redemption or extension rights), (b) amounts required to be deposited by or on behalf of the financing entity into any capital account, finance reserve account or supplemental reserve account, (c) tax liabilities and (d) contingent payment obligations that exceed the maximum amount therefor specified in the applicable governing document.

Adherence Conditions

The Change of Law Protection Agreement will bind the Province in respect of a funding obligation that is an Approved Obligation if:

1. at the time the funding obligation is incurred, the maximum aggregate payment amounts due or becoming due under the funding obligation, together with all other outstanding or committed Approved Obligations, do not exceed the Program Maximum;

2. OPG delivers a certificate, signed by at least two executive officers of OPG and addressed to the Province, not less than • Toronto business days prior to the incurrence or any amendment of the funding obligation, setting out the following with respect to the funding obligation:

   (a) the following information respecting a funding obligation to be incurred:

      (i) in the case of an incurrence of any related Principal Obligation, material details respecting such Principal Obligation, including the amount, timing and conditions of repayments (including any redemption or extension rights), the basis for OPG's expectations regarding the availability of any related refinancings, any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the Principal Obligation, and the rating (if any) contemplated to be attributed to the Principal Obligation;

[3] Confirm arrangements with OPG.

(ii) in the case of an incurrence of any related Redemption Obligation, material details respecting such Redemption Obligation, including the basis for determining to exercise any right, option or privilege that would result in an obligation to redeem, prepay or pay prior to a scheduled maturity any Approved Obligation, the basis for OPG's expectations regarding the availability of any related refinancings, and any required deposits to be made into a capital account or a finance reserve account in order to provide for payment of the Redemption Obligation;

(iii) in the case of an incurrence of any related Interest Obligation, material details respecting such Interest Obligation, including the applicable rate or rates (including default rates) and the timing and any conditions of payments, any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of the Interest Obligation, and the rating (if any) contemplated to be attributed to the Interest Obligation;

(iv) in the case of an incurrence of any related Hedging Obligation, material details respecting such Hedging Obligation, including the counterparty payor(s), the credit ratings (if any) of the payor(s), the anticipated risk or risks to be mitigated by the related derivative agreement, the circumstances in which the Hedging Obligation may not achieve such mitigation or be subject to early termination and whether collateral posting requirements will apply;

(v) in the case of an incurrence of any related Other Funding Obligation and any related Third Party Expense Obligation, material details respecting such obligations, including the payees, the timing and any conditions of payments, and any required deposits to be made into a finance reserve account or supplemental account or the availability of any funding rebates in order to provide for payment of such obligations;

(vi) in the case of any contingent obligation, material details respecting the contingent obligation of the financing entity under the funding obligation, including the nature and extent of any contingent payment, the circumstances in which the payment may arise and the maximum amount specified therefor in the applicable governing document;

(b) if an existing funding obligation is to be amended, material details respecting such amendment and the anticipated effect of the amendment on or in relation to the affected terms and conditions of the funding obligation, including regarding the applicable details set forth in (a), above, as the context requires;

(c) a statement that:

(i) the Principal Obligations, Redemption Obligations, Interest Obligations and Hedging Obligations becoming payable under the funding obligation (1) will arise under terms and conditions that are "Substantially in the Form" of the Reviewed Documentation applicable thereto; (2) in the opinion of such officers, are reasonably incurred in compliance with the OFHPA, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (3) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (4) reflect, in all material respects, arm's length terms and conditions;

(ii) the Other Funding Obligations and Third Party Expense Obligations becoming payable under the funding obligation (1) will, in the opinion of such officers, be reasonably incurred in compliance with the OFHPA, the General Regulation, any other enactments related thereto and the applicable Financing Plan; (2) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and (3) reflect, in all material respects, arm's length terms and conditions;

(iii) any Disclosure Document used in connection with the offering and sale of notes, bonds or other securities is "Substantially in the Form" of the Reviewed Documentation; and

(d) confirmation that if the funding obligation includes any contingent obligation, the applicable governing document for the funding obligation sets forth a maximum amount therefor; and

3. the Province has not provided written notice to OPG within • Toronto business days of receiving the certificate specified in 2, above, in respect of a proposed funding obligation stating that the Change of Law Protection Agreement shall not apply in respect of the funding obligation.

