

**ONTARIO POWER GENERATION INC.,
in its capacity as manager of
FAIR HYDRO TRUST
(the “Manager”)**

OFFICER’S CERTIFICATE

TO: 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.
Casgrain & Company Limited
(collectively, the “**Agents**”)

AND TO: Fair Hydro Trust (“the **Issuer**”)

AND TO: Osler, Hoskin & Harcourt LLP

AND TO: Torys LLP

AND TO: DBRS Limited

AND TO: Moody’s Investors Service, Inc.

RE: C\$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1

AND RE: Agency agreement dated as of February 6, 2018 between the Issuer, Ontario Power Generation Inc. and the Agents

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Master Trust Indenture dated as of December 21, 2017 between the Issuer and BNY Trust Company of Canada (the “**Master Trust Indenture**”).

The undersigned, Ken Hartwick, the duly appointed Chief Financial Officer and Senior Vice President of the Manager, hereby certifies for and on behalf of the Manager, not in his personal capacity, and without personal liability, and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to make the statements in this certificate.
2. Attached as Schedule A is a true and complete copy of the declaration of trust made as of December 20, 2017 which established the Issuer (the “**Declaration of Trust**”). To the best of my knowledge, the Declaration of Trust is in full force and effect on, and has not been amended on or prior to, the date of this certificate, and no proceedings have been taken by or are pending by Computershare Trust Company of Canada, as Issuer Trustee, and to the best of my knowledge no proceedings have been taken by or are pending by any other person, to amend, supplement or to terminate the Declaration of Trust.
3. Attached as Schedule B is a true and complete copy of the management agreement dated as of December 20, 2017 between the Issuer and Ontario Power Generation Inc. (the “**Management Agreement**”). The Management Agreement is in full force and effect on, and has not been amended on or prior to, the date of this certificate.
4. Attached as Schedule C is a true and complete copy of Master Trust Indenture. The Master Trust Indenture is in full force and effect on, and has not been amended on or prior to, the date of this certificate.
5. The persons named in the attached Schedule D are, as of the date hereof, certain officers and directors of the Manager, holding the positions set forth opposite their respective names and are authorized to execute documents on behalf of the Manager. Each signature set forth opposite the name and position of any such officer or director is a true specimen of the signature of such officer or director of the Manager.
6. The Issuer is not a non-resident and will continue at all times to not be a non-resident for the purposes of the *Income Tax Act* (Canada). The Manager is and will continue to be a resident of Canada for the purposes of the *Income Tax Act* (Canada) and shall at all times provide all the services and perform all the duties contemplated under the Management Agreement, including the duties to be performed in its capacity as the Financial Services Manager under the *Ontario Fair Hydro Plan Act, 2017*, in Ontario, Canada.
7. The Manager has not taken any steps to terminate the Issuer’s existence. The Issuer does not have, and has not had, any name other than “Fair Hydro Trust” in English and “Fiducie pour des frais d’électricité équitables” in French. The Issuer does not carry on, and it has not carried on, business under any name other than “Fair Hydro Trust” in English and “Fiducie pour des frais d’électricité équitables” in French.
8. Pursuant to the Declaration of Trust, the head office, chief executive office, chief place of business and situs of administration of the Issuer is presently located at the address of the Issuer Trustee in Toronto, Ontario. All books and records of or relating to the administration of the Issuer are or will be lodged at the offices of the Issuer Trustee or the Manager.

9. Any and all books and records of or relating to the administration of the Issuer that are retained by the Manager are or will be lodged at the offices of the Manager located in Toronto, Ontario.
10. The Issuer Trustee is the sole trustee of the Issuer and there have been no other trustees of the Issuer since the Issuer was established.
11. The Issuer is resident in Canada for the purposes of the *Income Tax Act* (Canada).
12. There are no orders, judgments and decrees of any court, administrative agency or other governmental or regulatory body or authority binding upon the Manager or any of its property and assets prohibiting the Manager from carrying on its business and entering into the transactions contemplated by the Program Agreements.

[Remainder of page intentionally left blank.]

DATED as of the 9th day of February, 2018.


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

Attachments

Schedule A – Declaration of Trust
Schedule B – Management Agreement
Schedule C – Master Trust Indenture
Schedule D – Certificate of Incumbency

[Signature page to Officer's Certificate of OPG, as Manager]

SCHEDULE A

DECLARATION OF TRUST

See attached.

COMPUTERSHARE TRUST COMPANY OF CANADA

as Issuer Trustee of

FAIR HYDRO TRUST

DECLARATION OF TRUST

Made as of December 20, 2017

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Interpretation.....	5
1.3 Accounting Principles.....	6
1.4 References to Acts of the Trust.....	6
ARTICLE 2 THE TRUST.....	7
2.1 Purpose and Activities of the Trust.....	7
2.2 Limitation on Certain Activities	8
2.3 Name and Head Office.....	8
2.4 Nature of the Trust.....	8
2.5 Rights of Unitholders.....	9
ARTICLE 3 UNITS	9
3.1 Nature of Units.....	9
3.2 Consideration of Units	9
3.3 No Pre-Emptive Rights	10
3.4 Fractional Units.....	10
3.5 Allotment and Issue	10
3.6 Prohibited Issuances and Transfers.....	10
3.7 Liability of Unitholders.....	11
ARTICLE 4 REDEMPTION OF UNITS.....	12
4.1 Redemption of Units	12
ARTICLE 5 RIGHTS AND POWERS OF ISSUER TRUSTEE	13
5.1 General Rights and Powers.....	13
5.2 Acquisition of Assets and Deposit of Funds.....	14
5.3 Legal Title and Custody.....	14
5.4 Disposition of Trust Property.....	14
5.5 Management of Trust Property	14
5.6 Power to Borrow Money and Issue Funding Obligations.....	14
5.7 Derivative Agreements	15
5.8 Execution of Instruments	15
5.9 Facsimile Signatures	15
5.10 Taxes.....	16
5.11 Collection.....	16
5.12 Expenses and Compensation of Issuer Trustee.....	16
5.13 Allocation.....	17
5.14 Fiscal Year and Form of Accounts	17
5.15 Power to Contract	18
5.16 Indemnification	19

TABLE OF CONTENTS
(continued)

	Page
5.17 Further Powers	19
5.18 Auditors.....	19
5.19 Defect in Appointment.....	19
5.20 Status.....	19
ARTICLE 6 REPLACEMENT OF ISSUER TRUSTEE	20
6.1 Resignation of Issuer Trustee.....	20
6.2 Removal of Issuer Trustee	20
6.3 Vacancy.....	20
6.4 Appointment of New Issuer Trustee	21
6.5 Merger, Consolidation and Amalgamation.....	21
6.6 Vesting in Successor Issuer Trustee	21
6.7 Confidentiality	21
6.8 Right to Disclose.....	22
ARTICLE 7 STANDARD OF CARE, LIMITATION OF LIABILITY OF ISSUER TRUSTEE AND OTHER MATTERS.....	22
7.1 Standard of Care	22
7.2 Limitation of Liability of Issuer Trustee.....	22
7.3 Indemnification of the Issuer Trustee	23
7.4 Reliance upon Advice	23
7.5 Retain Experts	23
7.6 Reliance on Experts	24
7.7 Provisions Regarding Liability	24
ARTICLE 8 RECORDS.....	24
8.1 Records to be Kept.....	24
8.2 Segregation of Assets.....	24
8.3 Method of Keeping Records	24
8.4 Annual Financial Statements	25
ARTICLE 9 MEETINGS OF UNITHOLDERS AND DECISION OF UNITHOLDERS.....	25
9.1 Annual Meeting	25
9.2 Other Meetings.....	25
9.3 Quorum and Voting	25
9.4 Written Resolution.....	25
ARTICLE 10 AMENDMENT	26
10.1 Amendment.....	26
10.2 Automatic Amendment.....	26
10.3 Supplemental Declaration of Trust	27

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 11 DISTRIBUTION OF TRUST PROPERTY	27
11.1 Distributions.....	27
11.2 Allocation.....	29
11.3 Payment of Distributions	29
11.4 Legal Rights	30
11.5 Income Tax Matters	30
11.6 Designations.....	30
11.7 Withholding Taxes.....	31
ARTICLE 12 TERMINATION OF THE TRUST	31
12.1 Termination.....	31
ARTICLE 13 GENERAL.....	32
13.1 Acknowledgement of Indenture.....	32
13.2 Irrevocability	32
13.3 Change of Office	32
13.4 Execution of Instruments	32
13.5 Manner of Giving Notice	32
13.6 Taxation Information	33
13.7 Severability	33
13.8 Governing Law	33
13.9 Language	33

THIS DECLARATION OF TRUST is made as of December 20, 2017 by Computershare Trust Company of Canada, a trust company established under the laws of Canada (the “**Issuer Trustee**”).

WHEREAS the Government of Ontario has enacted 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 (each as defined in the Act) are fairly allocated among present and future Specified Consumers (as defined below);

AND WHEREAS the Issuer Trustee has determined, at the request of OPG, to establish a Trust (as defined below) for the purpose of carrying on the activities of a financing entity (as defined in the Act) as hereinafter described for the benefit of the Unitholders (as defined below);

NOW THEREFORE the Issuer Trustee hereby declares that it holds in trust as trustee the sum of TEN DOLLARS (\$10.00) now contributed by it and all property of every nature and kind which it may acquire in its capacity as trustee of the Trust, and all income therefrom, for the benefit of the Unitholders, in accordance with and subject to the provisions of this Declaration of Trust.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Declaration of Trust, the following terms have the following meanings:

“**Act**” has the meaning ascribed thereto in the Recitals.

“**Adjusted Redemption Price**” has the meaning ascribed thereto in subsection 4.1(3).

“**Affiliate**” means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agency Agreement**” means an agency agreement made between the Trust and one or more Persons acting on behalf of the Trust, providing for the sale and distribution of Notes on an agency basis.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are, or the office of the Indenture Trustee is, authorized or obligated by law, regulation or executive order to be closed.

“**Change of Law Protection Agreement**” means the Change of Law Protection Agreement to be entered into between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, the Indenture Trustee and the Trust.

“Claim” has the meaning ascribed thereto in Section 7.3.

“Co-Owner Agreement” means any agreement between, *inter alia*, the Trust and any other owner or owners of an Investment Interest.

“Dealer” means one or more Persons (other than the Issuer Trustee or the Manager) who have entered into an agreement with the Trust for the purpose of facilitating the sale and distribution of Funding Obligations.

“Declaration of Trust” means this declaration of trust.

“Derivative Agreement” means any agreement evidencing an interest rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction or any other similar transaction (including any option with respect to any of those transactions) or any combination of these transactions entered into by the Trust in connection with or related to, and at the time of or prior to, the issuance of Funding Obligations or acquisition of Investment Interests by the Trust in accordance with and subject to the terms of the Program Agreements.

“Designated Beneficiary” has the meaning ascribed thereto in section 3.6.

“Eligible Investments” means investments permitted to be made by the Trust under the Indenture.

“Excess Income on Redemption” has the meaning ascribed thereto in subsection 11.1(2).

“Funding Obligation” means a payment obligation incurred by or on behalf of the Trust to fund its ownership of an Investment Interest or a payment obligation that meets such other criteria as may be prescribed by the Regulations.

“GAAP” or **“generally accepted accounting principles”** means generally accepted accounting principles in Canada or the United States.

“Governmental Authority” means any nation or government, any federal, state, provincial, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

“IESO” means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998.

“IESO Security Agreement” means the security agreement made by the IESO in favour of the Trust to secure certain of its obligations under the Master Transfer and Servicing Agreement.

“Income of the Trust” for any taxation year of the Trust means the net income for the year determined pursuant to the provisions of the ITA having regard to the provisions thereof

which relate to the calculation of income for the purposes of determining the “taxable income” of a trust, without reference to paragraph 82(1)(b) and subsection 104(6) thereof, less any non-capital losses of the Trust carried forward from prior taxation years that are deductible in the taxation year, and taking into account such other adjustments as may be determined in the discretion of the Issuer Trustee; provided, however, that capital gains and capital losses will be excluded from the computation of net income.

“Indenture” means the master trust indenture to be entered into between the Trust and the Indenture Trustee.

“Indenture Trustee” means 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 for the benefit of Specified Creditors under the Indenture.

“Investment Interest” has the meaning ascribed to the term “investment interest” in the Act.

“Issuer Trustee” means Computershare Trust Company of Canada and any successor thereto appointed pursuant to Article 6.

“ITA” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder.

“Management Agreement” means the management agreement to be entered into between the Manager and the Trust.

“Manager” means OPG, in its capacity as manager appointed under the Management Agreement.

“Master Transfer and Servicing Agreement” means the master transfer and servicing agreement to be entered into between the Trust and the IESO.

“MTSA Acknowledgement” means the acknowledgement and indemnity agreement to be given by the IESO in favour of the Indenture Trustee.

“Net Realized Capital Gains of the Trust” for any taxation year means the amount, if any, by which the aggregate amount of the realized capital gains of the Trust for the year, calculated in accordance with the provisions of the ITA, exceeds the aggregate of: (i) the aggregate amount of any realized capital losses of the Trust for the year, calculated in accordance with the provisions of the ITA; and (ii) the amount determined by the Issuer Trustee in respect of any net capital losses of the Trust carried forward from prior taxation years that are deductible in the taxation year; provided that in the discretion of the Issuer Trustee, the Net Realized Capital Gains of the Trust for a taxation year may be calculated without subtracting the full amount of the net capital losses of the Trust carried forward from prior years.

“Net Realized Capital Gains of the Trust Allocated on Redemption” has the meaning ascribed thereto in subsection 4.1(5).

“New Holder” has the meaning ascribed thereto in subsection 3.6(1).

“Note” or **“Notes”** means any note or notes of any class, series or tranche created pursuant to Supplemental Indentures and authenticated and delivered from time to time under the Indenture.

“OPG” means Ontario Power Generation Inc.

“Person” means any individual, corporation, limited liability company, unlimited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Government Authority.

“Program Agreements” means the Indenture, each Supplemental Indenture, this Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, each Transfer Notice, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, Underwriting Agreements, Agency Agreements and note purchase agreements and all other documents and certificates delivered in connection therewith.

“Rating Agencies” means, at any time, the credit rating agencies which at the request of the Trust are rating the Funding Obligations at such time.

“Rating Agency Condition” has the meaning ascribed thereto in the Indenture.

“Records” means all contracts, books, records and other documents and information, including, without limitation, data and information, including any stored on computer-related or other electronic media, computer programs, data processing software and related property and rights, maintained with respect to, but solely to, the assets of the Trust.

“Redemption Price” has the meaning ascribed thereto in subsection 4.1(3).

“Regulations” means the regulations promulgated under the Act.

“Specified Consumer” has the meaning ascribed to the term “specified consumer” in the Act.

“Specified Creditors” has the meaning ascribed thereto in the Indenture.

“Specified Unitholder” means a Unitholder that is either: (a) a taxable Canadian corporation (as defined in subsection 89(1) of the ITA), or (b) a corporation that is exempt from tax under the ITA and in respect of which no amounts paid or payable from the Trust are subject to the special payments under Part VI the *Electricity Act, 1998* (Ontario).

“Supplemental Indenture” means any supplemental indenture to the Indenture.

“Transfer” has the meaning ascribed to the term “transfer” in the Act.

