**EXECUTION VERSION**

# MANAGEMENT AGREEMENT

between

**FAIR HYDRO TRUST**
as Issuer

- and -

**ONTARIO POWER GENERATION INC.**
as Manager

Acknowledged and Accepted by

**BNY TRUST COMPANY OF CANADA**
as Indenture Trustee

**Dated as of December 20, 2017**

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## EXHIBIT

# <u>MANAGEMENT AGREEMENT</u>

THIS AGREEMENT made as of December 20, 2017,

BETWEEN:

**FAIR HYDRO TRUST**, a trust formed under the laws of the Province of Ontario

(the "**Issuer**")

- and -

**ONTARIO POWER GENERATION INC.**, a corporation established under the laws of the Province of Ontario

(the "**Manager**")

- acknowledged and accepted by -

**BNY TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in all of the provinces and territories of Canada, as indenture trustee

(the "**Indenture Trustee**")

**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 may from time to time finance the acquisition from the IESO of an Investment Interest pursuant to the terms of the Master Transfer and Servicing Agreement;

**AND WHEREAS** the Indenture Trustee has been appointed pursuant to the Indenture to act on behalf of all Specified Creditors and wishes to acknowledge and accept the rights and obligations granted to it thereby, including, but not limited to, its rights set forth in this Agreement;

**AND WHEREAS** the Issuer and the Manager are entering into this Agreement in furtherance of, and in accordance with, the Act;

**NOW THEREFORE** in consideration of the foregoing and the mutual covenants and agreements contained herein (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows:

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

(a) In this Agreement, the following terms have the following meanings:

"**Act**" has the meaning ascribed thereto in the recitals;

"**Agreement**" means this Agreement, as amended, supplemented, modified, replaced or amended and restated from time to time, and the expressions "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any Article, Section, paragraph, subparagraph or clause hereof;

"**Approved Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement;

"**Board**" means the Ontario Energy Board, a statutory corporation without share capital continued under the *Ontario Energy Board Act, 1998,* S.O., 1998;

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations;

"**CEA Consumer Invoice Amounts**" has the meaning ascribed thereto in the Master Transfer and Servicing Agreement;

"**Change of Law Process Agreement**" means the change of law process agreement to be dated December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance and Ontario Power Generation Inc.;

"**Clean Energy Adjustment**" has the meaning ascribed to the term "clean energy adjustment" in the Act;

"**Clean Energy Benefits**" has the meaning ascribed to the term "clean energy benefits" in the Act;

"**Clean Energy Costs**" has the meaning ascribed to the term "clean energy costs" in the Act;

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as may be amended, supplemented, modified, replaced or amended and restated from time to time;

"**Electricity Vendor**" has the meaning ascribed to the term "electricity vendor" in the Act;

"**Electricity Vendor CEA Collections**" has the meaning ascribed thereto in the Master Transfer and Servicing Agreement;

"**Fair Allocation Amount**" has the meaning ascribed to the term "fair allocation amount" in the Act;

"**Finance Amount**" has the meaning ascribed to the term "finance amount" in the Act;

"**Financial Services Manager**" has the meaning ascribed to such term under the Act;

"**Financing Entity**" has the meaning ascribed to the term "financing entity" in the Act;

"**Financing Plan**" has the meaning ascribed to such term under the Act;

"**Funding Obligation**" has the meaning ascribed to the term "funding obligation" in the Act;

"**IESO**" means the Independent Electricity System Operator, a statutory corporation without share capital amalgamated under the *Electricity Act, 1998,* S.O. 1998;

"**Implementation Plan**" has the meaning ascribed to such term in Section 4.3(a);

"**Indemnified Losses**" has the meaning ascribed to such term in Section 5.6(a);

"**Indenture**" means the master trust indenture to be dated December 21, 2017 between the Indenture Trustee and the Issuer, as may be amended, supplemented, modified, replaced or amended and restated from time to time;

"**Investment Interest**" has the meaning ascribed to the term "investment interest" in the Act;

"**Investment Interest Records**" means, collectively, any and all documents and records the Manager shall keep on file, in accordance with its customary procedures, relating to the Issuer Investment Interest, including copies of all documents filed with the Board in connection with any Clean Energy Adjustments and computational records relating thereto;

"**Issuer Compensation**" has the meaning ascribed to such term in Section 5.5;

"**Issuer Funding Obligation**" means a Funding Obligation incurred by the Issuer;

"**Issuer Investment Interest**" means, initially, the Investment Interest acquired by the Issuer pursuant to the first Transfer completed under the Master Transfer and Servicing Agreement and, upon the completion of each Transfer thereafter, the cumulative Investment Interest acquired by the Issuer;

"**Issuer Property**" means, as of any particular time, all assets of the Issuer and all property, real, personal or otherwise, tangible or intangible, which has been transferred, conveyed or paid to, or acquired by the Issuer, including all income, earnings, profits and gains therefrom, and which at such time is owned or held by the Issuer;

"**Management Fees**" means the fees established and charged by the Financial Services Manager in accordance with section 19(3) of the Act and the Regulations and approved by the Board in accordance with section 19(4) of the Act;

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement to be dated December 21, 2017 between the Issuer and the IESO, as may be amended, supplemented, modified, replaced or amended and restated from time to time;

"**Minister**" means the Minister of Energy or such other member of the Executive Council as may be assigned the administration of the Act under the *Executive Council Act*, S.O. 1990;

"**Monthly Servicer Report**" means the report delivered by the IESO under Section 3.5(a) of the Master Transfer and Servicing Agreement;

"**Offering Materials**" means any document used by the Issuer in connection with offering securities representing Issuer Funding Obligations for sale including, without limitation, any information circular, offering memorandum, annual information form, preliminary prospectus, prospectus, prospectus supplement, term sheet, registration statement or other similar document, or any amendments to such documents;

"**Perpetuity Date**" means the date that is one day prior to the 21st anniversary of the death of the last surviving lineal descendant of Queen Elizabeth, II of England living as of the date of the Declaration of Trust;

"**Primary Obligation**" has the meaning ascribed thereto in the Change of Law Protection Agreement;

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding;

"**Reference Period**" has the meaning ascribed to the term "reference period" in the Act;

"**Regulation AB**" means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125, and all related rules and regulations of the U.S. Securities and Exchange Commission, as such rules may be amended from time to time, and subject to such clarification and interpretation as have been provided by the U.S. Securities and Exchange Commission or by the staff of the U.S. Securities and Exchange Commission, or as may be provided by the U.S. Securities and Exchange Commission or its staff from time to time;

"**Regulations**" means Ontario Regulation 206/17: General, together with any other regulations promulgated under the Act;

"**Servicer CEA Receipts**" has the meaning ascribed thereto in the Master Transfer and Servicing Agreement;

"**Specified Consumer**" has the meaning ascribed to the term "specified consumer" in the Act;

"**Standard of Care**" has the meaning ascribed to such term in Section 5.1;

"**Transfer**" has the meaning ascribed to the term "transfer" in the Act; and

"**True Up Amount**" has the meaning ascribed to the term "true up amount" in the Act.