If the Adherence Conditions are satisfied, it will not be necessary for the Province to specifically approve the particular terms, conditions or documentation for the related funding obligations.

In connection with an incurrence or amendment of a funding obligation, OPG may certify to interested third parties that Adherence Condition 2[4] with respect thereto has been satisfied. Such certification shall be determinative (regardless of any inaccuracies, incompleteness or other defect in the certificate delivered) and may be relied upon by any addressee as conclusive evidence of same.

Reviewed Documentation

OPG will ensure that not less than • Toronto business days prior to the initial issuance of any funding obligation by the financing entity, the Province will have received copies, in substantially final form, of the following documents:

[4] Should this only relate to the certification or also the maximum program and the absence of a negating notice?

(a) the constating and organizational documents of the financing entity;

(b) any management, administration or servicing agreement to which the financing entity is a party, including any replacement or standby services agreement;

(c) the master transfer and servicing agreement between the financing entity and the IESO;

(d) the master trust indenture governing the issuance and common terms of notes or bonds and the security and priority of all Specified Claims that may be incurred from time to time by the financing entity;

(e) the form of supplemental indenture (supplemental to the master trust indenture referred to in (d), above) governing the terms and conditions of related series of notes or bonds issued by the financing entity and the particular allocations, security and priority of Specified Claims being serviced by related series property;

(f) the form of any note, bond or securities purchase agreement and any underwriting/agency/selling/subscription agreement with respect to sale of any series of notes, bonds or securities to be issued under the supplemental indenture referred to in (e), above;

(g) the form of any credit agreement governing the issuance of short term loan obligations by the financing entity;

(h) the form of schedule to an ISDA Master Agreement governing derivative transactions that may be entered into the financing entity from time to time;

(i) the form of any other agreement or instrument under which a Principal Obligation, a Redemption Obligation, an Interest Obligation, a Hedging Obligation or an Other Funding Obligation may arise or be affected. For example, any other agreement under which the financing entity incurs a material financial obligation or that affects the Province's subrogation rights and subrogee interests must be provided to the Province and, if accepted, become part of the Reviewed Documentation in the future, such as standby liquidity arrangements or credit enhancement agreements;

(j) if applicable, any other agreement governing the respective interests of persons having rights or interests in the investment asset or other assets of the financing entity, including any agreement of the sort contemplated in subsection 29(5) of the OFHPA; and

(k) the form of disclosure document (including any offering circular, prospectus or other investor disclosure statement) (a "Disclosure Document") describing the material terms of the Funding Obligation together with any related material information.

If acceptable, the Province will confirm that such reviewed documents shall be the "Reviewed Documentation" for the purposes of Adherence Condition 2(c).

Any proposed changes, additions or supplements to the Reviewed Documentation will be provided to the Province not less than • Toronto business days prior to any proposed use or such documents becoming effective. Such modified, additional or supplemental documentation will only become "Reviewed Documentation" for the purposes of satisfying Adherence Condition 2(c) if the Province confirms same not less than • Toronto business days prior to the delivery and effective time of the certificate contemplated in Adherence Condition 2.

For the purposes of Adherence Condition 2(c), the term "Substantially in the Form" means:

(a) with respect to the Reviewed Documentation referred to in (a) to (j), above, that there are no differences between the proposed documents and such Reviewed Documentation that could result in a change in the material terms or conditions applicable to the Approved Obligations, including regarding the amount of the payment obligations or the timing of or circumstances under which related payments are or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization), or that would affect the Province's rights of subrogation or interests as a subrogee as a result of performing the Change of Law Protection Agreement with respect to any Approved Obligation;

(b) with respect to the Reviewed Documentation referred to in (e) to (h), above, and possibly (i) and (j) as the context requires, that the variable terms to be set forth in the proposed documents are as reasonably contemplated in the Reviewed Documentation, as to the type, scope and extent of the obligations arising thereunder and as to the timing, conditions and circumstances in which such obligations may arise, but without regard to the particular financial terms, rates, levels and parameters set forth in the proposed documents other than to the extent that the forms of Reviewed Documentation specify specific requirements, limitations or parameters with respect thereto; and

(c) with respect to the Disclosure Document referred to in (k), above, that there are no material differences between the form and substance of the proposed disclosure document and such Disclosure Document and that such proposed disclosure document complies in all material respects with all securities disclosure requirements relating to the Funding Obligation subject to distribution thereunder.