“Transfer Notice” means a Transfer Notice in respect of a Transfer substantially in the form of Exhibit A to the Master Transfer and Servicing Agreement and delivered pursuant to such Program Agreement.

“Trust” means Fair Hydro Trust, a trust established under the laws of the Province of Ontario pursuant to this Declaration of Trust.

“Trust Activities” means the activities of the Trust described in Section 2.1.

“Trust Company” means a federally or provincially established trust company licensed to carry on business in all provinces and territories of Canada and which is resident in Canada for purposes of the ITA.

“Trust Property” means, as of any particular time, all assets of the Trust and all property, real, personal or otherwise, tangible or intangible, which have been transferred, conveyed or paid to, or acquired by the Trust, including all income, earnings, profits and gains therefrom, and which at such time are owned or held by the Trust.

“Underwriting Agreement” means an agreement providing for the purchase of Notes from the Trust by one or more Persons as principals for the purpose of resale.

“Unitholders” means at any time, the holders at such time of one or more Units, and **“Unitholder”** means any such holder.

“Units” means the units of beneficial interest of the Trust authorized and issued hereunder as such and for the time being outstanding and entitled to the benefits hereof.

1.2 Interpretation

In this Declaration of Trust, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Declaration of Trust and not to any particular Article or Section of this Declaration of Trust;
- (b) references to an “Article” or “Section” are references to an Article or Section of this Declaration of Trust;
- (c) words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the words “includes” and “including”, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as

referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

- (f) references to any Person include such Person's successors and permitted assigns;
- (g) any reference to a statute, regulation, policy, rule or instrument shall include, and shall be deemed to be a reference also to, all amendments made to such statute, regulation, policy, rule or instrument and to any statute, regulation, policy, rule or instrument that may be passed which has the effect of supplementing or superseding the statute, regulation, policy, rule or instrument so referred to;
- (h) any reference to this Declaration of Trust or any other agreement, document or instrument shall be construed as a reference to this Declaration of Trust or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated or supplemented;
- (i) in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day; and
- (j) unless otherwise specified, all references to "\$" or "dollars" are to lawful currency of Canada.

1.3 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Declaration of Trust, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as the Issuer Trustee otherwise determines, be made in accordance with GAAP applied on a consistent basis.

1.4 References to Acts of the Trust

For greater certainty, where any reference is made in this Declaration of Trust to an act to be performed or not by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to either (i) the Trust; or (ii) the Issuer Trustee, such reference will be construed and applied for all purposes as if it referred to an act to be performed by or not, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to, the Issuer Trustee in its capacity as trustee of the Trust, and not in any other capacity.

ARTICLE 2 THE TRUST

2.1 Purpose and Activities of the Trust

The purpose of the Trust is to establish and carry on activities for the exclusive benefit of the Unitholders and to distribute the Trust Property upon termination of those activities by the Trust in accordance with Article 11. The Trust is permitted to engage in any activity, undertaking, transaction or event authorized or permitted by the Act (the “**Trust Activities**”), including:

- (a) issuing Units;
- (b) redeeming Units;
- (c) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;
- (d) managing, selling, assigning, pledging and collecting amounts due on or otherwise deal with Investment Interests and the other related assets to be so acquired in accordance with the terms of the Program Agreements;
- (e) negotiating, authorizing, executing, delivering, assuming the obligations under, and performing its duties under, the Program Agreements and any other agreement or instrument or document relating to the activities set forth in clauses (c) and (d) above; provided, that the Trust shall be permitted to incur additional indebtedness or other liabilities payable to service providers and trade creditors in the ordinary course of business in connection with the foregoing activities;
- (f) filing with any applicable securities commission one or more prospectuses, offering memoranda or registration statements, and filing such applications, reports, irrevocable consents, appointments of attorney for service of process and other papers and documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;
- (g) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;
- (h) making payments on the Funding Obligations;
- (i) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure the Funding Obligations; and
- (j) engaging in any lawful act or activity and exercise any powers permitted to trusts formed under the laws of the Province of Ontario that, in each case, are incidental to, or necessary, suitable or convenient for the accomplishment of the above-mentioned purposes.

The Trust shall engage only in any activities related to the foregoing purposes or required or authorized by the terms of the Program Agreements or other agreements referenced above.

2.2 Limitation on Certain Activities

Notwithstanding any other provision of this Declaration of Trust or the Management Agreement, at any time that any Funding Obligations remain outstanding, the consent of the Indenture Trustee shall be required for the Trust to:

- (a) take any action to wind-up or dissolve the Trust; or
- (b) institute any voluntary proceedings to be adjudicated bankrupt or insolvent, or consent to the institution of any bankruptcy or insolvency proceedings against it, or file a petition seeking or consent to any assignment, petition, application or proceeding under any applicable bankruptcy or insolvency law, or consent to the appointment of a receiver, liquidator, assignee, trustee or other similar official of the Trust or a substantial part of its property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any similar action in respect of the Trust.

2.3 Name and Head Office

The English form of the name of the Trust is “Fair Hydro Trust” and the French form of the name of the Trust is “Fiducie pour des frais d’électricité équitables”. The Trust may use and may be legally designated by either the English form or the French form of its name. Should the Issuer Trustee determine that the use of such name is not practicable, legal or convenient, it may use such other designation or adopt such other name for the Trust as it deems proper and the Trust may hold property and conduct the Trust Activities under such other designation or name. The head office, chief executive office, chief place of business and situs of administration of the Trust will initially be situated at the offices of the Issuer Trustee situated at 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

2.4 Nature of the Trust

The Trust is an unincorporated open-ended unit trust established for the purposes specified in Section 2.1. The Trust shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by:

- (a) applicable laws and regulations or other requirements imposed by applicable securities or other regulatory authorities, including the Act and Regulations; and
- (b) the terms, conditions and trusts set forth in this Declaration of Trust.

The beneficial interest and rights generally of the Unitholders in the Trust shall be limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Trust. The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Issuer Trustee or the

Unitholders or any of them for any purpose be, or be deemed to be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The Issuer Trustee shall not be, or be deemed to be, an agent of the Unitholders. The relationship of the Unitholders to the Issuer Trustee, to the Trust and to the Trust Property shall be solely that of beneficiaries in accordance with this Declaration of Trust.

2.5 Rights of Unitholders

No Unitholder shall be entitled to call for any partition or division of the Trust Property or for a distribution of any particular asset forming part of the Trust Property or of any particular monies or funds received by the Issuer Trustee. The legal ownership of the Trust Property and the right to conduct the activities of the Trust are vested exclusively in the Issuer Trustee, and no Unitholder has or is deemed to have any right of ownership in any of the Trust Property, except as specifically provided herein. Except as specifically provided herein, no Unitholder or Unitholders shall be entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under this Declaration of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights, and impose upon the holders thereof only those liabilities and obligations, specifically set forth in this Declaration of Trust.

ARTICLE 3 UNITS

3.1 Nature of Units

The beneficial interests in the Trust shall be divided into a single class of Units. Each Unit represents an equal undivided beneficial interest in any distributions by the Trust, whether of Income of the Trust, Net Realized Capital Gains of the Trust (other than Net Realized Capital Gains of the Trust Allocated on Redemption to redeeming Unitholders), or other amounts, and, in the event of termination or winding up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Units rank equally among themselves and rateably without discrimination, preference or priority. Each Unit will entitle the Unitholder of record thereof to one vote at all meetings of the Unitholders or in respect of any written resolution of the Unitholders. Each Unit, when issued, shall vest indefeasibly in the holder thereof.

The number of Units which the Trust may issue is unlimited. The issued and outstanding Units may be subdivided or consolidated from time to time by the Issuer Trustee without notice to or approval of the Unitholders. Unless the Issuer Trustee determines otherwise, immediately after any *pro rata* issuance of additional Units to all Unitholders pursuant to subsection 11.3(3), the number of outstanding Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Units as such holder held before the issuance of additional Units.

3.2 Consideration of Units

A Unit will not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Unit will be paid in money or in property (including, without limitation, a debt instrument issued to the Trust) or in past services received

by the Trust that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Issuer Trustee may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust. In no case will a Unit be issued to a Designated Beneficiary.

3.3 No Pre-Emptive Rights

No Person shall be entitled, as a matter of right, to subscribe for or purchase any Units of the Trust. There are no pre-emptive rights attaching to the Units.

3.4 Fractional Units

If as a result of any act of the Issuer Trustee hereunder, any Person becomes entitled to a fraction of a Unit, such Person will not be entitled to receive a certificate therefor. Fractional Units will not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at meetings of the Unitholders. Subject to the foregoing, such fractional Units will have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

3.5 Allotment and Issue

Subject to Section 3.6, the Issuer Trustee may allot and issue Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by the Unitholders of distributions of the Trust in Units) and to such Person, Persons or class of Persons as the Issuer Trustee in its sole discretion will determine. The price or the value of the consideration for which Units may be issued and the terms and conditions of issuance of the Units will be determined by the Issuer Trustee in its sole discretion. Not restricting the generality of the foregoing, the Issuer Trustee may accept amounts received from a Unitholder as a prepayment in respect of the obligation of the Unitholder to pay all or any part of the subscription price of Units to be issued at a later date by the Issuer Trustee. In such circumstances, such prepayment will form part of the Trust Property. In the event that Units are issued in whole or in part for a consideration other than money, the resolution of the Issuer Trustee allotting and issuing such Units will express the fair equivalent in money of the other consideration received.

3.6 Prohibited Issuances and Transfers

- (1) Notwithstanding any other provision in this Declaration of Trust, at no time, may Units be issued or transferred to a Person who would be a “designated beneficiary” within the meaning of Part XII.2 of the ITA (“**Designated Beneficiary**”), and the Issuer Trustee will not accept a subscription for Units from, or issue or register a transfer of Units to, a Person unless the Person provides a declaration to the Issuer Trustee that it would not be a Designated Beneficiary and covenants to maintain such representation true for as long as it continues to hold one or more Units. If, notwithstanding the foregoing, the Issuer Trustee determines that a Person has purported to become or remain a Unitholder in breach of the above mentioned declaration or covenant, or if the Unitholder fails to provide, upon request, a declaration in form and content satisfactory to the Issuer Trustee that it is not a

Designated Beneficiary, (i) the Issuer Trustee will require such Person to dispose of the Units within a specified period not to exceed 60 days to a Person who does not contravene the above mentioned limitation on ownership (“**New Holder**”), and (ii) effective immediately prior to the breach, such Person will be deemed to have ceased to be a holder of such Units, the voting and distribution rights attached to such Units will be suspended and such Units will be deemed not to be outstanding until acquired by a New Holder (provided that holders of other Units will not be entitled to any portion of the distributions that may have been paid in respect of Units that have been so deemed not to be outstanding) and such Person’s rights in respect of such Units will be limited to receiving the net proceeds of the sale thereof. If such Person has not, within such period, sold such Units or provided the Issuer Trustee with a declaration in form and content satisfactory to the Issuer Trustee that it is not a Designated Beneficiary, the Issuer Trustee may sell such Units on behalf of such Person (and the Issuer Trustee will have the power of attorney of such Person to do so), and such Person’s rights in respect of such Units will be limited to receiving the net proceeds of sale upon surrender of the certificates representing such Units.

- (2) Subject to this section 3.6, and until the Issuer Trustee will have been required to do so under the terms hereof, the Issuer Trustee will not be bound to do or take any proceeding or action with respect to this section 3.6 by virtue of the powers conferred on it hereby. The Issuer Trustee will have the sole right and authority to make any determination required for the administration of the provisions of, or contemplated under this section 3.6, and without limiting the generality of the foregoing, if the Issuer Trustee considers that there are reasonable grounds for believing that a contravention of the above mentioned limitation on ownership has occurred or may occur, the Issuer Trustee will make a determination with respect to the matter. Any such determination will be conclusive, final and binding for the purposes of this section 3.6 except to the extent modified by any subsequent determination by the Issuer Trustee. The Issuer Trustee may require declarations as to whether a Unitholder is a Designated Beneficiary or as to factual information that will enable the Issuer Trustee to determine whether a Unitholder or a prospective transferee of a Unit may be a Designated Beneficiary. In any situation where it is unclear whether Units may be held by a Person who may be a Designated Beneficiary, the Issuer Trustee may exercise its discretion in determining whether such Person is or is not a Designated Beneficiary, and any such exercise by it of its discretion will be binding for the purposes of this section 3.6.

3.7 Liability of Unitholders

No Unitholder of the Trust, in its capacity as such, will incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind, to any Person in connection with: (i) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom; (ii) the obligations, liabilities, activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Issuer Trustee or any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); (iv) any actual or alleged act or omission of the Issuer Trustee or any other Person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Issuer Trustee or such other Person in respect of the activities or affairs of the Trust (whether or not authorized by

or pursuant to this Declaration of Trust); (v) any transaction entered into by the Issuer Trustee or by any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); or (vi) any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Issuer Trustee or by any other Person (except the Unitholders to the extent required by applicable tax laws) on behalf of or in connection with the activities or affairs of the Trust. No Unitholder will be liable to indemnify the Issuer Trustee or any other Person with respect to any such liability or liabilities incurred by the Issuer Trustee or by any such other Person or Persons or with respect to any taxes payable by the Trust or by the Issuer Trustee or any other Person on behalf of or in connection with the Trust. To the extent that any such liabilities of the Unitholders may arise, they will be enforceable only against, and will be satisfied only out of, the Trust Property to the full extent of such liability and the costs of any litigation or other proceedings in which such liability will have been determined, including without limitation, the fees and disbursements of counsel.

ARTICLE 4

REDEMPTION OF UNITS

4.1 Redemption of Units

Each Unitholder will be entitled to require the Trust to redeem at any time and from time to time at the demand of such Unitholder all or any part of the Units held by such Unitholder as follows:

- (1) The Unitholder will give notice in writing to the Trust at its head office of its intention to redeem Units and the number of Units to be redeemed.
- (2) Upon receipt by the Trust of such notice from the Unitholder to redeem Units, the Unitholder will be entitled to receive, subject to subsection 4.1(3), an amount equal to the aggregate fair market value of such Units immediately before the redemption (the “**Redemption Price**”) established by the Issuer Trustee, acting reasonably, payable by certified cheque or via wire transfer of funds.
- (3) In the event that the Trust has insufficient funds to make the payment required pursuant to subsection 4.1(2) or such payment is restricted under the terms of the Indenture, the Trust will satisfy the Redemption Price, subject to compliance with any regulatory requirements, by either issuing a promissory note to the Unitholder, which note shall have a principal amount equal to the Redemption Price and such other terms as is determined at the time of issuance by the Issuer Trustee, or by distributing to the redeeming Unitholder *in specie* a proportionate amount of the Trust Property, the fair market value of which, as determined by the Issuer Trustee, acting reasonably, is equal to the Redemption Price. In the event that property is distributed *in specie*, the amount of Net Realized Capital Gains of the Trust Allocated on Redemption as contemplated by subsection 4.1(5) payable in connection with the redemption of Units shall be payable to the Unitholder in kind, and to the extent of the amount thereof, the Redemption Price of the Units being redeemed shall be reduced accordingly (the “**Adjusted Redemption Price**”).