(b) Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the meanings ascribed thereto in the Indenture.

## ARTICLE 2
## INTRODUCTORY PROVISIONS

### 2.1 Sections and Headings

The table of contents does not form part of this Agreement. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

### 2.2 Extended Meanings

Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. Unless otherwise specified, a reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

### 2.3 References to Acts of the Issuer or the Issuer Trustee

For greater certainty, where any reference is made in this Agreement to an act to be performed by the Issuer, such reference will be construed and applied for all purposes as if it referred to an act to be performed by the Issuer Trustee as trustee of the Issuer. Where any reference is made in this Agreement to an act to be performed by the Issuer Trustee, such reference will be construed and applied for all purposes as if it referred to an act to be performed by the Issuer Trustee as trustee of the Issuer.

## ARTICLE 3
## APPOINTMENT OF THE MANAGER

### 3.1 Appointment and Authority of the Manager

The Issuer hereby appoints Ontario Power Generation Inc. as the Manager to act as its agent to provide services and perform duties for and on behalf of and for the account of the Issuer, as hereinafter provided, in connection with the activities of the Issuer relating to:

(a) the acquisition, administration and possible transfer of the Issuer Investment Interest on behalf of the Issuer in accordance with the Act;

(b) acting as custodian of the Investment Interest Records;

(c) the entering into and execution and delivery on behalf of the Issuer of any Program Agreements;

(d) the incurrence of Issuer Funding Obligations, and repayment thereof, to fund the acquisition of the Issuer Investment Interest;

(e) the negotiation, execution and delivering or filing on behalf of the Issuer of any Offering Materials;

(f) the implementation and administration of the provisions of the Program Agreements to which the Issuer or the Manager on its behalf is a party;

(g) the acquisition, administration and sale of investments that may from time to time be made by the Issuer; and

(h) all activities as may be reasonably incidental to the foregoing or necessary in connection with the performance by the Issuer of its obligations under the Program Agreements, the Act and the Regulations.

The Manager accepts such appointment and agrees to act in such capacity and to provide or cause to be provided the services and to perform the duties set forth in this Agreement on and subject to the terms and conditions in this Agreement. The Issuer hereby grants to the Manager the power and authority to act in the name of and on behalf of the Issuer, and to execute and deliver all documents, agreements and instruments in the name and on behalf of the Issuer, for the sole purpose of providing the services and performing the duties to be provided and performed by the Manager pursuant to this Agreement. The Manager shall provide all the services and perform all the duties contemplated under this Agreement, including its duties as Financial Services Manager under the Act, in Ontario, Canada.

## ARTICLE 4
## DUTIES AND OBLIGATIONS OF THE MANAGER

### 4.1 Program Agreements

(a) The Manager will administer as agent for and on behalf of and for the account of the Issuer the activities of the Issuer in connection with the Program Agreements and, in this regard, its services and duties will include:

(i) negotiating and executing, on behalf of the Issuer, Program Agreements and any documents related thereto with any Person and any amendments, supplements, replacements or restatements that may be necessary or desirable from time to time;

(ii) arranging for liquidity coverage required pursuant to the Program Agreements, negotiating and settling Liquidity Agreements and administering on behalf of the Issuer the activities of the Issuer in connection with such Liquidity Agreements;

(iii) when necessary or desirable, arranging for the Credit Enhancement of the Issuer Investment Interest, negotiating and settling Credit Enhancement Agreements and administering on behalf of the Issuer the activities of the Issuer in connection with such Credit Enhancement Agreements;

(iv) seeking satisfaction of the Rating Agency Condition from the Rating Agencies in respect of the Program Agreements and proposed amendments thereto if required;

(v) based on reports submitted to it, monitoring the recording, accounting for and enforcement of payment of amounts distributable or payable to the Issuer in connection with any Program Agreement;

(vi) maintaining accounts and banking records of the Issuer with respect to acquisitions or investments in and distributions and payments in connection with the Issuer Property, including Eligible Investments;

(vii) promptly after obtaining knowledge thereof, notifying the Issuer, the Indenture Trustee and the Rating Agencies of a breach in any material respect of any of the Manager's representations, warranties or covenants contained herein;

(viii) to the extent that the Issuer shall from time to time have funds the application of which is not then necessary to the repayment of outstanding indebtedness of the Issuer or to the payment of any costs, fees, expenses or disbursements of the Issuer, applying such funds on behalf of and for the account of the Issuer to the acquisition of Eligible Investments as the Manager may select pending the application of such funds to the repayment of outstanding indebtedness of the Issuer or to the payment of any costs, fees, expenses or disbursements of the Issuer; provided, however, that in making any such Eligible Investments, the Manager shall adhere to the requirements of the Program Agreements in all respects;

(ix) taking all other necessary and appropriate action to enable the Issuer to exercise its rights and perform its obligations in accordance with the provisions of any Program Agreement, including exercising rights of termination under Program Agreements and the enforcement of security or in respect of Eligible Investments;

(x) providing for the defense of any action, suit or proceeding brought against the Issuer or affecting the Issuer or any Issuer Property;

(xi) taking all such steps as may be necessary or appropriate to enable the Issuer to collect on any security relating to the Issuer Investment Interest;

(xii) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to enter into Derivative Agreements, selecting suitable counterparties thereto and negotiating the terms thereof in accordance with the terms of the Program Agreements;

(xiii) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations, including the determination of applicable principal (or face amount), amortization/sinking fund schedule(s), interest rates (or rate of discount), interest payment frequency, issuance date and maturities of such Funding Obligations;

(xiv) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(xv) making determinations under the Declaration of Trust regarding any distributions to beneficiaries of the Issuer;

