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February 9, 2018

To the Parties Listed on Schedule "A"

Dear Sirs/Mesdames:

Re: Fair Hydro Trust – Issuance of Term Notes

We have acted as counsel to Ontario Power Generation Inc., in its own capacity ("**OPG**") and in its capacity as Manager (the "**Manager**") to the Fair Hydro Trust (the "**Trust**") and as Financial Services Manager (the "**FSM**") under *the Ontario Fair Hydro Plan Act, 2017* (the "**OFHPA**") in connection with:

(a) a term supplemental indenture dated February 9, 2018 to the Master Trust Indenture (as defined below) between the Trust and the Indenture Trustee providing for the issuance of the 3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "**Senior Notes**");

(b) a global form of Senior Note of the Trust in the aggregate principal amount of $500,000,000 registered in the name of CDS & Co. and dated February 9, 2018 (the "**Senior Note Certificate**");

(c) a term supplemental indenture dated February 9, 2018 to the Master Trust Indenture between the Trust and the Indenture Trustee providing for the issuance of the Subordinated Notes due May 15, 2033, Series 2018-1 Notes (the "**Subordinated Notes**");

(d) a definitive form of Subordinated Note of the Trust in the aggregate principal amount of $382,353,000 registered in the name of OPG and dated February 9, 2018 (the "**Subordinated Note Certificate**");

(e) a term supplemental indenture dated February 9, 2018 to the Master Trust Indenture between the Trust and the Indenture Trustee providing for the issuance of the Junior Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Junior Subordinated Notes**");

(f) a definitive form of Junior Subordinated Note of the Trust in the aggregate principal amount of $98,040,000 registered in the name of OPG and dated February 9, 2018 (the "**Junior Subordinated**

Note Certificate" together with the Senior Note Certificate and the Subordinated Note Certificate, collectively, the "**Term Note Certificates**"); and

(g) an agency agreement dated as of February 6, 2018 among CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited (collectively the "**Agents**") and the Trust (the "**Agency Agreement**"),

(collectively, the "**Documents**"); and

(h) the confidential shelf offering memorandum of the Trust dated January 22, 2018 (together with the documents and exhibits included or incorporated by reference therein, including a final term sheet dated February 6, 2018 (the "**Offering Memorandum**");

All capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Master Trust Indenture or the OFHPA and the related regulations, as applicable.

We have examined executed copies of the Documents and the Offering Memorandum. We have also examined such statutes and regulations, public records, corporate records, certificates of government officials, and such other similar documents, and have made such further investigations and searches and considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed, including the following:

(a) a declaration of trust dated December 20, 2017 (the "**Declaration of Trust**") by Computershare Trust Company of Canada ("**Computershare**" or "**Issuer Trustee**"), as issuer trustee of the Trust, establishing the Trust;

(b) a management agreement dated December 20, 2017 (the "**Management Agreement**") between the Issuer Trustee and the Manager;

(c) a master trust indenture dated December 21, 2017 (the "**Master Trust Indenture**") between the Trust, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**");

(d) an opinion support certificate from OPG dated the date hereof, a copy of which has been delivered to you;

(e) an opinion support certificate for the Trust from the Manager dated the date hereof, a copy of which has been delivered to you;

(f) an opinion support certificate from the Issuer Trustee dated the date hereof, a copy of which has been delivered to you;

(g) an opinion support certificate for the Trust from the Issuer Trustee dated the date hereof, a copy of which has been delivered to you;

(h) a certificate of status for OPG dated February 8, 2018 issued by the Ontario Ministry of Government Services, a copy of which has been delivered to you (the "**Certificate of Status**"); and

(i) a certificate of confirmation issued by the Office of Superintendent of Financial Institutions (Canada) dated February 8, 2018 (the "**Certificate of Confirmation**") and certificate as to registration (Ontario) dated February 8, 2018 with respect to the Issuer Trustee (the "**Certificate of Registration**").

Where any reference is made in this opinion to an act to be performed by or for or on behalf of or a right or obligation of the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by or a right or obligation of the Issuer Trustee for and on behalf and in its capacity as trustee of the Trust and, where any reference is made in this opinion to an act to be performed by or for or on behalf of or a right or obligation of the Issuer Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by or for or on behalf of or a right or obligation of the Issuer Trustee in its capacity as trustee of the Trust.

For the purpose of our opinions which are expressed to be given based on our knowledge, our knowledge means our actual knowledge of facts or other information by those lawyers in our firm who were involved in representing OPG, the Manager, the FSM and the Trust in the transactions contemplated by the Documents.