- (4) Upon satisfaction of the Redemption Price or the Adjusted Redemption Price, as the case may be, the redeeming Unitholder will not be entitled to any rights or benefits, including voting and the right to receive distributions, in connection with the Units redeemed.
- (5) Where the Trust distributes Trust Property *in specie* as contemplated in subsection 4.1(3), the Issuer Trustee shall designate and pay to the redeeming Unitholder such part of the Net Realized Capital Gains of the Trust as is realized by the Trust in connection with such *in specie* distribution, provided that the amount of the Net Realize Capital Gains on the Trust so allocated shall not exceed the amount, if any, by which the Redemption Price of the particular Units being redeemed exceeds the aggregate adjusted cost base of such Units to the Unitholder for the purpose of the ITA immediately before the redemption (the “**Net Realized Capital Gains of the Trust Allocated on Redemption**”). If the total Net Realized Capital Gains of the Trust Allocated on Redemption determined by the Issuer Trustee pursuant to the preceding sentence for all redeeming Unitholders in any taxation year exceeds the Net Realized Capital Gains of the Trust for that year, the Net Realized Capital Gains of the Trust for that taxation year shall be allocated rateably to all redeeming Unitholders for the year based on the Net Realized Capital Gains of the Trust Allocated on Redemption as otherwise determined pursuant to the preceding sentence. The Net Realized Capital Gains of the Trust Allocated on Redemption designated and paid on the redemption of Units as determined under this subsection shall be deemed to be a distribution of Net Realized Capital Gains of the Trust for the particular taxation year in which the redemption occurs. If the Issuer Trustee is required to deduct or withhold an amount from such distribution, the Unitholder shall make the cash payment described in Section 11.7 to the Issuer Trustee on or prior to the date the Units are to be redeemed.

ARTICLE 5

RIGHTS AND POWERS OF ISSUER TRUSTEE

5.1 General Rights and Powers

Subject to the specific restrictions and limitations set forth in this Declaration of Trust and notwithstanding the provisions of the *Trustee Act* (Ontario) or any other similar legislation in any jurisdiction, the Issuer Trustee will have, without the necessity of authorization by, and free from any power or control on the part of, the Unitholders, full, exclusive and absolute power, control and authority over the Trust Property and the Trust Activities to the same extent as if the Issuer Trustee were the sole and absolute owner thereof in its own right including, without limitation, such power, control and authority to do all such acts and things as in its sole judgment and discretion are necessary, incidental or desirable for carrying on the Trust Activities in accordance with the Program Agreements with such powers of delegation as may be permitted by this Declaration of Trust, including the right, power and authority to amend this Declaration of Trust subject to and in accordance with the terms hereof and to appoint, employ or contract with any Person as the Issuer Trustee may deem necessary, appropriate or desirable for the transaction of the Trust Activities, including for the administration of the Trust. The Issuer Trustee shall exercise the functions of the trustee of the Trust in Ontario, Canada. For greater certainty, the powers of the Issuer Trustee that may be exercised as aforesaid include the powers set forth in Section 5.2 to and including Section 5.18. The enumeration of any specific power or authority in this Declaration of Trust will not be construed as limiting the aforesaid power or authority or any other specific power

or authority. Subject only to the express limitations contained in this Declaration of Trust, every discretion or power hereby conferred on the Issuer Trustee is an absolute and uncontrolled discretion or power.

5.2 Acquisition of Assets and Deposit of Funds

Subject to Section 2.1, the Issuer Trustee will have the power to acquire Investment Interests in accordance with the Program Agreements. Subject to compliance with the terms of the Program Agreements, the Issuer Trustee will have the power to deposit any money forming part of the Trust Property with any bank (which bank may be an Affiliate of the Issuer Trustee) licensed under the laws of Canada or any trust company (which includes the Issuer Trustee) licensed under the laws of any province of Canada and to withdraw such deposits in accordance with the Program Agreements. The Issuer Trustee will have no liability for any loss which may occur by reason of the failure of any depository with whom such money has been deposited or for the depreciation of any investment.

5.3 Legal Title and Custody

The Issuer Trustee will have the power to cause any and all Trust Property to be held by and/or registered in the name of any Person.

5.4 Disposition of Trust Property

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to sell, convey, transfer and assign all Trust Property free and clear of any and all trusts hereby established, at public or private sale, for cash or on terms, with or without advertisement and subject to such restrictions, stipulations, agreements and reservations as it may deem proper.

5.5 Management of Trust Property

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to own, manage, use, invest and hold the Trust Property (including, without limitation, the power to make investments in Eligible Investments) and to enter into agreements in respect of the Trust Property or its use including, without limitation, agreements to modify, amend, extend, renew or terminate any grant or agreement relating to the Trust Property and to waive compliance with any of the terms and conditions thereof, all, in each case, without the approval of or notice to the Unitholders.

5.6 Power to Borrow Money and Issue Funding Obligations

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to:

- (a) borrow or in any other manner raise money and to evidence the same by the issuance of Funding Obligations, by private placement, public offering or otherwise;

- (b) reacquire or redeem Funding Obligations;
- (c) execute and deliver any trust indenture or supplement thereto, security agreement, mortgage, pledge, hypothec, assignment or other instrument to secure Funding Obligations, and amendments, modifications, restatements or replacements thereof, whether by fixed or floating charge or by assignment or by the granting of a security interest, free and clear of any and all trusts hereby established and, in lieu of or in addition to granting any security, to grant to any Person a negative pledge whereby the Issuer Trustee agrees not to encumber any Trust Property and such other covenants as may be consistent with those set out in the Program Agreements or as may otherwise be specified by any applicable Rating Agency in accordance with the foregoing; and
- (d) execute and/or deliver any agreement, instrument, certificate, direction or other document necessary or desirable in order to permit or give effect to the provisions of this Section 5.6, including, without limitation, prospectuses, offering memoranda, regulatory filings, dealer agreements, Underwriting Agreements, Agency Agreements, subscription agreements, letters of representation, consent letters, and any instruments ancillary thereto.

5.7 Derivative Agreements

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to enter into Derivative Agreements in connection with or related to the borrowing or other raising of money by the Issuer Trustee or the purchase or ownership of Investment Interests, provided that such Derivative Agreements may be entered into only at or prior to the time that such securities are sold, or such borrowing, other raising of money or purchase takes place, as applicable, or as otherwise expressly permitted in the Management Agreement; provided, however, that amendments, modifications or novations of or to a Derivative Agreement may be entered into at any time after the original Derivative Agreement was executed.

5.8 Execution of Instruments

Every deed, transfer, assignment, hypothec, agreement, certificate, direction, instrument, prospectus, or any other document which is necessary or desirable to be executed by the Trust, including, without limitation, any document evidencing Funding Obligations or relating to the issuance of Funding Obligations, will be signed on behalf of the Trust by the Issuer Trustee or its duly appointed agent, including the Manager.

5.9 Facsimile Signatures

The Issuer Trustee may authorize the use of facsimile signatures on the documents evidencing Funding Obligations, provided, however, that where facsimile signatures are so used, documents evidencing Funding Obligations will be manually countersigned or certified by a transfer agent, trustee, registrar or similar Person. If a Funding Obligation contains a printed or mechanically reproduced signature of a Person, the Issuer Trustee may issue the Funding Obligation notwithstanding that the Person has ceased to be a director, officer or signing officer of

the Issuer Trustee, and the Funding Obligation will be as valid as if the Person were a director, an officer or a signing officer at the date of its issue.

5.10 Taxes

The Issuer Trustee will have the power to pay all taxes or assessments of whatever kind or nature imposed upon the Issuer Trustee and/or the Trust in connection with the Trust Property or the Trust Activities or upon or against the income from the Trust Activities or any part thereof, to settle and compromise disputed tax liabilities and, for the foregoing purposes, to make such returns and do all such other acts and things as may be deemed by the Issuer Trustee necessary or desirable. The Issuer Trustee will have the power to deduct and remit any taxes which are required by law to be deducted and remitted from any payment made by the Issuer Trustee under any Program Agreements or otherwise.

5.11 Collection

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to:

- (a) collect, receive, give receipts for and sue for all sums of money or other property due to the Trust;
- (b) consent to extensions of time for payment of, or the renewal of, any securities or obligations of the Trust;
- (c) engage or intervene in, prosecute, defend, compound, compromise, abandon or adjust by arbitration or otherwise deal with or settle any actions, suits, proceedings, disputes, claims, demands or things relating to the Trust Property or the Trust Activities;
- (d) exercise any and all remedies available to it under any Program Agreements or otherwise, including any power of foreclosure or sale available to the Issuer Trustee at law or pursuant to any agreement and, in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property and to convey good title thereto free of any and all trusts hereby established, or to take or retake possession of any property secured or unsecured thereunder or such other security;
- (e) extend the time, with or without security, for the payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and
- (f) pay or satisfy any debts or claims upon any evidence that the Issuer Trustee determines to be sufficient.

5.12 Expenses and Compensation of Issuer Trustee

- (a) The Issuer Trustee will have the power to incur and make payment of any charges or expenses which in the opinion of the Issuer Trustee are necessary or incidental

to or proper for carrying out any of the purposes of this Declaration of Trust and the Trust Activities, and to pay appropriate compensation or fees from the Trust Property to Persons with whom the Trust has contracted or transacted business including, without limitation, any charges, expenses, compensation or fees payable under or in connection with the Program Agreements.

- (b) The Issuer Trustee will be entitled to be paid from the funds of the Trust, without any requirement of a passing of accounts in respect thereof or approval of the Unitholders, such fees as the Issuer Trustee and the Manager may agree to from time to time for its services hereunder and all reasonable expenses, disbursements and advances incurred or made by the Issuer Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ) until all the duties of the Issuer Trustee under the trusts hereby created shall be finally and fully performed, except any such expense, disbursement or advance as may arise from or in connection with the dishonesty, bad faith, wilful misconduct, negligence or reckless disregard of any duty or the failure to comply with the standard of care referred to in Section 7.1 by the Issuer Trustee, its officers, employees or agents. All such amounts will be payable at such times as the Issuer Trustee and the Manager may agree from time to time. All such amounts shall be exclusive of any applicable taxes and any applicable taxes shall be paid to the Issuer Trustee in addition to such amounts. Any amount not paid when due shall bear interest at a rate per annum equal to the rate designated by the Issuer Trustee as the then current rate charged by the Issuer Trustee or its successors from time to time to its corporate customers, payable on demand. After default and unless otherwise provided in the Indenture and any documents contemplated thereunder, all amounts so payable and the interest thereon shall be payable out of any funds coming into the possession of the Issuer Trustee or its successors in the trusts hereunder in priority to any payments to other Specified Creditors.

5.13 Allocation

The Issuer Trustee will have the power to determine conclusively whether money or other assets received by the Trust or expenses or disbursements made by the Trust will be charged or credited to income or capital or allocated between income and capital, provided, however, that such determination will not be inconsistent with calculation of income in accordance with the ITA at the time the determination is made.

5.14 Fiscal Year and Form of Accounts

The fiscal year of the Trust will end on December 31. The Issuer Trustee will have the power to determine and from time to time change the method or form in which the accounts of the Trust will be kept, provided such method or form reasonably complies with generally accepted accounting principles as applicable from time to time.

5.15 Power to Contract

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to appoint, employ or contract with any Person as the Issuer Trustee may deem necessary or desirable for the transaction of the Trust Activities and may transfer assets to such Person and, save and except for such matters as are listed in Section 2.2, delegate to such Person any or all of the discretionary powers given to the Issuer Trustee with respect to the management of the Trust Property. Without in any way limiting the generality of the foregoing, the Issuer Trustee will have the power to:

- (a) enter into, execute, deliver, perform the obligations of the Trust under, and grant security as provided for in, the Program Agreements;
- (b) appoint, employ or contract with the Manager or any other Person who, under the supervision of the Manager, may, among other things: (i) furnish and supervise or cause to be furnished and supervised the performance of the clerical and administrative services necessary to the administration of the Trust and the Trust Property including, without limitation, the provision of office space, office equipment and personnel for the performance of such services, property management, administration and servicing, the maintenance of documents, books and Records for the Trust (including those described in Section 8.1), the receipt and disbursement of Trust Property, the servicing and payment of debt and other obligations and generally all matters relating to the obtaining of and the administration and servicing of Trust Property, including, without limitation, as provided in the Management Agreement; (ii) serve as an advisor to the Issuer Trustee, furnish reports to the Issuer Trustee and provide research, economic and statistical data in connection with the Trust Activities; (iii) act as consultant, accountant, correspondent, lender, technical advisor, counsel, broker and dealer, underwriter, fiscal agent, corporate fiduciary, escrow agent, depository, custodian or agent for collection from obligors, loan administrator, appraiser, bank, insurer or insurance agent, transfer agent or registrar or issuing and paying agent for Funding Obligations or in any other capacity deemed by the Issuer Trustee necessary or desirable; (iv) act as attorney or agent in the purchase or sale or other disposition of the Trust Property or the property secured thereby and the handling, prosecution or settling of any claims of the Trust and assist in the performance of such functions necessary in the management of the Trust as may be agreed upon with the Issuer Trustee; and (v) execute and deliver the Program Agreements. For greater certainty, the appointment by the Issuer Trustee of the Manager under the Management Agreement will, where applicable, be deemed to constitute adequate supervision by the Issuer Trustee for purposes of the *Trustee Act* (Ontario) and this Declaration of Trust of any Person thereby engaged in connection with the foregoing activities; and
- (c) investigate, select and conduct negotiations with Persons acting in the capacities referred to in Section 5.15(b) and pay appropriate fees to, and enter into appropriate contracts with, employ or retain the services of, any of them in connection with the Trust Property or property secured thereby, other assets and any security related

thereto funded, acquired, sold or otherwise disposed of, or committed, negotiated or contemplated to be funded, acquired, sold, or otherwise disposed of in connection with Funding Obligations.

5.16 Indemnification

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power to indemnify or enter into agreements with respect to indemnification with any Person with whom the Issuer Trustee or the Trust deals to such extent as the Issuer Trustee determines necessary or desirable.

5.17 Further Powers

Subject to Section 2.1, the Issuer Trustee will have the power to perform and do all such other acts and things and to execute itself (or have executed by any Person appointed by it pursuant to Section 5.15) all such deeds, transfers, assignments, hypothecs, agreements, certificates, directions, instruments or other documents whatsoever as it deems necessary, proper or desirable in order to carry on the Trust Activities in accordance with and subject to the Program Agreements notwithstanding that such acts, things, deeds, transfers, assignments, hypothecs, agreements, certificates, directions, instruments or other documents are not herein specifically mentioned. Any determination as to what is necessary, proper or desirable in order to carry on the Trust Activities in accordance with the Program Agreements or otherwise, provided it is made by the Issuer Trustee honestly and in good faith, will be conclusive. Any construction of this Declaration of Trust or the existence of any power or authority hereunder, made honestly and in good faith by the Issuer Trustee upon the advice of counsel, will be conclusive to the extent consistent with the law. In construing the provisions of this Declaration of Trust, there will be a presumption in favour of a grant of power to the Issuer Trustee.

5.18 Auditors

In accordance with and subject to the terms of the Program Agreements, the Issuer Trustee will have the power from time to time to select and appoint and discharge and reappoint an auditor of the Trust in its discretion and to negotiate and fix the fees of any such auditor.

5.19 Defect in Appointment

Notwithstanding anything to the contrary herein contained, no action taken by the Issuer Trustee will be invalid by reason only of any defect that is thereafter discovered in its appointment.

5.20 Status

The Issuer Trustee shall not have the status of bankrupt and shall be resident in Canada for purposes of the ITA.