(xvi) promptly providing the Issuer Trustee notice of the Perpetuity Date once determined;

(xvii) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of Issuer Funding Obligations and the execution and performance by the Issuer of its obligations under the Program Agreements, including all reporting obligations, applying for and monitoring the ratings of any Issuer Funding Obligations and coordinating all aspects of obtaining and maintaining ratings from the Rating Agencies;

(xviii) preparing, executing and delivering, in accordance with the requirements of all applicable securities laws, any Offering Materials to be furnished by the Issuer to any dealer or prospective purchaser of Issuer Funding Obligations, in accordance with the Issuer's obligations to prepare such Offering Materials under any Underwriting Agreement or Agency Agreement, and preparing amendments to or revising or updating information for such Offering Materials as required from time to time (it being understood that the Manager, as between it and the Issuer, shall not be responsible for the accuracy of any portion of the Offering Materials prepared from information obtained from any Person other than the Issuer and the Manager);

(xix) ensuring that all statements of the Issuer made in any Offering Materials or in connection with entering into any Program Agreement are at all times true and correct in all material respects (it being understood that the Manager, as between it and the Issuer, shall not be responsible for the accuracy of any portion of the Offering Materials prepared from information obtained from any Person other than the Issuer and the Manager);

(xx) arranging for compliance by the Issuer with any continuous disclosure obligations it may have under any applicable securities laws;

(xxi) preparing and filing all reports, certificates and other documents that are required to be prepared and filed pursuant to the Indenture in order to comply with Regulation AB and delivering all such reports, certificates and other documents to the Issuer, the Indenture Trustee and the Rating Agencies;

(xxii) arranging for the retention of legal counsel as may be necessary to perform for the Issuer the services necessary or appropriate to its organization or the conduct of its operations and all general services customarily provided by legal counsel;

(xxiii) arranging for the appointment, discharge and reappointment of an auditor of the Issuer and negotiating and fixing the fees of any such auditor;

(xxiv) arranging for the retention of an accounting firm and ensuring that proper books of account and complete records of all transactions of the Issuer undertaken or performed by it under the Program Agreements are maintained and rendering statements or copies thereof from time to time as requested by the Indenture Trustee and any issuing and paying agent, Lender or Credit Enhancer and co-operating in all audits of the Issuer;

(xxv) preparing, or arranging for the preparation of, all required financial statements of the Issuer;

(xxvi) preparing, procuring, delivering and filing, or causing to be prepared, procured, delivered or filed, any reports, attestations, exhibits, certificates or other documents required to be delivered or filed with the applicable securities regulator by the Issuer under the applicable securities or other applicable laws;

(xxvii) providing clerical and bookkeeping services necessary and appropriate for the Issuer relating to all transactions of the Issuer undertaken or performed by the Manager hereunder, and the Issuer's incurrence and repayment of Funding Obligations and other borrowings of money and maintaining and preserving records regarding the foregoing;

(xxviii) paying all taxes or assessments of whatever kind or nature imposed on the Issuer, and withholding and remitting all taxes required to be withheld and remitted by the Issuer under applicable laws, in each case, on behalf of and for the account of the Issuer and in accordance with the requirements of any applicable laws and subject to the payment priorities specified in the Program Agreements;

(xxix) preparing and filing, in accordance with the requirements of the Indenture and any applicable laws, all returns (including, for greater certainty, all returns, information returns, elections, designations, declarations, schedules, statements or supporting documents in relation thereto) required to be filed with any government authority, or prepared as support for any such filing, in connection with (A) the determination, assessment or collection of any taxes of the Issuer or taxes, or amounts on account of taxes, that the Issuer is required to withhold and remit by applicable laws, or (B) the administration of any laws, regulations or administrative requirements relating to taxes; and

(xxx) providing such other services as are incidental to the foregoing or as the Issuer and the Manager may agree.

(b) The Manager will not offer to enter into any Program Agreement:

(i) after the Manager receives a notice of termination pursuant to Section 7.1; or

(ii) if the entering into of the Program Agreement would violate any other Program Agreements.

(c) The Manager will not consent to or execute any material amendment or waiver of the Change of Law Process Agreement unless the Rating Agency Condition shall have been satisfied and the Manager will notify the Rating Agencies of any assignment, amendment or waiver of the Change of Law Process Agreement.

**4.2 Issuer Investment Interest**

The Manager will administer as agent for and on behalf of and for the account of the Issuer the following activities of the Issuer in connection with the acquisition and administration of the Issuer Investment Interest in accordance with the Program Agreements:

(a) enforcing the rights of the Issuer under the Program Agreements;

(b) seeking to protect the Issuer and the Specified Creditors from claims, actions or other proceedings of third parties that, if successfully pursued, would result in a breach of any representation by the IESO set forth in the Master Transfer and Servicing Agreement;

(c) executing and filing such filings, including filings under the PPSA, and causing such filings to be executed and filed, all in such manner and in such places as may be required by law to fully preserve, maintain, protect and perfect the ownership interest of the Issuer and the first priority security interest of the Indenture Trustee in the Issuer Investment Interest, including all filings required under the Act and the PPSA (and equivalent statutes in any applicable jurisdiction) relating to the transfer of the ownership of the rights and interest in the Issuer Investment Interest by the IESO to the Issuer or the pledge of the Issuer Investment Interest to the Indenture Trustee;

(d) maintaining accounts and records as to the Issuer Investment Interest accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between Servicer CEA Receipts and the Clean Energy Adjustment;

(e) instituting any Proceeding necessary to compel performance by the Board, the IESO, the Province of Ontario, the Indenture Trustee, the Issuer Trustee or any of their respective agents of any of their obligations or duties under the Act, the Regulations or any Program Agreement, as the case may be, and taking such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, in each case as may be reasonably necessary;

(f) seeking to block or overturn any attempts to cause a repeal of, modification of or supplement to the Act or the Regulations or the rights of holders of any Funding Obligations, by legislative enactment that would be materially adverse to the Issuer or the Specified Creditors or that would otherwise cause an impairment of the rights of the Issuer or the Specified Creditors; and

(g) instituting any Proceeding necessary to appeal or challenge the decision of a court that would be materially adverse to the Issuer or the Specified Creditors or that would otherwise cause an impairment of the rights of the Issuer or the Specified Creditors.