Assumptions

For the purposes of the opinions contained herein, we have assumed the following:

(a) the genuineness of all signatures, the legal capacity of all individuals, the authenticity of all documents submitted to us as originals and the conformity to originals of all documents submitted to us as certified or photostatic copies or facsimiles thereof;

(b) each of the parties to each of the Documents (other than the Manager, the Trust and Computershare) is existing under the laws of its jurisdiction of incorporation or formation, has the corporate or other power and capacity to enter into, and to perform its obligations under, each Document to which it is a party, has duly authorized, executed and delivered each Document to which it is a party, has satisfied those legal requirements that are applicable to it to the extent necessary to make the Document enforceable against it, and has complied with all legal requirements pertaining to its status as such status relates to its rights to enforce the Documents against the other parties thereto;

(c) each of the Documents is a legal, valid and binding obligation of the parties thereto (other than the Manager, the Trust and Computershare), enforceable against each of those parties in accordance with its terms;

(d) each of the Certificate of Status, the Certificate of Confirmation and the Certificate of Registration continues to be accurate on the date of this opinion as if issued on that date;

(e) the accuracy, currency and completeness of the indices and filing systems maintained at the public offices and registries where we have searched or made enquiries or have caused searches or enquiries to be made and the information and advice provided to us by appropriate government, regulatory or other like officials with respect to those matters referred to herein;

(f) that as of the date hereof, each of the Agents, in discharging its duties pursuant to the Agency Agreement, has complied with the relevant provisions thereof;

(g) the representations, acknowledgements and agreements stated in the Offering Memorandum and deemed to have been made by each purchaser of the Senior Notes that is purchasing the Senior Notes are true, correct and accurate in all respects (which representations, acknowledgements and agreements we have relied upon without independent investigation);

(h) other than the Offering Memorandum, no "offering memorandum" within the meaning of applicable securities laws has been delivered to any purchaser or prospective purchaser of the Senior Notes resident in the Province of Ontario or the Province of Alberta;

(i) no order, ruling or decree of any court or regulatory authority having jurisdiction having the effect of ceasing, restricting or suspending trading in the Senior Notes by any person or company in the Province of Ontario or the Province of Alberta is in effect, and no proceedings for that purpose have been instituted or are pending or contemplated; and

(j) the Issuer is not engaged in and does not hold itself out as engaging in the business of trading securities.

Our opinion is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein, except for the opinions expressed in paragraphs 13, 14 and 16 insofar as such opinions relate to the securities laws, regulations, rules and instruments of the Province of Alberta. All opinions expressed in this letter concerning the laws of the Province of Alberta and the laws of Canada applicable therein have been given by members of the Law Society of Alberta and all opinions expressed in this letter concerning the laws of the Province of Ontario and the laws of Canada applicable therein have been given by members of the Law Society of Upper Canada.

Opinions

Based upon and subject to the foregoing, and to the qualifications expressed below, we are of the opinion that:

1. Relying solely on the Certificate of Confirmation and Certificate of Registration, Computershare is a trust company existing under the laws of Canada and is licensed under such laws to carry on the business of a trust company as defined in the *Trust and Loan Companies Act* (Canada).

2. Relying solely on the Certificate of Confirmation and Certificate of Registration, Computershare is duly qualified as a trust company to carry on business in Ontario.

3. OPG is a corporation incorporated under the *Business Corporations Act* (Ontario).

4. The Trust has been constituted as a trust and is existing under the laws of the Province of Ontario.

5. Pursuant to the Declaration of Trust, the Issuer Trustee, as trustee of the Trust, has the power and capacity to own the assets and conduct the business of the Trust.

6. The execution and delivery by the Manager on behalf of the Issuer Trustee of the Documents to which the Trust is a party, and the performance by the Trust of its obligations thereunder do not and will not contravene, breach or result in any default under any provision of (i) the Declaration of Trust; or (ii) any statute, law or regulation of the Province of Ontario or of Canada applicable therein to which the Trust is subject.

7. No authorization, consent or approval, or other notice, order or action of, or registration, recording or filing with any court, administrative agency or other governmental or regulatory body or authority is required for the execution and delivery by the Trust of those Documents to which it is a party and the performance by it of its obligations thereunder or the consummation by it of any of the transactions contemplated thereby except such as have been obtained or completed, as the case may be.

8. The Manager is authorized by the Management Agreement to execute and deliver on behalf of the Issuer Trustee the Documents to which the Trust is a party that

have been executed by the Manger in such capacity and all action required by the terms and provisions of the Management Agreement and the other Documents to authorize the execution and delivery of such Documents by the Manager on behalf of the Issuer Trustee has been taken. Such Documents have been duly executed and delivered on behalf of the Trust by the Manager.