ARTICLE 6

REPLACEMENT OF ISSUER TRUSTEE

6.1 Resignation of Issuer Trustee

- (a) If the Issuer Trustee desires to resign and be discharged from the trusts and powers reposed in or conferred on it by this Declaration of Trust, it will provide 120 days written notice (or such shorter period of notice as the Unitholders, the Indenture Trustee and the Rating Agencies may agree to) thereof to the Unitholders, the Indenture Trustee and the Rating Agencies provided that no such voluntary resignation shall be effective until a replacement Issuer Trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and has executed a written agreement whereby such replacement Issuer Trustee agrees to assume the obligations of the Issuer Trustee hereunder, under the Program Agreements and under any other contract pursuant to which the Issuer Trustee is obligated.
- (b) The Issuer Trustee shall resign if a material conflict of interest arises in its role as a trustee under this Declaration of Trust that is not eliminated within 90 days after the Issuer Trustee becomes aware that it has such a material conflict of interest. Forthwith after the Issuer Trustee becomes aware that it has such a material conflict of interest, it shall provide the Unitholders, the Indenture Trustee and the Rating Agencies with written notice of the nature of such material conflict of interest. Upon such resignation, the Issuer Trustee shall (subject to Section 6.6) be discharged from its office under this Declaration of Trust. If, notwithstanding the foregoing provisions of this Section 6.1(b), the Issuer Trustee has such a material conflict of interest, the validity and enforceability of this Declaration of Trust and any agreement entered into by the Issuer Trustee shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Issuer Trustee contravenes the foregoing provisions of this Section 6.1(b), the Unitholders, may apply, on notice to the Rating Agencies, to a court of competent jurisdiction for an order that the Issuer Trustee be replaced as Issuer Trustee hereunder.

6.2 Removal of Issuer Trustee

The Issuer Trustee may be removed from its office under this Declaration of Trust by the Unitholders, at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date that such removal is to take effect.

6.3 Vacancy

In the event of the bankruptcy or insolvency of the Issuer Trustee or the inability of the Issuer Trustee to exercise its duties under this Declaration of Trust, the Unitholders may forthwith terminate the term of office of the Issuer Trustee as trustee and, in such instance, a vacancy will occur. No vacancy (including upon a resignation of the Issuer Trustee pursuant to Section 6.1(b)) shall operate to annul this Declaration of Trust or affect the continuity of the Trust or terminate the appointment of the Manager under the Management Agreement.

6.4 Appointment of New Issuer Trustee

If, pursuant to this Article 6, the Issuer Trustee resigns or a vacancy occurs in the office of the Issuer Trustee for any reason, the Unitholders may, subject to the satisfaction of the Rating Agency Condition, by instrument in writing appoint a Trust Company, which has risk-based capital of at least \$50,000,000 or, in the case of an entity that is not subject to risk-based capital adequacy requirements, has a combined capital and surplus of at least \$50,000,000, in order to replace the Issuer Trustee. If the Unitholders fail to make such appointment within 60 days of the occurrence of any such resignation, removal or vacancy, then the Issuer Trustee may make an application, on notice to the Rating Agencies, to a court of competent jurisdiction to appoint a successor Issuer Trustee hereunder. If the Issuer Trustee elects not to make such an application, the Unitholders may do so on notice to the Rating Agencies. If the Issuer Trustee and the Unitholders elect not to make such an application, the Indenture Trustee may do so on notice to the Rating Agencies if so directed in accordance with the Indenture. The expense of any act, document, deed or other instrument or thing required under this Section 6.4 will be satisfied from the Trust Property.

6.5 Merger, Consolidation and Amalgamation

Any company into which the Issuer Trustee may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which the Issuer Trustee is a party or any company succeeding to the corporate trust business of the Issuer Trustee will be a successor Issuer Trustee under this Declaration of Trust without any further action on the part of the Issuer Trustee, provided that such company shall be a Trust Company.

6.6 Vesting in Successor Issuer Trustee

Any successor Issuer Trustee will become vested with all the estates, properties, rights, powers, duties, responsibilities and trusts of its predecessors in the trusts hereunder as if it had been originally named as Issuer Trustee pursuant to this Declaration of Trust. In furtherance of the foregoing, upon written request of the successor Issuer Trustee, the Issuer Trustee ceasing to act will do, make, execute, deliver or cause to be done, made, executed or delivered all such acts, documents, deeds or other instruments and things as may be necessary or desirable in order to more effectively assign, transfer and deliver to, and vest in, the successor Issuer Trustee, upon the trusts herein expressed, all the rights, powers and trusts of, and all property and money held by the Issuer Trustee so ceasing to act. The expense of any act, document, deed or other instrument or thing required under this Section 6.6 will be satisfied from the Trust Property.

6.7 Confidentiality

At all times (including, without limitation, at any time the Issuer Trustee should resign or be discharged from the trusts and powers reposed in or conferred on it by this Declaration of Trust), the Issuer Trustee (or the trustee so resigning and being discharged, as the case may be) will treat as confidential all information relating to the Trust, the Trust Activities and the transactions contemplated by the Program Agreements obtained by it in its capacity as Issuer Trustee.

6.8 Right to Disclose

The Issuer Trustee shall have the right to disclose any information disclosed or released to it if in the opinion of legal counsel to the Issuer Trustee it is required to disclose under any applicable laws, court order or directions of Governmental Authorities or if it is requested by a Rating Agency. The Issuer Trustee shall not be responsible or liable to any party for any loss or damage arising out of or in any way sustained or incurred or in any way relating to such disclosure.

ARTICLE 7

STANDARD OF CARE, LIMITATION OF LIABILITY OF ISSUER TRUSTEE AND OTHER MATTERS

7.1 Standard of Care

The Issuer Trustee will exercise its powers and carry out its obligations hereunder as Issuer Trustee honestly, in good faith and in the best interests of the Trust and the Unitholders and in connection therewith will exercise that degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. To the extent that the Issuer Trustee has delegated or subcontracted the performance of all or a portion of its duties to the Manager as contemplated by Section 5.15, it will be deemed to have satisfied the aforesaid standard of care. Unless otherwise required by law, the Issuer Trustee will not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Issuer Trustee will not be required to devote its entire time to the Trust Activities. For greater certainty, the entering into of any Program Agreement by the Trust and the performance by the Trust of its obligations thereunder will be deemed to be in the best interests of the Unitholders and the Trust.

7.2 Limitation of Liability of Issuer Trustee

The Issuer Trustee has entered into this Declaration of Trust solely in its capacity as trustee of the Trust and not in its personal capacity, and any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the Issuer Trustee herein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the Issuer Trustee or for the purpose or with the intention of binding the Issuer Trustee in its personal capacity, but are made and intended for the purpose of binding only the Trust Property or a specific portion thereof. No property or assets of the Issuer Trustee, whether owned beneficially by it in its personal capacity or otherwise (other than the Trust Property), will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Trust or the Issuer Trustee hereunder, and no recourse may be had or taken, directly or indirectly, against the Issuer Trustee in its personal capacity, any Unitholder or any Affiliate, shareholder, director, officer, representative, employee or agent of the Issuer Trustee or any predecessor or successor of the Issuer Trustee with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Trust or the Issuer Trustee hereunder; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with the wilful misconduct, gross negligence or the failure to comply with the standard of care referred to in Section 7.1. Notwithstanding any other provision of this Article 7, but subject

to the Indenture, each Specified Creditor is entitled to recourse to the Trust Property to satisfy in full the obligations of the Trust to it even if the Issuer Trustee has no right, or only an impaired right, to seek indemnification from the Trust Property or to apply the Trust Property in satisfaction of such obligations.

7.3 Indemnification of the Issuer Trustee

The Issuer Trustee, its directors, officers, agents, representatives and employees will at all times be indemnified and saved harmless out of the Trust Property from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever, including, without limitation, those arising out of or related to actions taken or omitted to be taken by any agent of the Issuer Trustee, including, without limitation, the Manager, as contemplated hereby, legal fees and disbursements on a substantial indemnity basis and costs and expenses incurred in connection with the enforcement of this indemnity (each, a “**Claim**”), which the Issuer Trustee, its directors, officers, representatives and employees may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Issuer Trustee or which it sustains or incurs in or about or in relation to the Trust Property and the Trust Activities. Further, the Issuer Trustee will not be liable to the Trust, to any Unitholder or to any other Person for any loss or damage relating to any matter regarding the Trust, including any loss or diminution in the value of the Trust Property. The foregoing provisions of this Section 7.3 do not apply to the extent that in any circumstances there has been wilful misconduct, gross negligence or the failure to comply with standard of care referred to in Section 7.1 on the part of the Issuer Trustee, its directors, officers, agents, representatives or employees excluding the other parties to the Program Agreements. Notwithstanding any other provision hereof, this indemnity will survive the removal or resignation of the Issuer Trustee, the termination of this Declaration of Trust and the termination of any trust created hereby.

7.4 Reliance upon Advice

The Issuer Trustee may rely and act upon any statement, notice, report or opinion prepared by or any advice received from the Manager or from the auditors, counsel or other professional advisors of the Issuer Trustee and will not be responsible or held liable for any loss or damage resulting from so relying or acting if the Issuer Trustee acted reasonably and in good faith relied upon the advice received and if the professional advisor was aware that the Issuer Trustee was receiving the advice in its capacity as Issuer Trustee. The Issuer Trustee is entitled to be reimbursed from the Trust Property for all costs, charges and expenses it incurs in connection with obtaining any such statement, notice, report, opinion or advice. The Issuer Trustee is entitled to rely and act upon the genuineness and authenticity of any writing submitted to it that it in good faith believes to be genuine.

7.5 Retain Experts

The Issuer Trustee may appoint such agents and employ or retain such counsel, accountants, engineers, appraisers or other experts or advisers as it may reasonably require for the

purpose of discharging its duties hereunder and shall not be responsible for any misconduct on the part of any of them. The Issuer Trustee may pay remuneration out of the Trust Property for all services performed for it in the discharge of the trusts hereof without taxation for costs or fees of any counsel, solicitor or attorney.

7.6 Reliance on Experts

The Issuer Trustee may act and rely and shall be protected in acting in good faith on the opinion or advice of or information obtained from any agent, counsel, accountant, engineer, appraiser or other expert or adviser in relation to any matter arising in the performance of its duties under the Program Agreements.

7.7 Provisions Regarding Liability

Any written instrument creating an obligation of the Issuer Trustee will be conclusively deemed to have been executed by the Issuer Trustee only in its capacity as Issuer Trustee. Any written instrument creating an obligation of the Issuer Trustee will contain a provision to the effect that the obligations thereunder are not binding upon the Issuer Trustee except in its capacity as Issuer Trustee, nor will recourse be had to the property of the Issuer Trustee except in its capacity as Issuer Trustee, but that the Trust Property or a specific portion thereof only will be bound, and may at the request of the Issuer Trustee make specific provision to the foregoing effect and contain any further provisions which the Issuer Trustee may deem appropriate, but the omission of any such provisions will not operate to invalidate any such instrument or to impose liability on the Issuer Trustee, except as aforesaid. The Issuer Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties hereunder.

ARTICLE 8 RECORDS

8.1 Records to be Kept

The Issuer Trustee will keep or cause to be kept at the head office of the Trust a copy of this Declaration of Trust, a register of Unitholders, minutes of meetings and resolutions of Unitholders, minutes of meetings and resolutions of the Issuer Trustee, and such Records as are by law or good business practice necessary. The Records may be kept at the office of any Person whom the Issuer Trustee has appointed to maintain the same, provided that the Issuer Trustee has access to the Records on one Business Day's notice to such Person.

8.2 Segregation of Assets

The Issuer Trustee shall maintain the Trust Property separate from all other property in its possession.

8.3 Method of Keeping Records

Where this Declaration of Trust requires the Issuer Trustee to cause a Record to be kept, it may be kept in bound or loose-leaf form or by means of a mechanical, electronic or other device.

8.4 Annual Financial Statements

A copy of the annual financial statements of the Trust, signed by the Issuer Trustee, shall be mailed or otherwise made available within 120 days following the end of a fiscal year to which they relate to each Unitholder. The financial statements shall include all information required to be included in annual financial statements of the Trust by applicable laws.

ARTICLE 9 MEETINGS OF UNITHOLDERS AND DECISION OF UNITHOLDERS

9.1 Annual Meeting

There will not be an annual meeting of the Unitholders.

9.2 Other Meetings

The Issuer Trustee will have power at any time to call meetings of the Unitholders at such time and place as the Issuer Trustee may determine. Unitholders holding in the aggregate not less than a majority of the outstanding Units may requisition the Issuer Trustee in writing to call a meeting of the Unitholders for the purposes stated in the requisition. The requisition shall state in reasonable detail the business proposed to be transacted at the meeting and will be sent to the Issuer Trustee at the address of the Issuer Trustee. Upon receiving the requisition, the Issuer Trustee will call a meeting of the Unitholders to transact the business referred to in the requisition. If the Issuer Trustee does not within 10 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting.

9.3 Quorum and Voting

A quorum for any meeting of the Unitholders will be persons present being Unitholders or representing by proxy Unitholders who hold in the aggregate a majority of the total number of outstanding Units. Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Unit will be entitled to one vote at all meetings of the Unitholders. Any action to be taken by the Unitholders will, except as otherwise required by this Declaration of Trust, or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The chairman of any such meeting will not have a second or casting vote.

9.4 Written Resolution

Any business which may be conducted at a meeting of the Unitholders may be approved by a resolution in writing in lieu thereof. Notice of such resolution will be given to all Unitholders and approval of such resolution will be evidenced by the signature on any such resolution or counterpart thereof by the required percentage of Unitholders for the matter to be determined.

ARTICLE 10 AMENDMENT

10.1 Amendment

Subject to Section 2.1 and compliance with the terms of the applicable Program Agreements, the Issuer Trustee may, from time to time, amend, vary, supplement, replace or restate the provisions of this Declaration of Trust without the consent or approval of the Unitholders or any court as follows:

- (a) to the extent deemed necessary by the Issuer Trustee in good faith to be necessary to ensure compliance with, or to remove any conflicts or other inconsistencies which may exist between any term of this Declaration of Trust and the provisions of, any applicable law in effect from time to time;
- (b) to the extent deemed necessary by the Issuer Trustee in good faith to be necessary to make any change or correction in this Declaration of Trust which is a typographical change or correction or which the Issuer Trustee has been advised by legal counsel is required for the purpose of curing any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained herein, or
- (c) subject to the satisfaction of the Rating Agency Condition, to the extent deemed necessary or desirable in the sole discretion of the Issuer Trustee to permit or facilitate the carrying on of the Trust Activities, including the accommodation of requests made by the Rating Agencies or regulatory authorities in relation to the issuance of Funding Obligations.

However, any such amendment may be made only if: (i) it will not materially adversely affect the interest of any Unitholder, unless that Unitholder has also approved of the amendment in writing and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee will immediately upon the entering into thereof, provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of this Declaration of Trust.

10.2 Automatic Amendment

Upon the Issuer Trustee ceasing to be a trustee of the Trust, this Declaration of Trust will be automatically amended to delete any reference to the name of the trustee so ceasing to be a trustee of the Trust and to substitute therefor the name of the successor trustee of the Trust. Notice of any change in the Issuer Trustee may be endorsed upon or attached to this Declaration of Trust and signed by the successor Issuer Trustee and every such notice will be sufficient evidence to any Person dealing with the Issuer Trustee under this Declaration of Trust as to the facts to which it relates.