## 4.3 Implementation Plan

(a) The Manager will work with the IESO to develop on or before January 31, 2020 a written implementation plan identifying in reasonable detail the actions to be taken by the IESO and the Issuer in order to facilitate the Board, the Issuer, the IESO and the Electricity Vendors being prepared to perform their obligations under the Act and the Regulations when the setting, invoicing and collection of Clean Energy Adjustments commences (the "**Implementation Plan**"). The Implementation Plan should include the following:

(i) a process and a schedule for contacting Electricity Vendors and providing instructions with respect to the establishment of a segregated account by each Electricity Vendor, the procedures for invoicing Clean Energy Adjustments, the identification, deposit and segregation of collections of Clean Energy Adjustments by Electricity Vendors and their remittance to the IESO;

(ii) the development of processes for the necessary exchanges of information with respect to Clean Energy Adjustments among the Board, the Issuer, the Manger, the IESO, Electricity Vendors and Specified Consumers;

(iii) procedures for the testing of the processes for the collection and remittance of Clean Energy Adjustment before February 28, 2021; and

(iv) target dates for the achievement of specified objectives under the Implementation Plan.

(b) The Manager will deliver the Implementation Plan to the Issuer and the Indenture Trustee on or before January 31, 2020.

(c) The Manager will deliver written progress reports on the status of the implementation of the Implementation Plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

**4.4 Collection of Clean Energy Adjustments**

(a) The Manager will as agent for and on behalf of the Issuer perform the following in connection with the collection of Clean Energy Adjustments:

(i) review each Monthly Servicer Report and make commercially reasonable efforts to resolve any failures and discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors;

(ii) institute any Proceeding necessary to compel performance by the Electricity Vendors of any of their obligations or duties under the Act and the Regulations including with respect to the invoicing, collection, receipt, remittance and reporting in respect of Clean Energy Adjustments; and

(iii) commencing May 1, 2021 and pursuant to its rights under Section 10(4) of the Regulations:

(A) the Manager shall review or caused to be reviewed, on an annual basis or, subject to the satisfaction of the Rating Agency Condition, less frequently as may be determined by the Manager, the records maintained by each Electricity Vendor with respect to Clean Energy Adjustments, such review to include, in respect of each Electricity Vendor: (a) an assessment of compliance with the requirements imposed under the Act, (b) a reconciliation of CEA Consumer Invoice Amounts and Electricity Vendor CEA Collections, (c) a review of amounts deposited into the segregated account established for the purpose of receiving Clean Energy Adjustment amounts, and (d) a reconciliation of Servicer CEA Receipts and Electricity Vendor CEA Collections; and

(B) if there is evidence of material non-compliance by an Electricity Vendor with its duties and obligations in respect of Clean Energy Adjustments, the Manager shall promptly review or cause to be reviewed the records of such Electricity Vendor as the Manager deems reasonably necessary to cause compliance by such Electricity Vendor; and

(C) the Manager shall notify each Rating Agency of any material non-compliance identified as a result of any review completed pursuant to this Section 4.4(a)(iii).

## 4.5 Investment Interest Records

(a) The Manager will act as custodian of the Investment Interest Records as agent for and on behalf of and for the account of the Issuer, which are hereby constructively delivered to the Indenture Trustee, as pledgee of the Issuer with respect to the Issuer Investment Interest, and, in this regard, the Manager shall:

(i) hold the Investment Interest Records on behalf of the Issuer and the Indenture Trustee and maintain such accurate and complete accounts, records and computer systems pertaining to the Investment Interest Records as shall enable the Issuer and the Indenture Trustee, as applicable, to comply with the Program Agreements;

(ii) promptly report to the Issuer, the Indenture Trustee and the Rating Agencies any failure on its part to hold the Investment Interest Records and maintain its accounts, records and computer systems as herein provided and promptly take appropriate action to remedy any such failure;

(iii) maintain the Investment Interest Records at its offices at 700 University Avenue, Toronto, Ontario or at such other office as shall be specified to the Issuer and the Indenture Trustee by written notice at least 30 days prior to any change in location;

(iv) make available for inspection, audit and copying to the Issuer and the Indenture Trustee or their respective duly authorized representatives, attorneys or auditors the Investment Interest Records at such times during normal business hours as the Issuer or the Indenture Trustee shall reasonably request and that do not unreasonably interfere with the Manager’s normal operations; and

(v) upon instruction from the Indenture Trustee in accordance with the Indenture or any other Person in accordance with another Program Agreement, release any Investment Interest Records to the Indenture Trustee, the Indenture Trustee’s agent or the Indenture Trustee’s designee, as the case may be, at such place or places as the Indenture Trustee may designate, as soon as practicable.

(b) Nothing in this Section 4.5 shall affect the obligation of the Manager to observe any applicable law prohibiting disclosure of information regarding Specified Consumers, and the failure of the Manager to provide access to such information as a result of such obligation shall not constitute a breach of this Section 4.5.

(c) Nothing in this Section 4.5 shall be deemed to require an initial review or any periodic review by the Issuer or the Indenture Trustee of the Investment Interest Records. The Manager’s duties to hold the Investment Interest Records set forth in this Section 4.5, to the extent the Investment Interest Records have not been previously transferred to a successor Manager pursuant to Section 7.1, shall terminate one year and one day after the earlier of (i) the date on which the Manager is succeeded by a successor Manager in accordance with Section 7.1 and (ii) the day after the termination of the Indenture and payment in full of the Issuer Funding Obligations or any other amounts owed under the Indenture.

(d) The Manager shall, on or before the 25th Business Day following the end of each month (or if such day is not a Business Day, the first Business Day following such day), prepare and deliver to the Issuer Trustee and each Rating Agency a report substantially in the form of Exhibit B (a "**Monthly Portfolio Report**").

**4.6 Payment of Other Issuer Fees and Expenses**

The Manager in accordance with the Program Agreements may, at its option, pay from its own funds the fees and expenses properly incurred on behalf of the Issuer in the ordinary course of the Issuer's operations. To the extent such fees and expenses are paid by the Manager from its own funds, the Issuer will reimburse the Manager for such payments, subject to the payment priorities specified in the Program Agreements.