<u>Program Maximum</u>

The Program Maximum will be determined by the Province prior to the initial issuance of the first funding obligation. In determining the Program Maximum, the Province will have regard to (but not be bound by) OPG's forecast of the maximum payment obligations expected to arise under Approved Obligations during the next [12] month period, based on and in accordance with the applicable Financing Plan (the "<u>Forecast</u>"). OPG will be required to deliver the Forecast to the Province not less than • Toronto business days prior to the proposed incurrence of the first funding obligation. The Province will confirm the Program Maximum in writing to OPG and the financing entity.

The Forecast will be updated and delivered to the Province [quarterly] thereafter, or more frequently if OPG so elects, to reflect the maximum payment obligations expected to arise under

Approved Obligations during the [12] month period immediately following the date of such updated Forecast, based on and in accordance with the applicable Financing Plan. Upon receiving an updated Forecast, the Province will determine whether or not the Program Maximum will be revised. Any determination to revise the Program Maximum will be confirmed by setting out a new Program Maximum in a written notice from the Province to OPG, the delivery of which will be conclusive evidence that such new Program Maximum will apply until further so revised.

On-Going Deliveries to the Province

Prior to the initial issuance of any funding obligation by the financing entity, OPG will provide the Province with a copy of the applicable Financing Plan and will promptly deliver to the Province a copy of any proposed change to or replacement of the Financing Plan.

Not later than • Toronto business days prior to the use or other dissemination by or on behalf of the financing entity of a disclosure document (including any offering circular, prospectus or other investor disclosure statement) respecting a funding obligation that will constitute an Approved Obligation, OPG will provide the Province with a copy of such disclosure document.

Not later than • Toronto business days prior to the incurrence by the financing entity of a funding obligation that will constitute an Approved Obligation, OPG will provide the Province with a written summary of the final terms and conditions of the proposed funding obligation.

Promptly following any incurrence of a funding obligation that constitutes an Approved Obligation or any amendment of such a funding obligation, OPG will be provide the Province with electronic copies of all related governing and all other closing documents executed by or on behalf of the financing entity in connection with such incurrence or amendment that would affect the financing entity's assets or obligations.

Upon request, OPG will provide the Province with such additional information and documentation as the Province requests in order to enable the Province to assess the nature and extent of its obligations under the Change of Law Protection Agreement.

For greater certainty, a failure by OPG to make the foregoing deliveries will not constitute a failure to satisfy the Adherence Conditions.

Covenants of OPG

To support the approval and related information processes described above, OPG will covenant to the Province (among other things) as follows:

(a) OPG will comply and ensure compliance by any financing entity (including as Financial Services Manager) with the OFHPA, the General Regulation and any other enactment related thereto;

(b) OPG will promptly notify the Province of the creation of any funding obligation that OPG determines is not or would not be an Approved Obligation;

(c) after the occurrence of any Protection Event (or any event that with the passage of time or the giving of notice would be a Protection Event), OPG will not, without the Province's prior written consent, permit any financing entity to exercise any redemption, pre-payment, early termination or extension right in respect of any Approved Obligation or exercise any other election or privilege in respect of any Approved Obligation, in each case if as a result the obligations applicable to the Approved Obligation under the Change of Law Protection Agreement would be accelerated, delayed or otherwise affected;

(d) if a funding obligation that is incurred includes a contingent obligation, OPG will ensure that the governing document for such funding obligation sets forth a maximum amount in order to limit the possible claim amount thereunder and OPG will ensure that such maximum amount is not increased without the Province's prior written consent; and

(e) OPG will ensure that any disclosure (including in any offering document) that refers to or describes the terms, effect or adherence of the Change of Law Protection Agreement will be subject to the prior review and approval of the Province.

For greater certainty, a failure by OPG to perform such covenants will not constitute a failure to satisfy the Adherence Conditions.