10.3 Supplemental Declaration of Trust

The Issuer Trustee is authorized to execute any supplemental declaration of trust to give effect to amendments to this Declaration of Trust made pursuant to this Article 10. The Issuer Trustee shall not be obligated to enter into any such supplemental declaration if it adversely affects the Issuer Trustee's rights, duties or immunities under this Declaration of Trust or otherwise. No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 10 or otherwise, shall be construed as a termination of the Trust or the settlement or establishment of a new trust.

ARTICLE 11 DISTRIBUTION OF TRUST PROPERTY

11.1 Distributions

- (1) The Issuer Trustee may declare to be payable and make distributions, from time to time, out of Income of the Trust, Net Realized Capital Gains of the Trust, capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates as the Issuer Trustee may determine, to the Unitholders at the record date for such distribution. The Issuer Trustee may declare such amounts to be payable or authorize such distributions in advance by way of a standing resolution that is effective for a period not exceeding 12 months after the date of the resolution.
- (2) Where the Trust proposes to distribute Trust Property in specie to a redeeming Unitholder as contemplated in subsection 4.1(3), and the Issuer Trustee reasonably expects that such in specie distribution will give rise to Income of the Trust and / or Net Realized Capital Gains of the Trust in excess of the amount of the Net Realized Capital Gains of the Trust Allocated on Redemption to the particular Unitholder whose Units are being redeemed (collectively, the **"Excess Income on Redemption"**), the Issuer Trustee shall declare to be payable and make a distribution, on the record date that is one Business Day before the redemption, to Unitholders at such record date in an amount equal to the estimated Excess Income on Redemption. Such distribution will be satisfied by the issuance of additional Units, or fractions of Units, having a fair market value equal to the amount of such distribution. If the Issuer Trustee is required to deduct or withhold an amount from such distribution, the applicable Unitholder shall make the cash payment described in Section 11.7 to the Issuer Trustee on or prior to the date the distribution.
- (3) If the Issuer Trustee declares to be payable or makes a distribution pursuant to subsections 11.1(1) or 11.1(2) without determining the portion of such distribution that is payable out of Income of the Trust, Net Realized Capital Gains of the Trust, capital of the Trust or otherwise, such allocation shall be made pursuant to subsection 11.2(2).
- (4) The Issuer Trustee intends to make payable to Unitholders all of the Income of the Trust and Net Realized Capital Gains of the Trust for each taxation year throughout which all Unitholders are Specified Unitholders so that the Trust will not have any liability for tax under Part I of the ITA in any such taxation year (other than alternative minimum tax or taxes payable under the "SIFT trust" rules in the ITA). Unless the Issuer Trustee, in its sole

discretion determines otherwise, the following amounts will, without any further actions on the part of the Issuer Trustee, be due and payable to the Unitholders of record on the last day in each taxation year throughout which all Unitholders are Specified Unitholders:

- (a) an amount equal to the amount, if any, by which the Income of the Trust for such year exceeds the aggregate of (A) the aggregate of the portions of the distributions paid or payable by the Trust which have been determined by the Issuer Trustee to have been payable by the Trust out of the Income of the Trust for such year, if any, and (B) the aggregate of the portions of distributions deemed by subsection 11.2(2)(a) to be paid or payable by the Trust out of the Income of the Trust for such year; and
- (b) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year exceeds the aggregate of (A) any amount of the Net Realized Capital Gains of the Trust Allocated on Redemption for the year payable to redeeming Unitholders pursuant to subsection 4.1(5), (B) the aggregate of the portions of the distributions paid or payable by the Trust which have been determined by the Issuer Trustee to have been payable by the Trust out of Net Realized Capital Gains of the Trust for such year, if any, and (C) the aggregate of the portions of distributions deemed by subsection 11.2(2)(b) to be paid or payable by the Trust out of the Net Realized Capital Gains of the Trust for such year, if any.

Any determinations by the Issuer Trustee not to make a distribution described in this subsection 11.1(4) must be exercised by the Issuer Trustee in writing prior to December 31 of the applicable taxation year.

- (5) The Issuer Trustee retains discretion to make payable to Unitholders all of the Income of the Trust and Net Realized Capital Gains of the Trust for each taxation year not described in subsection 11.1(4) above, but any such distribution would require the consent of all Unitholders in such year (other than a Unitholder described in paragraph (a) of the definition of Specified Unitholder).
- (6) The proportionate share of each Unit of the amount of any distribution made pursuant to this section will be determined by dividing such amount by the number of issued and outstanding Units on the applicable record date in respect of a distribution pursuant to subsections 4.1(5), 11.1(1) or 11.1(2) and on the last day of the taxation year in respect of a distribution pursuant to subsection 11.1(4). Each Unitholder's share of the amount of any such distribution will be an amount equal to the proportionate share of each Unit of such amount multiplied by the number of Units owned of record by each such Unitholder on such applicable record date or the last day of the taxation year, as the case may be, and such Unitholder shall, on such date, be entitled to enforce payment of the Unitholder's share. Subject to subsections 4.1(5) and 11.1(2) and section 11.3, amounts which are payable to Unitholders will be paid in cash.

11.2 Allocation

- (1) Subject to subsection 11.2(2), distributions payable to the Unitholders pursuant to Article 11 will be deemed to be distributions of Income of the Trust (including dividends), Net Realized Capital Gains of the Trust, returns of capital of the Trust or other items in such amount as the Issuer Trustee in its absolute discretion determines and will be allocated to the Unitholders in the same proportions as distributions received by the Unitholders.
- (2) If the Issuer Trustee has declared to be payable or made one or more distributions in a taxation year pursuant to subsection 11.1(1) without determining the portion of such distributions that is payable out of Income of the Trust, Net Realized Capital Gains of the Trust, capital of the Trust or otherwise, such distributions shall be deemed to be paid or payable out of:
 - (a) first, the Income of the Trust for such year to the extent, if any, that the Income of the Trust for such year exceeds the aggregate of the amounts in subsection 11.1(4)(a)(A);
 - (b) second, the Net Realized Capital Gains of the Trust for such year to the extent, if any, that the Net Realized Capital Gains of the Trust for such year exceeds the aggregate of the amounts in subsection 11.1(4)(b)(A) and 11.1(4)(b)(B); and
 - (c) as to any balance, the capital of the Trust;and such amounts will be allocated to the Unitholders in the same proportions as such distributions were received by the Unitholders.
- (3) For greater certainty it is hereby declared that any distribution of Net Realized Capital Gains of the Trust will include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

11.3 Payment of Distributions

- (1) Distributions to a Unitholder (other than distributions described in subsections 4.1(5) and 11.1(2)) will be made by cash, wire transfer or cheque payable to or to the order of the Unitholder or by such other manner provided for in subsection 11.3(3). The payment, if made by cheque, will be conclusively deemed to have been made upon hand delivery of a cheque to the Unitholder or to its agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder at its address set out in the records of the Issuer Trustee unless the cheque is not paid on presentation, or in any other manner determined by the Issuer Trustee in its discretion. The Issuer Trustee may issue a replacement cheque if it is satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that the Issuer Trustee may in its discretion consider necessary.
- (2) The Issuer Trustee may, in its sole discretion, transfer temporarily from capital to income within the Trust sufficient cash to facilitate payments of Income of the Trust to Unitholders.

A permanent transfer from capital to income may be effected if payments made by and /or expenses of the Trust in any year exceed the aggregate of the net income and Net Realized Capital Gains of the Trust in such year.

- (3) Without limiting the generality of the foregoing, a distribution to a Unitholder may be paid (i) by the issuance of additional Units, or fractions of Units having a fair market value equal to the amount of such distribution, (ii) by the issuance of a promissory note for a principal amount equal to the amount of such distribution and/or (iii) *in specie* by the transfer of Trust Property having a fair market value equal to the amount of such distribution, all as may be determined by the Issuer Trustee, acting reasonably. The Issuer Trustee acknowledges and agrees that it will elect to make payment to a Unitholder of the amount of a distribution in the manner described in this subsection 11.3(3) only if it has received prior written notice from the Unitholder that such payment method is acceptable, and the Unitholder makes the cash payment described in Section 11.7 to the Issuer Trustee, which written notice may be revoked in writing by the Unitholder at any time. If the Issuer Trustee elects to make payment of the amount of a distribution by the issuance of a promissory note, such promissory note shall bear interest at a fixed or floating rate, shall be repayable on demand or on the expiry of a stated term, and shall contain such other terms all of which may be determined by the Issuer Trustee such that the fair market value of such promissory note is equal to the amount of the distribution. Any such promissory note or additional Units issued, or Trust Property transferred, by the Trust shall constitute absolute and unconditional payment in full of the distribution and, by becoming a Unitholder, each Unitholder hereby acknowledges that any such note, additional Units or transfer of Trust Property will be accepted by the Unitholder as such absolute and unconditional payment of the distribution payable to the Unitholder.

11.4 Legal Rights

For greater certainty, it is hereby declared that the Unitholders shall have the legal right to enforce payment of any amount to be distributed or payable hereunder at the time such amount is due and payable.

11.5 Income Tax Matters

In reporting income for income tax purposes, the Trust will claim the maximum amount available to it as deductions under the relevant law, unless the Issuer Trustee determines otherwise.

11.6 Designations

In accordance with and to the extent permitted by the ITA, the Issuer Trustee will, in each taxation year, make such designations for income tax purposes in respect of amounts paid or payable or deemed to be paid to the Unitholders for such amounts that the Issuer Trustee considers to be reasonable in all circumstances, including designations relating to taxable dividends received or deemed to be received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust and foreign taxes in respect of such foreign source income for the year, if any.

11.7 Withholding Taxes

The Issuer Trustee will deduct or withhold from distributions or other amounts payable under this Declaration of Trust amounts required by law to be deducted or withheld from such distributions or payments, whether such distributions or payments are satisfied in the form of cash, cheque, promissory note, additional Units or otherwise. To the extent that any amounts are deducted or withheld from payments made by cash, cheque or wire transfer, including those described in subsection 11.3(1), such deducted or withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of the distribution or other amount payable, provided that such deducted or withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority. In the event that the Issuer Trustee makes a distribution or payment that is satisfied in a manner other than cash, cheque or wire transfer, including those described in subsections 4.1(3), 4.1(5) or 11.3(3), the recipient of the payment shall provide cash to the Issuer Trustee in amount equal to any required deduction or withholding, which the Issuer Trustee shall forthwith remit to the appropriate taxing authority on behalf of the Unitholder.

ARTICLE 12 TERMINATION OF THE TRUST

12.1 Termination

- (a) The Trust will continue in full force and effect for a period of twelve months from the date hereof and thereafter for so long as any Funding Obligations remain outstanding and until the Trust has satisfied all of its obligations under the Program Agreements or otherwise for the purposes of carrying on the Trust Activities. Notwithstanding the foregoing, the Issuer Trustee may, with the unanimous approval of Unitholders, wind-up the affairs of the Trust and terminate the Trust and distribute the Trust Property then remaining to the Unitholders in proportion to the number of Units held by each Unitholder no later than the date that is one day prior to the 21st anniversary of the death of the last surviving lineal descendent of Queen Elizabeth, II of England living at the date this declaration is made.
- (b) Subject to Section 12.1(a), the Issuer Trustee may, with the unanimous approval of the Unitholders, wind up the affairs of the Trust and terminate the Trust. To the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, the Issuer Trustee shall consider only the interests of the Trust, including its creditors, in acting on the matters referred to in this Section 12.1. On the date the Trust is terminated, the Issuer Trustee will, upon receipt of such releases, indemnities and refunding agreements as the Issuer Trustee may deem necessary for its protection, distribute the remaining Trust Property, after payment of all other obligations of the Trust, in cash or in kind , or partly in each, to the Unitholders in proportion to the number of Units held by each Unitholder

ARTICLE 13 GENERAL

13.1 Acknowledgement of Indenture

The Issuer Trustee (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 Trust and the Indenture Trustee to (X) add the Issuer Trustee (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 Issuer Trustee to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Indenture.

13.2 Irrevocability

The Trust shall be irrevocable.

13.3 Change of Office

The Issuer Trustee may at any time and from time to time during the existence of the trusts hereby created change the head office, chief executive office, chief place of business and situs of the administration of the Trust to another location within Ontario or have such other offices or places of administration within Canada as the Issuer Trustee may from time to time determine is necessary or desirable.

13.4 Execution of Instruments

The Issuer Trustee shall have power from time to time to appoint any Person or Persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing.

13.5 Manner of Giving Notice

Except as otherwise permitted herein, any notice required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder or the Issuer Trustee shall be deemed conclusively to have been given if given either by delivery or by prepaid first-class mail addressed to each Unitholder at its address shown on the register of Unitholders or to the Issuer Trustee at the last address provided by the Issuer Trustee for such purpose. Any notice so given shall be deemed to have been given on the day of hand delivery or the day following that on which the notice was mailed.

13.6 Taxation Information

On or before March 30 in each year, or such earlier day as is required by applicable legislation or regulation, the Issuer Trustee will provide to Unitholders who received distributions from the Trust in the prior calendar year such information regarding the Trust required by applicable law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

13.7 Severability

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of this Declaration of Trust and shall not affect or impair any of the remaining provisions thereof. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

13.8 Governing Law

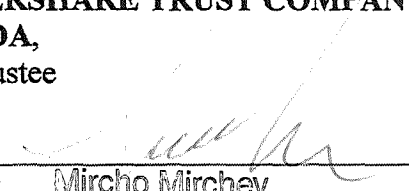
This Declaration of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and the Issuer Trustee hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

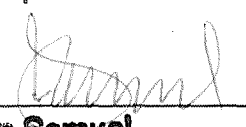
13.9 Language

Les parties aux présentes ont exigés que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en la langue anglaise. The parties hereto have required that this Declaration of Trust and all documents and notices resulting herefrom be drawn up in English.

IN WITNESS WHEREOF the Issuer Trustee has caused this Declaration of Trust to be executed as of the day and year first above written by its duly authorized signatories.

**COMPUTERSHARE TRUST COMPANY
OF CANADA,**
as Issuer Trustee

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

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

SCHEDULE B
MANAGEMENT AGREEMENT

See attached.