**4.7 Delegation**

In connection with the services to be provided or duties to be performed by it under this Agreement, the Manager may, subject to any limitation on delegation imposed by applicable law, by the Declaration of Trust or by the Issuer, engage or employ any Persons as employees, agents, representatives, independent contractors or otherwise, including, without limitation, banks, underwriters, accountants, investment advisers, tax advisers, insurance advisers, lawyers, appraisers, bankers, brokers, dealers, depositories, custodians, agents for collection or others in one or more capacities and any other advisers which the Manager deems advisable, and may delegate any of the powers and duties of the Manager to any such Persons upon such terms and conditions as it may determine. For greater certainty, the Manager shall remain liable and responsible for any of the powers and duties of the Manager which it delegates to a third party.

**4.8 Annual Compliance Certificates**

The Manager shall provide to the Issuer Trustee a certificate in the form of Exhibit A within 120 days after the end of each fiscal year of the Issuer confirming compliance with the matters referred to in such certificate. The Issuer shall be entitled to rely on such certificate for the period between the effective dates of two consecutive certificates certifying such compliance unless the Issuer has received written notice to the contrary.

**4.9 Acknowledgment of Duties as Financial Services Manager**

The parties hereto acknowledge that, for so long as Ontario Power Generation Inc. is the Financial Services Manager appointed under the Act, Ontario Power Generation Inc., in its capacity as the Financial Services Manager, will satisfy its obligations as Financial Services Manager in accordance with the Act and the Regulations, and, for greater certainty, its services and duties in this regard will include:

(a) preparing the Financing Plan and, in accordance therewith, evaluating whether Funding Obligations should be incurred by the Issuer for the purposes of acquiring an Investment Interest or refinancing maturing Issuer Funding Obligations;

(b) determining the Clean Energy Adjustment (inclusive of any True Up Amount) payable by Specified Consumers in respect of each month in a Reference Period;

(c) calculating the True Up Amount;

(d) notifying the Board of the Clean Energy Adjustment (inclusive of any True Up Amount) in respect of a Reference Period or such other period as prescribed by the Regulations and sending a copy of such notice, as required, to the Issuer, the Indenture Trustee and the Rating Agencies concurrently therewith; and

(e) if, for any reason any Clean Energy Adjustment is not implemented and effective in respect of the Reference Period set forth in the notice and commencing on the date required under the Act, notifying the Issuer, the Indenture Trustee and each Rating Agency by the end of the second Business Day after such applicable date.

## ARTICLE 5
## OTHER PROVISIONS RELATING TO THE DUTIES AND COMPENSATION

### 5.1 Standard of Care

The Manager will perform its duties hereunder (including, for so long as it is the Financial Services Manager, its duties as Financial Services Manager under the Act and the Regulations) diligently and in conformity with the Issuer's obligations under the Program Agreements and with the Act and the Regulations, as applicable, and honestly, in good faith and in the best interests of the Issuer and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances (the "**Standard of Care**"). In carrying out its obligations hereunder, the Manager may rely upon the opinion or advice of or information obtained from any counsel, auditor, valuer or certificates from officers of any of the other parties to Program Agreements. Unless otherwise required by applicable law, the Manager will not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Manager will not be required to devote its entire time to its duties hereunder. Notwithstanding anything else to the contrary herein contained, nothing herein shall be interpreted or construed as an obligation of or on the part of the Manager, and the Manager shall not be liable or obligated, to pay or make any payment of, on or in respect of any debt, liability or obligation of the Issuer (including any payment of, on or in respect of any Issuer Funding Obligations or under any other Program Agreement), as agent for or on behalf of the Issuer or otherwise, except from the monies or funds of the Issuer which are made available to the Manager pursuant to this Agreement or the other Program Agreements for the purpose of such payment.

## 5.2 Compliance with Program Agreements; Conformity with Law

The Manager acknowledges that it has received copies of the Program Agreements, the Act and the Regulations in effect on the date hereof and is familiar with and understands the duties of the respective parties thereto or governed thereby, including those duties of the Issuer which are being delegated to the Manager hereunder. Notwithstanding anything herein to the contrary, the Manager shall perform its duties hereunder in a manner consistent with any applicable provisions of the Program Agreements in effect from time to time, and the Manager will not, in performing its obligations hereunder, take any action which it knows or ought reasonably to know would cause it or the Issuer to be in violation of any law, rule or regulation applicable to it. The Manager will use reasonable commercial efforts to comply with the terms applicable to the Issuer when acting on its behalf under all Program Agreements and will use reasonable commercial efforts in accordance with its Standard of Care to take such actions as would reasonably be expected to result in the representations and warranties given by the Issuer in any Program Agreement being true and correct in all material respects when made.

## 5.3 Liabilities

Except as provided in Section 5.6,

(a) the Manager will not be liable for any liabilities of the Issuer; and

(b) subject to the payment priorities specified in the Program Agreements, the Issuer agrees to indemnify, defend and hold harmless the Manager from and against any and all liabilities which may be imposed on, incurred by or assessed against the Manager as a result of any act or omission of the Issuer or the Manager under this Agreement or under any Program Agreement; provided that this Section 5.3(b) does not apply to the extent that in any circumstances there has been wilful misconduct or gross negligence of the Manager or its respective officers, employees or agents or any failure to comply with the Standard of Care.

To the extent that a liability is attributable solely to a single Series or a number of specific Series of Issuer Funding Obligations, the Manager will first exhaust its recourse against the assets available for recovery of such liability and designated to such Series of Issuer Funding Obligations. If such assets are insufficient to satisfy the indemnity set out in this Section 5.3, or if the liability is not attributable to a single Series or a number of specific Series of Issuer Funding Obligations, the liability will be satisfied on a pro rata basis as among the assets available for recovery of such liability and designated to all Issuer Funding Obligations.

Each party expressly disclaims any intention to create a partnership, and neither the Issuer nor the Manager will be deemed to be carrying on business in partnership by reason of its execution and delivery of this Agreement or the exercise or performance by it of its respective rights and obligations hereunder.

## 5.4 Compensation of the Manager

In consideration of and as compensation for all services provided and duties performed by the Manager pursuant to this Agreement, and so long as the Financial Services

Manager is also the Manager, all services provided and duties performed by the Financial Services Manager, the Issuer will pay to the Manager, subject to the payment priorities specified in the Program Agreements, the Management Fees. The Management Fees are exclusive of any applicable sales taxes and the Issuer shall pay to the Manager the amount of any applicable sales taxes in addition to such fees.