9. Each of the Documents (other than the Term Note Certificates) to which the Trust is a party constitutes a legal, valid and binding obligation of the Trust, enforceable against the Trust in accordance with its terms. Each of the Term Note Certificates, when duly certified by the Indenture Trustee in accordance with the terms of the Master Trust Indenture, and delivered for value, will be legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with their terms.

10. Each of the Term Note Certificates delivered by the Trust for certification are in the form contemplated by the Master Trust Indenture.

11. All conditions precedent contained in the Master Trust Indenture for the issuance of each of the Senior Notes, the Subordinated Notes and the Junior Subordinated Notes have been complied with.

12. The attributes of the Senior Notes conform in all material respects with the descriptions thereof contained in the Offering Memorandum.

13. The offering, issuance, sale and delivery of the Senior Notes by the Trust to purchasers in the Provinces of Ontario and Alberta in accordance with the Agency Agreement is exempt from the prospectus requirements of applicable securities laws in the Provinces of Ontario and Alberta, respectively, and no prospectus or any other documents must be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities obtained under applicable securities laws in the Provinces of Ontario and Alberta by the Trust to permit such offering, issuance and sale of the Senior Notes, other than (a) the filing of a report of exempt distribution on Form 45-106F1, as prescribed by National Instrument 45-106 – *Prospectus Exemptions*, prepared in accordance with applicable securities laws, together with payment of any applicable fees, and (b) the filing of a copy of the Offering Memorandum, with securities regulatory authorities, where required.

14. No prospectus is required and no other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations of regulatory authorities obtained under applicable securities laws in the Provinces of Ontario and Alberta to permit a holder of Senior Notes resident in the Provinces of Ontario and Alberta, respectively, to trade the Senior Notes, either through registrants or dealers registered under applicable laws who comply with applicable securities laws in the Provinces of Ontario and Alberta or in circumstances where there is an exemption from the registration requirements of applicable securities laws in the Provinces of Ontario and Alberta, provided that:

(a) the Trust is, and has been, a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;

(b) at the time of the trade, at least four months have elapsed from the date of this letter;

(c) the certificates representing the Senior Notes, if any, carry the legend required by Section 2.5(2)3(ii) of National Instrument 45-102 – *Resale of Securities* ("**NI 45-102**"), or if the Senior Notes are entered into a direct registration or other electronic book-entry system, or if the purchaser of Senior Notes did not directly receive a certificate representing the Senior Notes, the Purchaser received a written notice containing the legend restriction notation set out in Section 2.5(2)3(ii) of NI 45-102;

(d) the trade is not a "control distribution" within the meaning of NI 45-102;

(e) no unusual effort is made to prepare the market or to create a demand for the Notes that are the subject of the trade;

(f) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(g) if the holder of Senior Notes is an "insider" or "officer" of the Trust (within the meaning of applicable securities laws), the holder has no reasonable grounds to believe that the Trust is in default of securities legislation.

15. The statements in the Offering Memorandum under the heading "Statutory Rights of Action" in respect of the Province of Ontario constitute a fair summary of the statutory rights of action for rescission or damages applicable under applicable securities laws in the Province of Ontario and the Offering Memorandum contains a description of the statutory rights of action for rescission or damages required by applicable securities laws in the Province of Ontario.

16. No registration, recording, or filing of the Indenture is required to preserve or protect the validity or enforceability of the Master Trust Indenture, as supplemented, or the Senior Notes.

17. To our knowledge, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority of the Province of Ontario now pending or threatened against or affecting OPG or the Trust or any business, property or rights of OPG or the Trust that, if determined adversely, would prohibit the execution, delivery and performance of the Documents or the transactions contemplated thereunder.

18. The Trust is not a non-resident of Canada within the meaning of the Tax Act.

19. Subject to the qualifications, assumptions, limitations and understandings set out therein, the statements contained in the Supplement to the Offering Memorandum under the heading "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" are accurate in all material respects and constitute a fair summary of the principal Canadian federal income tax considerations generally applicable to prospective purchasers of the Senior Notes who, for the purposes of the Tax Act, deal at arm's length and are not affiliated with the Trust.

Qualifications

The foregoing opinions are subject to the following qualifications:

(a) applicable bankruptcy, insolvency, moratorium, reorganization, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforceability of creditors' rights generally;

(b) general equitable principles, including the fact that equitable remedies such as specific performance and injunctions are in the discretion of a court and may not be awarded where damages are considered an adequate remedy;

(c) indemnification provisions set out in any of the Documents may be unenforceable to the extent that a court decides that any payment required thereunder would derogate from the court's discretion in respect of indemnified amounts, or would be inconsistent with the court's determination by whom and to what extent indemnified amounts shall be paid;

(d) the enforceability of the indemnity and contribution provisions contained in the Agency Agreement may be limited by applicable law to the extent they directly or indirectly relate to liabilities imposed on a party by law for which it would be contrary to public policy to require another party to indemnify the party or contribute;