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

TABLE OF CONTENTS

ARTICLE 1

INTERPRETATION.....	2
1.1 Definitions	2

ARTICLE 2

INTRODUCTORY PROVISIONS.....	5
2.1 Sections and Headings	5
2.2 Extended Meanings.....	5
2.3 References to Acts of the Issuer or the Issuer Trustee.....	5

ARTICLE 3

APPOINTMENT OF THE MANAGER.....	5
3.1 Appointment and Authority of the Manager.....	5

ARTICLE 4

DUTIES AND OBLIGATIONS OF THE MANAGER.....	6
4.1 Program Agreements	6
4.2 Issuer Investment Interest	10
4.3 Implementation Plan	11
4.4 Collection of Clean Energy Adjustments	12
4.5 Investment Interest Records.....	13
4.6 Payment of Other Issuer Fees and Expenses	14
4.7 Delegation.....	14
4.8 Annual Compliance Certificates.....	14
4.9 Acknowledgment of Duties as Financial Services Manager	14

ARTICLE 5

OTHER PROVISIONS RELATING TO THE DUTIES AND COMPENSATION	15
5.1 Standard of Care	15
5.2 Compliance with Program Agreements; Conformity with Law	16
5.3 Liabilities	16
5.4 Compensation of the Manager	16
5.5 Compensation of the Issuer.....	17
5.6 Indemnification by Manager.....	17
5.7 Contracting with Itself and Affiliates	19

ARTICLE 6

REPRESENTATIONS AND WARRANTIES 19

6.1 Representations of the Issuer 19

6.2 Representations of the Manager 19

ARTICLE 7

TERMINATION AND RESIGNATION 20

7.1 Termination..... 20

ARTICLE 8

MISCELLANEOUS..... 20

8.1 Acknowledgement of Indenture..... 20

8.2 Appointment of Manager as Attorney-in-Fact..... 20

8.3 Amendments and Waivers 21

8.4 Withholding Rights..... 21

8.5 No Petition 22

8.6 Notice..... 22

8.7 Recourse to Issuer Trustee and the Issuer..... 23

8.8 Severability 23

8.9 Execution of Counterparts; Electronic Delivery..... 23

8.10 Governing Law 23

8.11 Grant of Security Interest to Indenture Trustee; Acknowledgement of Rights
of Indenture Trustee 23

EXHIBIT

Exhibit A – Annual Compliance Certificate

Exhibit B – Monthly Portfolio Report

MANAGEMENT AGREEMENT

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 Manager, 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 Manager 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 be 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: _____

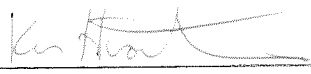
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

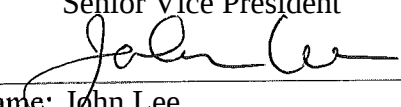
**FAIR HYDRO TRUST, by its sole trustee,
COMPUTERSHARE TRUST COMPANY
OF CANADA
as Issuer**

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: _____
Title: **Ahmad Adam**
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.

[illegible]

SCHEDULE C

MASTER TRUST INDENTURE

See attached.

FAIR HYDRO TRUST

as Issuer

AND

BNY TRUST COMPANY OF CANADA

as Indenture Trustee

TRUST INDENTURE

DATED AS OF DECEMBER 21, 2017

TABLE OF CONTENTS

	Page
RECITALS OF THE ISSUER.....	1
AGREEMENT OF THE PARTIES	1
ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	1
1.01 Definitions.....	1
1.02 Compliance Certificates and Opinions	2
1.03 Form of Documents Delivered to Indenture Trustee	3
1.04 Actions by Noteholders.....	3
1.05 Actions of Lenders.....	6
1.06 Effect of Headings and Table of Contents.....	6
1.07 Successors and Assigns.....	6
1.08 Severability	6
1.09 Governing Law	6
1.10 Counterparts.....	6
1.11 Indenture Referred to in the Declaration of Trust and the Master Transfer and Servicing Agreement.....	7
1.12 Non-Business Days.....	7
1.13 Interest Act.....	7
1.14 Currency.....	7
1.15 References to Acts of the Issuer.....	7
1.16 Judgment Currency	8
1.17 Obligations in a Foreign Currency.....	8
ARTICLE II COLLATERAL	8
2.01 Security for Obligations Secured.....	8
2.02 Recording, Etc.....	10
2.03 Use of Collateral	12
2.04 Suits to Protect the Collateral	12
2.05 Purchaser Protected.....	12
2.06 Powers Exercisable by Receiver or Indenture Trustee	12
2.07 Determinations Relating to Collateral	12
2.08 Satisfaction and Discharge of Indenture	13
2.09 Release of all Collateral	14
2.10 Certain Commercial Law Representations and Warranties	15
ARTICLE III NOTE FORMS.....	15
3.01 Forms Generally.....	15
3.02 Forms of Notes.....	16
3.03 Form of Indenture Trustee's Certificate of Authentication	16
3.04 Notes Issuable in the Form of a Global Note.....	16
3.05 Temporary Global Notes and Permanent Global Notes	19

TABLE OF CONTENTS

(continued)

	Page
3.06 Beneficial Ownership of Global Notes	20
3.07 Notices to Depository	21
3.08 CUSIP Numbers.....	21
ARTICLE IV THE NOTES.....	21
4.01 General Title, General Limitations, Issuable in Series, Terms of a Series or Tranche of Notes	21
4.02 Denominations	24
4.03 Execution, Authentication and Delivery and Dating	24
4.04 Temporary Notes	25
4.05 Registration, Transfer and Exchange	26
4.06 Mutilated, Destroyed, Lost and Stolen Notes	29
4.07 Persons Entitled to Payment	30
4.08 Protection of Notes	31
4.09 Additional Issuances of Notes	31
4.10 Redemption of Notes	32
4.11 Purchase of Notes for Cancellation.....	34
4.12 Cancellation	34
ARTICLE V CONDITIONS PRECEDENT	35
5.01 Conditions Precedent for Incurrence of Indebtedness	35
5.02 No Consent.....	37
5.03 Conditions Precedent for the Incurrence of other Obligations Secured	37
5.04 Specified Creditor Acknowledgements	38
5.05 Acknowledgement of Program Agreement by Indenture Trustee	38
ARTICLE VI SUBORDINATION.....	39
6.01 Subordination.....	39
6.02 Subrogation to Senior Funding Obligations and Derivative Funding Obligations.....	39
6.03 Rights of Specified Creditors Preserved	39
6.04 Renewal or Extension of Senior Funding Obligations	40
ARTICLE VII ISSUER ACCOUNTS AND INVESTMENTS; ORDINARY COURSE ALLOCATIONS.....	40
7.01 Available Collections.....	40
7.02 Issuer Accounts.....	41
7.03 Investment of Funds in the Issuer Accounts	45
7.04 Allocation of Amounts on Deposit in Collection Account	46
7.05 Allocation of Amounts on Deposit in Interest Accumulation Account	50
7.06 Allocation of Amounts on Deposit in Principal Accumulation Account	51
7.07 Allocation of Amounts on Deposit in IESO Cash Reserve Account.....	52

TABLE OF CONTENTS

(continued)

	Page
7.08 Allocation of Amounts on Deposit in Program Cash Reserve Account	52
7.09 Allocation of Amounts on Deposit in Refinancing Account	54
7.10 Allocation of Amounts on Deposit in Protection Account	54
7.11 Allocation of Amounts on Deposit in Series Accounts	56
7.12 Payments to be Held in Trust.....	57
7.13 Application of Trust Money.....	57
 ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES	 57
8.01 Events of Default	57
8.02 Acceleration of Maturity; Rescission and Annulment.....	59
8.03 Waiver of Past Defaults	60
8.04 Notice of Defaults	61
8.05 Remedies Generally	62
8.06 Default Interest and Expenses.....	62
8.07 Indenture Trustee May File Proofs of Claim	63
8.08 Indenture Trustee May Enforce Claims Without Possession of Notes.....	63
8.09 Indenture Trustee May Elect to Hold the Collateral	63
8.10 Termination by Indenture Trustee of Manager and Servicer.....	63
8.11 Control by Controlling Class Creditors	64
8.12 Limitation on Suits.....	64
8.13 Application of Money Following an Event of Default	65
8.14 Limited Recourse	66
8.15 Restoration of Rights and Remedies.....	67
8.16 Rights and Remedies Cumulative.....	67
8.17 Delay or Omission Not Waiver.....	67
8.18 Waiver of Stay or Extension Laws	68
8.19 Indenture Trustee Appointed Attorney	68
8.20 Disclaimer of Marshalling	68
 ARTICLE IX THE INDENTURE TRUSTEE.....	 69
9.01 Certain Duties and Responsibilities	69
9.02 Certain Rights of Indenture Trustee.....	70
9.03 Not Responsible for Recitals or Issuer Funding Obligations.....	72
9.04 May Hold Notes	72
9.05 Compensation and Reimbursement; Limit on Compensation Reimbursement and Indemnity	72
9.06 Corporate Indenture Trustee Required; Eligibility	73
9.07 Resignation and Removal; Appointment of Successor.....	73
9.08 Acceptance of Appointment by Successor	75
9.09 Merger, Conversion, Consolidation or Succession to Business	75
9.10 Trust Indenture Legislation.....	75
9.11 Representations and Covenants of the Indenture Trustee.....	76
9.12 Indenture Trustee's Application for Instructions from the Issuer.....	76

TABLE OF CONTENTS **(continued)**

	Page
9.13 Appointment of Co-Trustee or Separate Indenture Trustee.....	76
9.14 Preservation of Information; Communications to Specified Creditors.....	78
9.15 Acceptance of Trusts by Indenture Trustee	79
9.16 Paying Agent.....	79
ARTICLE X MEETINGS.....	81
10.01 Conduct of Meetings.....	81
10.02 Powers Exercisable by Ordinary Resolution and Extraordinary Resolution	82
10.03 Extraordinary Resolution	85
10.04 Declaration by Chairman of Result of Vote	85
10.05 Minutes	85
10.06 Signed Instruments.....	85
10.07 Persons Who May Attend	86
10.08 Binding Effect of Resolutions.....	86
10.09 Notes Regarded as Not Outstanding for Certain Purposes	86
ARTICLE XI SUPPLEMENTAL INDENTURES.....	86
11.01 Supplemental Indentures and Amendments Without Consent of Specified Creditors.....	86
11.02 Supplemental Indentures and Amendments with Consent of Debtholders	89
11.03 Execution of Amendments and Supplemental Indentures	90
11.04 Effect of Amendments and Supplemental Indentures	90
11.05 Reference in Notes to Supplemental Indentures	90
ARTICLE XII REPRESENTATIONS AND WARRANTIES OF THE ISSUER	91
12.01 Representations and Warranties of the Issuer	91
12.02 Certified Primary Obligations.....	92
ARTICLE XIII COVENANTS OF THE ISSUER	93
13.01 Payment of Principal and Interest	93
13.02 Use of Proceeds.....	93
13.03 Maintenance of Office or Agency.....	93
13.04 Legal Existence.....	93
13.05 Separateness Covenants	94
13.06 Compliance with Laws	95
13.07 Performance of Obligations	95
13.08 Funding Obligations.....	95
13.09 Financial Statements	95
13.10 Statement as to Compliance.....	96
13.11 Payment Instructions.....	96
13.12 Notice of Certain Events; Protection Event	96

TABLE OF CONTENTS **(continued)**

	Page
13.13 Issuer To Furnish Indenture Trustee Names and Addresses of Specified Creditors.....	97
13.14 Other Positive Covenants.....	97
13.15 Rule 144A Information	99
13.16 Further Instruments and Acts.....	99
13.17 No Other Business	99
13.18 Amendments to Program Agreements	99
13.19 Issuer May Consolidate, Etc., Only on Certain Terms	100
13.20 Successor Substituted.....	101
13.21 Guarantees, Loans, Advances and Other Liabilities.....	101
13.22 Capital Expenditures	101
13.23 Restricted Payments.....	101
13.24 Redemption of Subordinated Notes or Junior Subordinated Notes	102
13.25 No Borrowing	102
13.26 Minimum Subordinated Funding Obligations	102
13.27 Other Negative Covenants	102
13.28 Indenture Trustee May Perform Covenants.....	103
ARTICLE XIV CERTAIN PROGRAM AGREEMENTS	103
14.01 Management Agreement.....	103
14.02 Credit Enhancement Agreements	104
14.03 Declaration of Trust	104
ARTICLE XV NOTICES.....	104
15.01 Notice to Issuer	104
15.02 Notice to the Indenture Trustee.....	105
15.03 Notice to Noteholders	105
15.04 Notice to Other Specified Creditors.....	106
15.05 Notice to Rating Agencies	107
15.06 Change of Address.....	107
ARTICLE XVI MISCELLANEOUS.....	107
16.01 No Petition	107
16.02 Withholding Rights.....	107
16.03 U.S. Tax Treatment.....	107
16.04 Alternate Payment Provisions.....	108
16.05 Final Distribution.....	108
16.06 Force Majeure	109
16.07 Delivery of Executed Copies	109

Schedule A	—	Defined Terms
Exhibit 1	—	Forms of Payment Instruction
Exhibit 2	—	Form of Refinancing Notice
Exhibit 3	—	Form of Specified Creditor List
Exhibit 4	—	Form of Request for Specified Creditor Information
Exhibit 5	—	Form of Cancellation Notice
Exhibit 6	—	Forms of Certification

This **TRUST INDENTURE**, between **COMPUTERSHARE TRUST COMPANY OF CANADA** in its capacity as trustee of **FAIR HYDRO TRUST**, a trust formed under the laws of the Province of Ontario (the “**Issuer**”), and **BNY TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada, in its capacity as Indenture Trustee (the “**Indenture Trustee**”), is made and entered into as of December 21, 2017.

RECITALS OF THE ISSUER

The Issuer wishes to provide for the incurrence of Issuer Funding Obligations in one or more Classes, Series or Tranches.

All things necessary to make this Indenture a valid and legally binding agreement of the Issuer, in accordance with its terms, have been done.

AGREEMENT OF THE PARTIES

In consideration of the respective agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Definitions

For all purposes of this Indenture and of any Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in Schedule A have the meanings assigned to them in Schedule A, and include the plural as well as the singular;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles (including the International Financial Reporting Standards published by the International Accounting Standards Board or the Accounting Standards Certification published by the Financial Accounting Standards Board (US GAAP)) and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder means such accounting principles as are generally accepted in Canada or the United States at the date of such computation;
- (c) unless the context otherwise requires, terms defined in the PPSA and not otherwise defined in this Indenture or a Supplemental Indenture shall have the meanings set forth in the PPSA;
- (d) references to an agreement shall mean such agreement, as amended, modified, restated and supplemented from time to time in accordance with the provisions hereof;

- (e) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;
- (f) references to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;
- (g) references to any statute shall include all regulations promulgated thereunder;
- (h) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;
- (i) all references in this Indenture to designated "Articles", "Sections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Schedules, Exhibits and other subdivisions of this Indenture as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (j) "including" and words of similar import will be deemed to be followed by "without limitation";
- (k) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding"; and
- (l) references to a specific rating by a Rating Agency shall mean such rating or the equivalent rating if such Rating Agency changes its rating scale.

1.02 Compliance Certificates and Opinions

Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer will furnish to the Indenture Trustee (i) an Issuer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and (ii) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents are specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

The Indenture Trustee may rely, as to authorization by the Issuer of any Series or Tranche of Notes, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and the other documents delivered pursuant to Article V and this Section 1.02, as applicable, in connection with the authentication of Notes of such Series or Tranche.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (except for the written statement required by Section 13.10) will include:

- (a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that such individual has made such examination or investigation as is necessary to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

1.03 Form of Documents Delivered to Indenture Trustee

In any case where several matters are required to be certified by, or covered by an opinion of, one or more specified Persons, one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless the Issuer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations are erroneous. Any such certificate or opinion of, or representation by, counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

1.04 Actions by Noteholders

- (a) Any request, demand, authorization, direction, notice, consent, resolution, waiver or other action (collectively, an “**Action**”) provided by this Indenture to be given or taken by Noteholders of any Class, Series or Tranche may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by an agent duly appointed in writing. In addition, any Action provided by this Indenture to be given or taken by such Noteholders may, alternatively, be embodied in and evidenced by the record of such Noteholders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Noteholders duly called and held in accordance with the provisions

of Article X or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such Action will become effective when such instrument or instruments or record are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Note, will be sufficient for any purpose of this Indenture and (subject to Section 9.01) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 1.04. The record of any meeting of Noteholders shall be proved in the manner provided in Article X.