**5.5 Compensation of the Issuer**

In consideration of the Issuer engaging in the activities contemplated by the Act, the Manager will pay to the Issuer, on a monthly basis, the sum of $10 per month for any month or part thereof that the Issuer is engaged in such activities (the "**Issuer Compensation**"). The Issuer Compensation is exclusive of any applicable sales taxes and the Manager shall pay to the Issuer the amount of any applicable sales taxes in addition to the Issuer Compensation.

**5.6 Indemnification by Manager**

(a) The Manager shall indemnify the Issuer and defend and hold harmless the Issuer 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 the Issuer, as a result of (i) the failure of the Manager to perform its covenants and other obligations under this 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 this 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 the Issuer, seeking indemnification hereunder; provided that, in each case, the Manager shall not be required to indemnify the Issuer for any amount paid or payable by the Issuer 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 the Issuer of notice of the commencement of any Proceeding or investigation, the Issuer shall, if a claim in respect thereof is to be made against the Manager under this Section 5.6(a), notify the Manager in writing of the commencement thereof. Failure by the Issuer to so notify the Manager shall relieve the Manger from the obligation to indemnify and hold harmless the Issuer under this Section 5.6(a) 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 5.6(a), the Manager shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to the Issuer, 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 Issuer except as set forth below); provided, that the Issuer 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 Issuer 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 Issuer and the Manager and the Issuer 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 Issuer to represent the Issuer within a reasonable time after notice of the institution of such action, (iii) the Issuer shall have been advised by counsel to the Issuer that there may be a conflict of interest between the Manager and the Issuer, or (iv) the Manager authorizes the Issuer 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 Issuer other than one local counsel, if appropriate. The Manager will not, without the prior written consent of the Issuer, 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 5.6(a) (whether or not the Issuer is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Issuer from all liability arising out of such claim or Proceeding

(b) Indemnification under Section 5.6(a) shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Act and shall survive the termination of this Agreement and will rank pari passu with other general, unsecured obligations of the Manager.

(c) Notwithstanding anything contained in this Agreement, it is expressly understood that the Manager is not agreeing to indemnify or hold the Issuer 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 this Section 5.6(c)(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.

(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);

(iii) any losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province, the Issuer or the Indenture Trustee or any material part thereof being disaffirmed by or on behalf of the Province; or

(iv) any liability of the Issuer incurred after the termination of this Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant of the Manager that survives termination of this Agreement.

(d) 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 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.

(e) The parties hereto agree that the Manager is not providing any representations, warranties or covenants in this Agreement, and shall have no liability to the Issuer, 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.

(f) Notwithstanding anything contained in this Agreement, it is expressly understood that the Manager is not agreeing to indemnify or hold harmless the Issuer Trustee with respect to any liabilities resulting from the failure of the Issuer Trustee to satisfy the standard of care set out in the Declaration of Trust. Where the Manager has assumed total defense of a claim, it shall agree to ensure that any settlement of such claim does not include any form of admission of liability on the part of the Issuer Trustee (in its personal capacity).

**5.7 Contracting with Itself and Affiliates**

In the exercise of its rights, duties and obligations, the Manager may, if it is acting in good faith, enter into, as Manager for the Issuer, agreements and other contracts to which the Manager, in its personal capacity, or an Affiliate of the Manager, is a party.

## ARTICLE 6
## REPRESENTATIONS AND WARRANTIES

**6.1 Representations of the Issuer**

The Issuer represents and warrants to the Manager that (a) the execution, delivery and performance by the Issuer of this Agreement are within the powers of the Issuer and have been duly authorized by all necessary action on the part of the Issuer and do not contravene (i) the Program Agreements in effect on the date hereof or (ii) any law or contractual restriction binding on or affecting the Issuer and (b) this Agreement is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer.

**6.2 Representations of the Manager**

The Manager represents and warrants to the Issuer that (a) the execution, delivery and performance by the Manager of this Agreement are within the powers of the Manager and have been duly authorized by all necessary action on the part of the Manager and do not contravene any law or contractual restriction binding on or affecting the Manager, (b) this Agreement is a legal, valid and binding obligation of the Manager enforceable against the Manager and (c) it is a resident of Canada for purposes of the *Income Tax Act* (Canada).

## ARTICLE 7
## TERMINATION AND RESIGNATION

### 7.1 Termination

The Manager shall not be entitled to resign as manager of the Issuer or to terminate this Agreement for so long as any Funding Obligations remain outstanding. The Manager's rights and obligations under this Agreement (other than under Sections 5.3, 5.4, 5.6 and 8.5) will terminate, if the Manager receives a termination notice from (i) the Issuer Trustee, with the consent of the Indenture Trustee, or (ii) the Indenture Trustee, subject to the terms and conditions of the Indenture, in each case, on the 30th day after receipt of such notice. Notwithstanding the foregoing, no termination shall be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement whereby the replacement manager agrees to assume, in substance, the obligations of the Manager hereunder. Upon the termination of its rights and obligations under this Agreement, the Manager will notify the Rating Agencies and, promptly and upon the request of the Issuer, deliver to the Issuer all records (including Investment Interest Records) in the possession of the Manager relating to the performance of its services hereunder.

## ARTICLE 8
## MISCELLANEOUS

### 8.1 Acknowledgement of Indenture

The Manager (i) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Indenture including, without limitation, Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 7.12 (Payments Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Communications to Specified Creditors) and Section 16.01 (No Petition) of the Indenture; (ii) irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of documents of subordination) as may be necessary or appropriate to further assure the priority arrangements provided for in Article VI, Article VII and Section 8.13 of the Indenture, and appoints the Indenture Trustee as its agent for any and all such purposes; and (iii) consents, requests and authorizes the Issuer and the Indenture Trustee to (X) add the Manager (or its agent) to the register of Specified Creditors described in Section 13.13 of the Indenture and (Y) disseminate the notice details of the Manager to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Indenture.

### 8.2 Appointment of Manager as Attorney-in-Fact

Subject to any Program Agreement, the Issuer hereby irrevocably appoints the Manager as the Issuer's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name of the Issuer or otherwise, including full power of substitution, from time to time in the Manager's discretion or as required by this Agreement, to take such actions on behalf of the Issuer as the Manager may deem necessary or advisable to comply with or effect the purposes of this Agreement and any Program Agreement including, without limitation, to execute any documents, instruments or certificates in connection therewith, to ask, demand, collect, sue for, recover, compound, receive and give acquittances and receipts for monies due or becoming due to the Issuer or otherwise owed thereto, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any proceedings which the Manager may deem necessary or desirable for the collection thereof, or to enforce compliance with the terms and conditions of any Program Agreement.