(e) we express no opinion as to the enforceability of any provision of any Document which requires a party to pay, or to indemnify another party for, the costs and expenses of that other party in connection with judicial proceedings, since those provisions may derogate from a court's discretion to determine by whom and to what extent those costs should be paid;

(f) we express no opinion as to the enforceability, in any particular circumstances, of any provision in any of the Documents which provides for the severability of illegal or unenforceable provisions;

(g) the records or a certificate, determination, notification or opinion of a party to the Documents as to any matter provided for in the Documents may be held by a court not to be conclusive if it can be shown to have an unreasonable or arbitrary basis or in the event of manifest error;

(h) the awarding of costs of or incidental to proceedings authorized to be taken in court or before a judge are in the discretion of the court or judge and the court or judge has the full power to determine by whom and to what extent such costs shall be paid;

(i) the right of the parties to the Documents to exercise any unilateral and unfettered discretion set forth therein will not prevent an Ontario court from requiring such discretion to be exercised reasonably and in good faith;

(j) enforcement may be limited to the extent that a court construes any provision of the Documents to constitute a penalty or forfeiture;

(k) the Indenture Trustee and the Specified Creditors may be required to give the Trust a reasonable time to repay following a demand for payment prior to taking any action to enforce its right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Indenture Trustee and the Specified Creditors in the Master Trust Indenture;

(l) enforceability of the Documents will be subject to the limitations contained in the *Limitations Act*, 2002, and we express no opinion as to whether a court may find any provision of the Documents to be unenforceable as an attempt to vary or exclude a limitation period under that Act;

(m) no opinion is expressed as to the compliance with the *Personal Information Protection and Electronic Documents Act* (Canada) or any other privacy laws;

(n) no opinion is expressed as to the enforceability of any provision of the Documents:

    (i) which purports to waive all defences which might be available to, or constitute a discharge of the liability of, OPG or the Trust;

    (ii) which purports to exculpate a party from a liability or a duty otherwise owned by it to another person;

    (iii) which purports to release, exculpate or exempt a party, its agents or any receiver, manager or receiver-manager appointed by it from, or require indemnification of a party, its agents or any receiver, manager or receiver-manager appointed by it for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct, unlawful conduct or fraud;

(iv) which states that amendments or waivers of or with respect to the Documents that are not in writing will not be effective; or

(v) which purports to prevent any party from initiating or participating in any bankruptcy case or other insolvency or similar proceeding.

(o) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement of the Master Trust Indenture by the Indenture Trustee or by a person on its behalf, whether such enforcement involves the operation of the business of the Trust or a sale, transfer or disposition of their respective property and assets; and

(p) no opinion is expressed as to the effect on the opinions expressed herein of the compliance or non-compliance of the Indenture Trustee, the Specified Creditors or any party (other than the Trust) to the Documents with any provincial, federal or other laws or regulations applicable to them.

This opinion is given to the addressees hereof in connection with the transactions contemplated by the Documents and is not to be relied upon for any other purposes or by any other party, nor is it to be quoted from or made public in any way, without our prior written consent.

Yours very truly,

TORYS LLP

SCHEDULE A

LIST OF ADDRESSEES

CIBC World Markets Inc.
Brookfield Place
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Toronto, Ontario M5J 2S8

RBC Dominion Securities Inc.
Royal Bank Plaza
2nd Floor, 200 Bay Street
Royal Bank Plaza, North Tower
Toronto, Ontario M5J 2W7

Goldman Sachs Canada Inc.
77 King Street West, Suite 3400
Toronto, Ontario M5K 1B7

BMO Nesbitt Burns Inc.
3rd Floor Podium
1 First Canadian Place, 100 King Street West
Toronto, Ontario M5X 1H3

Scotia Capital Inc.
40 King Street West, 68th Floor
Scotia Plaza, P.O. Box 4085, Station "A"
Toronto, Ontario M5W 2X6

National Bank Financial Inc.
1155 Metcalfe, 1st Floor - F511
Montreal, Quebec H3B 4S9

TD Securities Inc.
Ernst & Young Tower, 7th Floor
222 Bay Street
Toronto, Ontario M5K 1A2

Morgan Stanley Canada Limited
181 Bay Street, Suite 3700
Toronto, Ontario M5J 2T3

HSBC Securities (Canada) Inc.
70 York Street, 9th Floor
Toronto, Ontario M5J 1S9

Laurentian Bank Securities Inc.
130 Adelaide St. W, Suite 301
Toronto, ON M5H 3P5

Desjardins Securities Inc.
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Toronto, ON M5J 2V5

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1200 McGill College Avenue, 21st Floor
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