- (b) The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may be proved in any manner which the Indenture Trustee deems sufficient.
- (c)
 - (i) The ownership of Registered Notes will be proved by the Note Register.
 - (ii) The ownership of Bearer Notes or coupons will be proved by the production of such Bearer Notes or coupons or by a certificate, satisfactory to the Issuer and the Indenture Trustee, executed, as depositary, by any bank, trust company, recognized securities dealer, as depositary, wherever situated, satisfactory to the Issuer. Each such certificate will be dated and will state that on the date thereof a Bearer Note or coupon bearing a specified serial number was deposited with or exhibited to such bank, trust company or recognized securities dealer by the Person named in such certificate. Any such certificate may be issued in respect of one or more Bearer Notes or coupons specified therein. The holding by the Person named in any such certificate of any Bearer Note specified therein will be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (A) another certificate bearing a later date is issued in respect of the same Bearer Note or coupon produced, (B) the Bearer Note or coupon specified in such certificate is produced by some other Person or (C) the Bearer Note or coupon specified in such certificate has ceased to be Outstanding.
- (d) The fact and date of execution of any such instrument or writing, the authority of the Person executing the same and the principal amount and serial numbers of Bearer Notes held by the Person so executing such instrument or writing and the date of holding the same may also be proved in any other manner which the Indenture Trustee deems sufficient; and the Indenture Trustee may in any instance require further proof with respect to any of the matters referred to in this Section 1.04.
- (e) If the Issuer will solicit from the Noteholders any Action, the Issuer may, at its option, by an Issuer Certificate, fix in advance a record date for the determination of Noteholders entitled to give such Action, but the Issuer will have no obligation to do so. If the Issuer does not so fix a record date, such record date will be the later of 30 days before the first solicitation of such Action or the date of the most recent

list of Noteholders furnished to the Indenture Trustee pursuant to Section 13.13 before such solicitation. Such Action may be given before or after the record date, but only the Noteholders of record at the close of business on the record date will be deemed to be Noteholders for the purposes of determining whether Noteholders of the requisite proportion of Outstanding Notes have authorized or agreed or consented to such Action, and for that purpose the Outstanding Notes will be computed as of the record date; provided that no such authorization, agreement or consent by the Noteholders on the record date will be deemed effective unless it will become effective pursuant to the provisions of this Indenture not later than six (6) months after the record date.

- (f) Any Action by a Noteholder will bind the holder of every Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon whether or not notation of such Action is made upon such Note.
- (g) Without limiting the foregoing, a Noteholder entitled hereunder to take any Action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or Action taken by a Noteholder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Noteholders of each such different part.
- (h) Without limiting the generality of the foregoing, unless otherwise specified pursuant to one or more Supplemental Indentures, a Noteholder, including a Depository that is the holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any Action provided in this Indenture to be made, given or taken by Noteholders, and a Depository that is the holder of a Global Note may provide its proxy or proxies to the beneficial owners of interests in or security entitlements to any such Global Note through such Depository's standing instructions and customary practices.
- (i) The Issuer may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in or security entitlements to any Global Note held by a Depository entitled under the procedures of such Depository to make, give or take, by a proxy or proxies duly appointed in writing, any Action provided in this Indenture to be made, given or taken by Noteholders. If such a record date is fixed, the Noteholders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such Action, whether or not such Noteholders remain Noteholders after such record date. No such Action shall be valid or effective if made, given or taken more than six (6) months after such record date.

1.05 Actions of Lenders

Any Action provided by this Indenture to be given or taken by any Lender or group of Lenders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Lender(s) in person or an agent duly appointed in writing. Proof of execution of any such instrument or of a writing appointing any such agent will be sufficient for any purpose of this Indenture and (subject to Section 9.01) conclusive in favour of the Indenture Trustee and the Issuer, if made in the manner provided in Section 1.04(b).

1.06 Effect of Headings and Table of Contents

The Article and Section headings herein and the Table of Contents are for convenience only and will not affect the construction hereof.

1.07 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer will bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Indenture Trustee in this Indenture shall bind its successors, co-trustees and agents of the Indenture Trustee.

1.08 Severability

In case any provision in this Indenture or in the Notes will be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

1.09 Governing Law

THIS INDENTURE WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY ONTARIO COURTS SITTING IN TORONTO IN ANY ACTION, APPLICATION, REFERENCE OR OTHER PROCEEDING ARISING OUT OF OR RELATED TO THIS INDENTURE. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO REQUIRE A TRIAL BY JURY OF ANY PROCEEDING COMMENCED IN CONNECTION WITH THIS INDENTURE.

1.10 Counterparts

This Indenture may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute one and the same instrument.

1.11 Indenture Referred to in the Declaration of Trust and the Master Transfer and Servicing Agreement

This is the Indenture referred to in the Declaration of Trust and the Master Transfer and Servicing Agreement.

1.12 Non-Business Days

In the event that any day on which any action is required to be taken or any payment is to be made under this Indenture is not a Business Day, then such action will be required to be taken or such payment will be made at or before the requisite time on the next succeeding day that is a Business Day.

1.13 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Indenture that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (i) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Indenture or the Notes, and (ii) the rates of interest stipulated in this Indenture or the Notes are intended to be nominal rates and not effective rates or yields.

1.14 Currency

Unless stated otherwise, all amounts herein are stated in Dollars.

1.15 References to Acts of the Issuer

For greater certainty, where any reference is made in this Indenture, or in any other instrument executed pursuant hereto or contemplated hereby to which the Issuer or the Issuer Trustee, as trustee of the Issuer, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Issuer) by or with respect to (i) the Issuer or (ii) the Issuer Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Issuer) by or with respect to, the Issuer Trustee as trustee of the Issuer.

1.16 Judgment Currency

- (a) If for the purpose of obtaining judgment in any court or for any other purposes (other than conversions specifically provided for in this Indenture), it is necessary to convert any amount due under this Indenture from the currency in which it is due (the “**Original Currency**”) into another currency (the “**Second Currency**”), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the purchaser could purchase, in the New York foreign exchange market, the Original Currency with the Second Currency on the date on which judgment is given. The obligation of the Issuer in respect of any Original Currency due from it to the Indenture Trustee under this Indenture shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following receipt of any sum so paid or adjudged to be due under this Indenture in the Second Currency, the Indenture Trustee may, in accordance with normal banking procedures, purchase in the New York foreign exchange market the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the Issuer shall indemnify the Indenture Trustee against such loss.
- (b) The term “**rate of exchange**” in this Section 1.16 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

1.17 Obligations in a Foreign Currency

Unless otherwise specified in a Related Funding Obligation Agreement with respect to a particular Series or Tranche of Issuer Funding Obligations, whenever for purposes of this Indenture any Action may be taken by the Debtholders of a specified percentage of Outstanding Dollar Principal Amount of Issuer Funding Obligations and, at such time, there are outstanding Issuer Funding Obligations of any relevant Series which are denominated in a Foreign Currency, then the principal amount of the Issuer Funding Obligations of such Series which shall be deemed to be outstanding for the purpose of taking such Action shall be the amount of Dollars which could be obtained for such principal amount at the Market Exchange Rate on the applicable Record Date, or if no such Record Date shall have been established, on the date that the taking of such Action shall be authorized by Debtholders of the applicable Series.

ARTICLE II COLLATERAL

2.01 Security for Obligations Secured

As security for the due payment of all Obligations Secured including, without limitation, all principal of and interest, if any, on the Notes from time to time issued and certified under this Indenture and on any Borrowings, and the performance by the Issuer of all of the obligations of the Issuer in relation thereto, the Issuer hereby:

- (a) mortgages, charges, pledges, grants, transfers, assigns, hypothecates and sets over unto the Indenture Trustee, for the benefit and security of the applicable Specified Creditors and the Indenture Trustee, in its individual capacity, as and by way of a fixed and specific mortgage, assignment, pledge, hypothec and charge and grants to the Indenture Trustee for the benefit and security of the applicable Specified Creditors and the Indenture Trustee, in its individual capacity, a security interest in all of its right, title and interest, whether now owned or hereafter acquired, in and to the following:
 - (i) the Issuer Investment Interest;
 - (ii) each Issuer Account (including all Sub-Accounts of each Issuer Account);
 - (iii) all Eligible Investments and all investment property, money and other property held in the Issuer Accounts (including any Sub-Accounts of each Issuer Account);
 - (iv) all rights, benefits and powers of the Issuer under any Program Agreement;
 - (v) all rights, benefits and powers of the Issuer under the Act;
 - (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing;
 - (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing;
 - (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof;
 - (ix) all amounts received with respect to all of the foregoing; and
 - (x) all proceeds of the foregoing; and
- (b) mortgages, charges, pledges, grants, transfers, assigns, hypothecates and sets over unto the Indenture Trustee, for the benefit and security of the Specified Creditors and the Indenture Trustee, in its individual capacity, a floating charge over, and grants to the Indenture Trustee for the benefit and security of the Specified Creditors and the Indenture Trustee, in its individual capacity, a security interest in

all of the property, assets and undertaking now owned or hereafter acquired by the Issuer.

The property described in the preceding sentence is collectively referred to as the “**Collateral**”.

The Indenture Trustee acknowledges the grant of such Security Interest, and accepts the Collateral in trust hereunder in accordance with the provisions hereof and agrees to perform the duties herein such that the interests of the Specified Creditors may be adequately and effectively protected.

To have and to hold the Collateral and all rights hereby conferred unto the Indenture Trustee, its successors and assigns forever but in trust nevertheless for the benefit of the Specified Creditors, including the Indenture Trustee, in its individual capacity, and for the uses and purposes and subject to the terms and conditions herein set forth.

The Issuer acknowledges that value has been given and that the security granted shall attach and be effective on the date of execution of this Indenture and when the Issuer has rights in the Collateral, whether or not the monies and the Notes or any other evidence of Obligations Secured or any part thereof hereby secured or intended to be hereby secured shall be advanced or issued before or after or upon the date of the execution of this Indenture.

2.02 Recording, Etc.

- (a) The Issuer intends the Security Interest granted pursuant to this Indenture in favor of the Indenture Trustee to be prior to all other Liens in respect of the Collateral. The Issuer will take all actions necessary to maintain a perfected Lien on the Collateral in favor of the Indenture Trustee.
- (b) The Indenture Trustee shall hold each item of the Collateral separate and apart from all other property held by the Indenture Trustee.
- (c) The Issuer will from time to time execute, authorize and deliver all such supplements and amendments hereto and all such financing statements, amendments thereto, instruments of further assurance and other instruments, all as prepared by the Issuer, and will take such other action necessary or advisable to:
 - (i) grant the Security Interest more effectively in all or any portion of the Collateral;
 - (ii) maintain or preserve the Security Interest (and the priority thereof) or carry out more effectively the purposes hereof;
 - (iii) perfect, publish notice of or protect the validity of any grant made or to be made by this Indenture;

- (iv) enforce its rights under the Investment Asset, any Program Agreement to which it is a party and each other instrument or agreement designated for inclusion in the Collateral;
 - (v) preserve and defend title to the Collateral and the rights of the Indenture Trustee in the Collateral against the claims of all Persons; or
 - (vi) pay all Taxes levied or assessed upon the Collateral when due.
- (d) The Issuer will from time to time promptly pay and discharge all PPSA recording and filing fees, charges and Taxes relating to this Indenture, any amendments hereto and any other instruments of further assurance.
- (e) Without limiting the generality of subsection 2.02(c) or (d):
 - (i) The Issuer will cause this Indenture, all amendments and supplements hereto and all financing statements and all amendments to such financing statements and any other necessary documents covering the Indenture Trustee's right, title and interest in and to the Collateral to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by applicable law to fully preserve and protect the right, title and interest of the Indenture Trustee in and to all property comprising the Collateral. The Issuer will deliver to the Indenture Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Issuer hereby authorizes the filing of financing statements (and amendments of financing statements) that name the Issuer as debtor and the Indenture Trustee as secured party and that cover all personal property of the Issuer. The Issuer also hereby ratifies the filing of any such financing statements (or amendments of financing statements) that were filed prior to the execution hereof.
 - (ii) The Issuer shall not change its name, its jurisdiction of formation or its type of organization unless it has provided the Indenture Trustee and each Rating Agency with 30 days prior written notice and it has first (A) made all filings and taken all actions in all relevant jurisdictions under the PPSA and other applicable law as are necessary to continue and maintain the first priority perfected Security Interest of the Indenture Trustee in the Collateral, and (B) delivered to the Indenture Trustee (with a copy to each Rating Agency) an Opinion of Counsel to the effect that all necessary filings have been made under the PPSA (and where applicable, the equivalent thereof) in all relevant jurisdictions as are necessary to continue and maintain the first priority perfected Security Interest of the Indenture Trustee in the Collateral.

2.03 Use of Collateral

Subject to the express terms of this Indenture, until the Issuer Funding Obligations have become due and payable pursuant to Section 8.02, the Issuer will be permitted to possess and use the Collateral in connection with the activities of the Issuer, including, without limitation, the right to (a) exercise all of its rights and perform all of its obligations under each Program Agreement without consultation with or the consent of the Indenture Trustee, and (b) use the funds in any Issuer Account for any purpose not in violation of this Indenture or the Program Agreements.

2.04 Suits to Protect the Collateral

Subject to the provisions of this Indenture, the Indenture Trustee will have the power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Indenture Trustee may deem expedient to preserve or protect the interests of the Specified Creditors and the interests of the Indenture Trustee in the Collateral (including the power to institute and maintain suits or proceedings to restrain the enforcement of, or compliance with, any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the Security Interest or be prejudicial to the interests of the Specified Creditors or the Indenture Trustee).

2.05 Purchaser Protected

In no event will any purchaser in good faith of any property purported to be released hereunder be bound to ascertain the authority of the Indenture Trustee to execute the release or to inquire as to the satisfaction of any conditions required by the provisions hereof for the exercise of such authority or to see to the application of any consideration given by such purchaser or other transferee; nor will any purchaser or other transferee of any property or rights permitted by this Article II to be sold be under any obligation to ascertain or inquire into the authority of the Issuer to make any such sale or other transfer.

2.06 Powers Exercisable by Receiver or Indenture Trustee

In case the Collateral shall be in the possession of a receiver or trustee lawfully appointed, the powers conferred in this Article II upon the Issuer with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Issuer or of any officer or officers thereof required by the provisions of this Article II.

2.07 Determinations Relating to Collateral

In the event (i) the Indenture Trustee shall receive any written request from the Issuer for consent or approval with respect to any matter or thing relating to any Collateral or the Issuer's obligations with respect thereto, (ii) there shall be due to or from the Indenture Trustee under the provisions hereof any performance or the delivery of any instrument, or (iii) the Indenture Trustee shall become aware of any nonperformance by the Issuer of any covenant or any breach of any representation or warranty of the Issuer set forth in this Indenture, then, in each such event, the

Indenture Trustee shall be entitled to hire experts, consultants, agents and attorneys to advise the Indenture Trustee on the manner in which the Indenture Trustee should respond to such request or render any requested performance or response to such nonperformance or breach (the expenses of which will be reimbursed to the Indenture Trustee pursuant to Section 9.05). The Indenture Trustee will be fully protected in the taking of any action recommended or approved by any such expert, consultant, agent or attorney, or agreed to by Extraordinary Resolution.