**8.3 Amendments and Waivers**

(a) Subject to Section 8.3(b), this Agreement may be amended, supplemented, modified, restated or replaced from time to time by written instrument signed by the Issuer and the Manager. The Manager will forthwith after the execution of any such instrument by the Issuer and the Manager provide the Rating Agencies with a copy of such instrument.

(b) No provision of this Agreement may be amended, supplemented, modified, restated or replaced in any material respect without first obtaining the written consent of the Indenture Trustee in accordance with the Indenture and such amendment, supplement, modification or replacement will only be effective if the Rating Agency Condition has been satisfied.

(c) No waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing and signed by such party and such waiver or consent, if material, will only be effective if the Rating Agency Condition has been satisfied, and then said waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Manager will forthwith after the execution of any waiver by the Issuer and the Manager provide the Rating Agencies with a copy of such instrument. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

**8.4 Withholding Rights**

The parties hereto shall be entitled to deduct and withhold from amounts payable under this Agreement such amounts as each is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

## 8.5 No Petition

The Manager hereby agrees that it will not, prior to the date that is one year and one day after the termination of the Indenture and payment in full of the Issuer Funding Obligations and any other amounts owed under the Indenture, institute or encourage against the Issuer, or join or acquiesce in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency, winding-up or liquidation proceedings, or other proceedings under any federal or provincial bankruptcy, insolvency or similar law in connection with any obligations relating to this Agreement or any of the other Program Agreements. The foregoing shall not limit the rights of the Manager to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against the Issuer by any Person other than the Manager.

## 8.6 Notice

All demands, notices and communications hereunder will be in writing (unless otherwise expressly provided herein) and will be personally delivered or transmitted electronically to:

(a) in the case of the Issuer:

Fair Hydro Trust
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario
M5G 1X6

Email: FHT@opg.com
Attention: Vice President, Fair Hydro Plan

with a copy to:

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario
M5J 2Y1

Email: corporatetrust.toronto@computershare.com
Attention: Manager, Corporate Trust

(b) in the case of the Manager:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario
M5G 1X6

Email: FHT@opg.com
Attention: Vice President, Fair Hydro Plan

or such other address or email address as may hereafter by furnished to each of the parties hereto in writing. Notices transmitted by facsimile will be deemed to have been received when delivered (with receipt confirmed).

**8.7 Recourse to Issuer Trustee and the Issuer**

Nothing contained herein will be deemed to cause the Issuer Trustee to be personally liable for any obligations of the Issuer hereunder, and the Manager will not seek any personal or deficiency judgment in respect of such obligations against the Issuer Trustee in its personal capacity; provided, however, that the foregoing will not in any way affect any rights that the Manager may have hereunder to (a) proceed against any Person with respect to the enforcement of any guarantee of, or collateral security for, payment of such obligations or (b) recover any funds, damages, expenses or costs as a result of fraud or misrepresentation by the Issuer Trustee in its personal capacity. The obligations hereunder are not binding upon the Issuer Trustee except in its capacity as trustee of the Issuer nor will resort be had to the property of the Issuer Trustee except where liability is expressly imposed on the Issuer Trustee in its personal capacity hereunder, but the Issuer Property will be bound hereby.

**8.8 Severability**

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

**8.9 Execution of Counterparts; Electronic Delivery**

This Agreement may be executed in several 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 Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

**8.10 Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**8.11 Grant of Security Interest to Indenture Trustee; Acknowledgement of Rights of Indenture Trustee**

The Manager hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee for the benefit of the Specified Creditors pursuant to the Indenture of any or all of the Issuer's rights hereunder. The Manager further acknowledges and agrees that, pursuant to the terms of the Indenture, if the Issuer fails to exercise any of its rights under this Agreement, including any right to be indemnified by the Manager pursuant to Section 5.6 of this Agreement, the Indenture Trustee shall be entitled, subject to the terms of the Indenture, to enforce such rights against the Manager directly on the Issuer's behalf.

***[Remainder of page intentionally left blank.]***

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

**FAIR HYDRO TRUST, by its sole trustee, COMPUTERSHARE TRUST COMPANY OF CANADA**
**as Issuer**

By: ________________________
Name: Mircho Mirchev
Title: Corporate Trust Officer

By: ________________________
Name: Ann Samuel
Title: Associate Trust Officer

**ONTARIO POWER GENERATION INC.**
**as Manager**

By: ________________________
Name:
Title:

By: ________________________
Name:
Title:

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

**FAIR HYDRO TRUST, by its sole trustee, COMPUTERSHARE TRUST COMPANY OF CANADA**
**as Issuer**

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

**ONTARIO POWER GENERATION INC.**
**as Manager**

By: ______________________________
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

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

**ACKNOWLEDGED AND ACCEPTED:**

**BNY TRUST COMPANY OF CANADA**
**as Indenture Trustee**

By: ____________________________
Name: Ahmad Adam
Title: Vice-President

By: ____________________________
Name:
Title:

## EXHIBIT A

## ANNUAL COMPLIANCE CERTIFICATE

**TO**: Computershare Trust Company of Canada, (the "**Issuer Trustee**") in its capacity as issuer trustee of Fair Hydro Trust (the "**Issuer**")

Ontario Power Generation Inc., as manager (the "**Manager**") appointed by the Issuer Trustee under the Management Agreement dated as of December 20, 2017 between the Issuer Trustee and the Manager, and acknowledged and accepted by the Indenture Trustee (as amended, supplement, modified, restated or replaced from time to time, the "**Management Agreement**"), confirms, on behalf of the Issuer, the following:

(a) The books and records of the Issuer maintained by the Manager are current and accurate in all material respects.

(b) All debt obligations and expenses due and payable by the Issuer have been paid to date.

(c) All required filings with tax and regulatory authorities have been completed to date.

(d) All material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

Capitalized terms used but not defined herein have the meanings given to them in the Management Agreement.

Dated this ■ day of ■, ■.

**ONTARIO POWER GENERATION INC.**
**as Manager**

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

# EXHIBIT B

# MONTHLY REPORT

See attached.

| | Series [•] | | | | | | Class B | | | | | | Class C | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **I . DEBT SERVICE** | **Opening Principal Balance** | **Principal Payment** | **Closing Principal Balance** | **Interest** | **Total Debt Service** | | **Opening Principal Balance** | **Principal Payment** | **Closing Principal Balance** | **Interest** | **Total Debt Service** | | **Opening Principal Balance** | **Principal Payment** | **Closing Principal Balance** | **Interest** | **Total Debt Service** |
| Series/Tranche # | | | | | | | | | | | | | | | | | |
| Series/Tranche # | | | | | | | | | | | | | | | | | |
| Series/Tranche # | | | | | | | | | | | | | | | | | |
| Series/Tranche # | | | | | | | | | | | | | | | | | |
| | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **s/Tran** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **s/Tran** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** | **Series/Tranche #** |

**II . AVAILABLE FUNDS**
Opening Balance of Collection Account
IESO Carrying Cost Payments (other than the IESO Cash Reserve Deposit Amount)
Amounts received from Derivative Agreements
Total Clean Energy Adjustments (Collected Amounts)
Cash released from IESO Cash Reserve Account
True-Up Mechanism (Collected Amounts)
Cash Released from Program Cash Reserve Account
**Total Available Funds**

**III . DISTRIBUTIONS - TOTAL**
Taxes
Trustee fees/expenses
Interest Accumulation Account (Senior)
Hedge Payments (other than Termination Payments)
Interest Accumulation Account (Subordinated)
Interest Accumulation Account (Junior Subordinated)
Principal Accumulation Account (Warehouse)
Principal Accumulation Account (Senior)
Hedge Termination Payments (where the Derivative Counterparty is not the Defaulting Party or the sole Affected Party)

Fees and other amounts (other than interest and principal) due on Senior Funding Obligations
Manager fees/expenses
Principal Accumulation Account (Subordinated)
Fees and other amounts (other than interest and principal) due on Subordinated Funding Obligations
Principal Accumulation Account (Junior Subordinated)
Program Cash Reserve Account

Series Capital Account/Series Finance Reserve Account (not related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations)
Series Capital Account/Series Finance Reserve Account (solely related to Subordinated Funding Obligations)
Fees and other amounts (other than interest and principal) due on Junior Subordinated Funding Obligations
Series Capital Account/Series Finance Reserve Account (solely related to Junior Subordinated Funding Obligations)
Hedge Termination Payments (where the Derivative Counterparty is the Defaulting Party or the sole Affected Party)
Amount required to be paid to the Issuer per the Declaration of Trust
Indemnity amounts owning to the Manager
Fees, expenses, reimbursements and indemnity amounts owing and not previously paid to the Indenture Trustee; Taxes exigible and not previously paid; payments to all other Specified Creditors
Amounts remaining to be held in the Collection Account or paid to the Issuer or as the Issuer designates

**Total Distributions**

**IV . SERIES DISTRIBUTIONS**
A. Warehouse Senior 2017-1
Monthly Interest
CIBC
GS
RBC
Commitment Fee
CIBC
GS
RBC
Principal
CIBC
GS
RBC
**Total Warehouse Senior 2017-1 Distributions**

B. Warehouse Subordinated 2017-1
Monthly Interest
OPG
Principal
OPG
**Total Warehouse Subordinated 2017-1 Distributions**

C. Warehouse Junior Subordinated 2017-1
Monthly Interest
OPG
Principal
OPG
**Total Warehouse Junior Subordinated 2017-1 Distributions**

D. [Insert additional series, as applicable]

**V . CEA CASH AVAILABLE FOR PRINCIPAL REPAYMENT**
**Clean Energy Adjustment - Invoiced Amount:**
Cash Available for Principal Repayment - RPP Period - Invoiced Amount With Gross-Up

**Clean Energy Adjustment - Collected Amount:**
Cash Available for Principal Repayment - Collected Amount
Total Cash Available for Principal Repayment - Collected Amount

**Variance**
**Cumulative Variance**

**VI . PROGRAM CASH RESERVE ACCOUNT SUMMARY**
Opening Balance
Additions for Senior Funding Obligations
Additions for Subordinated Funding Obligations
Additions for Junior Subordinated Funding Obligations
Withdrawals for Senior Funding Obligations
Withdrawals for Subordinated Funding Obligations
Withdrawals for Junior Subordinated Funding Obligations
Ending Balance
Investment Proceeds on Program Cash Reserve Account
Program Cash Reserve Required Deposit Amount (Senior)
Program Cash Reserve Required Deposit Amount (Subordinated)
Program Cash Reserve Required Deposit Amount (Junior Subordinated)

**VII . IESO CASH RESERVE ACCOUNT SUMMARY**
Opening Balance
Additions for Senior Funding Obligations
Additions for Subordinated Funding Obligations
Additions for Junior Subordinated Funding Obligations
Withdrawals for Senior Funding Obligations
Withdrawals for Subordinated Funding Obligations
Withdrawals for Junior Subordinated Funding Obligations
Ending Balance
Investment Proceeds on Program Cash Reserve Account
Program Cash Reserve Required Deposit Amount (Senior)
Program Cash Reserve Required Deposit Amount (Subordinated)
Program Cash Reserve Required Deposit Amount (Junior Subordinated)

**VIII . INTEREST ACCUMULATION ACCOUNT SUMMARY**
Opening Balance
Additions for Senior Funding Obligations
Additions for Subordinated Funding Obligations
Additions for Junior Subordinated Funding Obligations
Withdrawals for Senior Funding Obligations
Withdrawals for Subordinated Funding Obligations
Withdrawals for Junior Subordinated Funding Obligations
Ending Balance
Investment Proceeds on Interest Accumulation Account
Interest Accrual Amount (Senior)
Interest Accrual Amount (Subordinated)
Interest Accrual Amount (Junior Subordinated)

**IX . PRINCIPAL ACCUMULATION ACCOUNT SUMMARY**
Opening Balance
Additions for Warehouse Obligations
Additions for Senior Funding Obligations (other than Warehouse Obligations)
Additions for Subordinated Funding Obligations
Additions for Junior Subordinated Funding Obligations
Withdrawals for Warehouse Obligations
Withdrawals for Senior Funding Obligations (other than Warehouse Obligations)
Withdrawals for Subordinated Funding Obligations
Withdrawals for Junior Subordinated Funding Obligations
Ending Balance
Investment Proceeds on Principal Accumulation Account
Principal Accumulation Amount (Warehouse)
Principal Accumulation Amount (Senior)
Principal Accumulation Amount (Subordinated)
Principal Accumulation Amount (Junior Subordinated)