2.08 Satisfaction and Discharge of Indenture

- (a) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture with respect to any Class, Series or Tranche of Issuer Funding Obligations or for any other purpose, pay, or by an Issuer Certificate direct any Paying Agent to pay, to the Indenture Trustee all sums held in trust by the Issuer or such Paying Agent in respect of each and every Class, Series or Tranche of Issuer Funding Obligations as to which it seeks to discharge this Indenture or, if for any other purpose, all sums so held in trust by the Issuer in respect of all Issuer Funding Obligations, such sums to be held by the Indenture Trustee upon the same trusts as those upon which such sums were held by the Issuer or such Paying Agent; and, upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent will be released from all further liability with respect to such money.
- (b) This Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations (except as to any surviving rights of transfer or exchange of Notes of that Class, Series or Tranche expressly provided for herein or in any form of Note for that Class, Series or Tranche), and the Indenture Trustee, on demand of and at the expense of the Issuer, will execute proper instruments acknowledging satisfaction and discharge of this Indenture as to that Class, Series or Tranche, when:
 - (i) (A) in the case of Notes, all Notes of that Class, Series or Tranche theretofore Outstanding (other than (x) Notes of that Class, Series or Tranche which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 16.05(b), and (y) Notes of that Class, Series or Tranche for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from that trust, as provided in Section 16.05(b)) have been delivered to the Indenture Trustee for cancellation or been cancelled, or (B) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer to the Indenture Trustee;
 - (ii) the Issuer has paid or caused to be paid all other sums payable under the Indenture (including payments to the Indenture Trustee pursuant to Section 9.05) by the Issuer with respect to the Issuer Funding Obligations of that Class, Series or Tranche; and

- (iii) the Issuer has delivered to the Indenture Trustee an Issuer Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Issuer Funding Obligations of that Class, Series or Tranche have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture with respect to any Class, Series or Tranche of Issuer Funding Obligations, the obligations of the Issuer to the Indenture Trustee with respect to that Class, Series or Tranche of Issuer Funding Obligations under Section 9.05 and the obligations of the Indenture Trustee under Sections 7.13 and 16.05(b) will survive such satisfaction and discharge.

- (c) This Indenture will cease to be of further effect, and the Indenture Trustee, on demand of and at the expense of the Issuer, will execute proper instruments acknowledging satisfaction and discharge of this Indenture, when all Issuer Funding Obligations have been satisfied and discharged in accordance with clause (b) and all other Obligations Secured have been paid in full, as certified by the Issuer to the Indenture Trustee.

2.09 Release of all Collateral

- (a) Subject to the payment of its fees and expenses pursuant to Section 9.05, the Indenture Trustee shall, at the request of the Issuer or when otherwise required by the provisions of this Indenture, execute instruments to release Collateral from the Security Interest of this Indenture, or convey the Indenture Trustee's interest (which is held by the Indenture Trustee for the benefit of the Specified Creditors) in the same, in a manner and under circumstances which are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article II will be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any funds.
- (b) Upon delivery of an Officer's Certificate of the Issuer certifying that all Issuer Funding Obligations and all other Obligations Secured have been satisfied and discharged by complying with the provisions of Section 2.08 and all applicable Program Agreements, the Indenture Trustee shall execute and deliver such releases, termination statements and other instruments (in recordable form, where appropriate) as the Issuer may reasonably request evidencing the termination of the Security Interest created by this Indenture.
- (c) The Issuer and the Specified Creditors shall be entitled to receive at least 10 days' written notice when the Indenture Trustee proposes to take any action pursuant to clause (a), accompanied by copies of any instruments involved, and the Indenture Trustee shall also be entitled to require, as a condition to such action, an Opinion of Counsel, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of

such action have been complied with. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

2.10 Certain Commercial Law Representations and Warranties

The Issuer hereby makes the following representations and warranties. Such representations and warranties shall survive until the termination of this Indenture. Such representations and warranties speak of the date that a Lien in the Collateral is granted to the Indenture Trustee and shall not be waived by any of the parties to this Indenture unless the Rating Agency Condition is satisfied.

- (a) This Indenture constitutes the grant of a first priority perfected Lien by the Issuer to the Indenture Trustee in the Collateral which, in the case of the existing Collateral and the proceeds thereof, is enforceable upon execution and delivery of this Indenture or, with respect to after-acquired property, as of the date such property is acquired, and which will be enforceable with respect to the Collateral hereafter and thereafter created and the proceeds thereof upon such creation. Upon the filing of the assignments, financing statements and continuation statements (and other documents where applicable) and, in the case of after-acquired Collateral and the proceeds thereof, upon its creation, the Indenture Trustee shall have a first priority perfected Lien in such property and proceeds.
- (b) At the time of its grant of any Lien in the Collateral pursuant to this Indenture, the Issuer owned and had good and marketable title to such Collateral free and clear of any Lien of any other Person (other than Permitted Liens).
- (c) The Issuer has caused the filing of all appropriate financing statements in the proper filing office in the Province of Ontario under applicable law in order to perfect the Security Interest.
- (d) Other than the Security Interest, the Issuer has not pledged, assigned, sold, granted a Lien in, or otherwise conveyed, the Collateral. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of the Collateral other than any financing statement relating to the Security Interest or that has been terminated. The Issuer is not aware of any judgment or Tax lien filings against the Issuer.

ARTICLE III NOTE FORMS

3.01 Forms Generally

The Notes will have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or the Related Supplemental Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be required to comply with applicable laws or regulations or

with the rules of any securities exchange, or as may, consistently herewith, be determined by the Issuer, as evidenced by the Issuer's execution of such Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

Definitive Notes will be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders) or may be produced in any other manner, all as determined by the Issuer, as evidenced by the Issuer's execution of such Notes, subject, with respect to the Notes of any Class, Series or Tranche, to the rules of any securities exchange on which such Notes are listed.

3.02 Forms of Notes

Before the delivery of a Note to the Indenture Trustee for authentication, the Issuer will deliver to the Indenture Trustee the Issuer Certificate by or pursuant to which such form of Note has been approved, which Issuer Certificate will have attached thereto a true and correct copy of the form of Note which has been approved thereby or, if an Issuer Certificate authorizes a specific officer or officers of the Manager to approve a form of Note, a certificate of such officer or officers approving the form of Note attached thereto. Any form of Note approved by or pursuant to an Issuer Certificate must be acceptable as to form to the Indenture Trustee, such acceptance to be evidenced by the Indenture Trustee's authentication of Notes in that form or a certificate signed by a Responsible Officer of the Indenture Trustee and delivered to the Issuer.

3.03 Form of Indenture Trustee's Certificate of Authentication

The form of Indenture Trustee's Certificate of Authentication for any Note issued pursuant to this Indenture will be substantially as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the Class, Series or Tranche designated therein referred to in the within-mentioned Indenture.

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By:

Authorized Signatory

Dated:

3.04 Notes Issuable in the Form of a Global Note

- (a) If the Issuer establishes that the Notes of a particular Class, Series or Tranche are to be issued in whole or in part in the form of one or more Global Notes, then the Issuer will execute and the Indenture Trustee or its agent will, in accordance with

Section 4.03 and the Issuer Certificate delivered to the Indenture Trustee or its agent thereunder, authenticate and deliver, such Global Note or Global Notes, which, unless otherwise provided in the Related Supplemental Indenture (i) will represent, and will be denominated in an amount equal to the aggregate Stated Principal Amount (or in the case of Discount Notes, the aggregate Stated Principal Amount at the Principal Payment Date of such Notes) of the Outstanding Notes of such Class, Series or Tranche to be represented by such Global Note or Global Notes, or such portion thereof as the Issuer will specify in an Issuer Certificate, (ii) in the case of Registered Notes, will be registered in the name of the Depository for such Global Note or Global Notes or its nominee, (iii) will be delivered by the Issuer or its agent to the Depository or pursuant to the Depository's instruction, (iv) if applicable, will bear a legend substantially to the following effect: (A) "Unless this Note is presented by an authorized representative of The Depository Trust Company ("**DTC**"), to Fair Hydro Trust (the "**Issuer**") or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any Person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein", or (B) "Unless this Note is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**"), to Fair Hydro Trust (the "**Issuer**") or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of CDS & Co. or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & Co. or to such other entity as is requested by an authorized representative of CDS), any transfer, pledge or other use hereof for value or otherwise by or to any Person is wrongful since the registered owner hereof, CDS & Co., has a property interest in the securities represented by this Note and it is a violation of its rights for another Person to hold, transfer or deal with this Note", and (v) may bear such other legend as the Issuer, upon advice of counsel, deems to be applicable.

- (b) Notwithstanding any other provisions of this Section 3.04 or of Section 4.05, and subject to the provisions of paragraph (c) below, unless the terms of a Global Note or the Related Supplemental Indenture expressly permit such Global Note to be exchanged in whole or in part for individual Notes, a Global Note may be transferred, in whole but not in part and in the manner provided in Section 4.05, only to a nominee of the Depository for such Global Note, or to the Depository, or a successor Depository for such Global Note selected or approved by the Issuer, or to a nominee of such successor Depository.
- (c) With respect to Notes issued within the United States or Canada, unless otherwise specified in the Related Supplemental Indenture, or with respect to Notes issued outside the United States and Canada, if specified in the Related Supplemental Indenture:

- (i) If at any time the Depository for a Global Note notifies the Issuer that it is unwilling or unable to continue as Depository for such Global Note or if at any time the Depository for the Notes for such Class, Series or Tranche ceases to be a clearing agency registered under the Securities Exchange Act, or other applicable statute or regulation, in the case of Notes issued within the United States, or ceases to be a clearing agency registered under the *Securities Act* (Ontario), or other applicable statute or regulation, in the case of Notes issued within Canada, the Issuer will appoint a successor Depository with respect to such Global Note. If a successor Depository for such Global Note is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, the Issuer will execute, and the Indenture Trustee or its agent, upon receipt of an Issuer Certificate requesting the authentication and delivery of individual Notes of such Class, Series or Tranche in exchange for such Global Note, will authenticate and deliver, individual Notes of such Class, Series or Tranche of like tenor and terms in definitive form in an aggregate Stated Principal Amount equal to the Stated Principal Amount of the Global Note in exchange for such Global Note.
- (ii) The Issuer may at any time and in its sole discretion determine that the Notes of any Class, Series or Tranche or portion thereof issued or issuable in the form of one or more Global Notes will no longer be represented by such Global Note or Global Notes. In such event the Issuer will execute, and the Indenture Trustee, upon receipt of a written request by the Issuer for the authentication and delivery of individual Notes of such Class, Series or Tranche in exchange in whole or in part for such Global Note, will authenticate and deliver individual Notes of such Class, Series or Tranche of like tenor and terms in definitive form in an aggregate Stated Principal Amount equal to the Stated Principal Amount of such Global Note or Global Notes representing such Class, Series or Tranche or portion thereof in exchange for such Global Note or Global Notes.
- (iii) If any Event of Default has occurred and is continuing and Noteholders holding more than 50% of the Outstanding Dollar Principal Amount of the Controlling Class Obligations of any Series of Notes held as Global Notes advise the Indenture Trustee and the Depository that Global Notes are no longer in the best interest of the Noteholders of that Series, the holders of those Global Notes may exchange such Notes for individual Notes.
- (iv) In any exchange provided for in any of the preceding three paragraphs, the Issuer will execute and the Indenture Trustee or its agent will authenticate and deliver individual Notes in definitive registered form in authorized denominations. Upon the exchange of the entire Stated Principal Amount of a Global Note for individual Notes, such Global Note will be canceled by the Indenture Trustee or its agent. Except as provided in the preceding paragraphs, Notes issued in exchange for a Global Note pursuant to this Section 3.04 will be registered in such names and in such authorized

denominations as the Depository for such Global Note, pursuant to instructions from its direct or indirect participants or otherwise, will instruct the Indenture Trustee or the Note Registrar. The Indenture Trustee or the Note Registrar will deliver such Notes to the Persons in whose names such Notes are so registered.

3.05 Temporary Global Notes and Permanent Global Notes

- (a) If specified in the Related Supplemental Indenture for any Series, all or any portion of a Global Note may initially be issued in the form of a single temporary global Bearer Note or Registered Note (the “**Temporary Global Note**”), without interest coupons, in the denomination of the entire aggregate principal amount of such Series and substantially in the form set forth in the exhibit with respect thereto attached to the Related Supplemental Indenture. Any Temporary Global Note shall bear such notations as the Issuer may determine to distinguish them from the Permanent Global Notes. The Temporary Global Note will be authenticated by the Indenture Trustee upon the same conditions, in substantially the same manner and with the same effect as the Notes in definitive form. The Temporary Global Note may be exchanged as described below or in the Related Supplemental Indenture for permanent global Bearer Notes or Registered Notes (the “**Permanent Global Notes**”).
- (b) Unless otherwise provided in the Related Supplemental Indenture, exchanges of beneficial interests in or security entitlements to Temporary Global Notes for beneficial interests in or security entitlements to Permanent Global Notes will be made as provided in this subsection 3.05(b). The Manager will, upon its determination of the date of completion of the distribution of the Notes of such Series, so advise the Indenture Trustee, the Issuer and the Depository forthwith. Without unnecessary delay, but in any event not prior to the Exchange Date, the Issuer will execute and deliver to the Indenture Trustee (at the office of its designated agent outside the United States in the case of Global Notes in bearer form) Permanent Global Notes in bearer or registered form (as specified in the Related Supplemental Indenture) in an aggregate principal amount equal to the Outstanding Dollar Principal Amount or the Outstanding Currency Specific Dollar Principal Amount of such Series of Notes. Bearer Notes so issued and delivered may have coupons attached. The Temporary Global Note may be exchanged for an equal aggregate principal amount of Permanent Global Notes only on or after the Exchange Date; provided, however, that such Temporary Global Note is accompanied by a certificate dated the Exchange Date or a subsequent date and signed by the beneficial owner as to the portion of such Temporary Global Note held for its account then to be exchanged and a certificate dated the Exchange Date or a subsequent date and signed by the Depository in the form set forth in Exhibit 6-B (or in such other form as may be established pursuant to Section 4.01); and provided further that definitive Bearer Notes shall be delivered in exchange for a portion of a Temporary Global Note only in compliance with the requirements of Section 4.03. A beneficial owner of a Temporary Global Note may instruct the Depository to request an exchange on its behalf on or after the Exchange Date by

delivering to the Depository, a certificate in the form set forth in Exhibit 6-A (or in such other form as may be established pursuant to Section 4.01), dated no earlier than 15 days prior to the Exchange Date, copies of which certificate shall be available from the offices of the Depository. A United States Person may exchange its beneficial interest in or security entitlement to the Temporary Global Note only for an equal aggregate principal amount of Permanent Global Notes in registered form bearing the applicable legend set forth in the form of Registered Note attached to the Related Supplemental Indenture and having a minimum denomination of 500,000 units of the applicable currency, which may be in temporary form if the Issuer so elects. The Issuer may waive the 500,000 minimum denomination requirement if it so elects. Upon any demand for exchange for Permanent Global Notes in accordance with this subsection 3.05(b), the Issuer will cause the Indenture Trustee to authenticate and deliver the Permanent Global Notes to the Noteholder (x) outside the United States, in the case of Bearer Notes and (y) according to the instructions of the Noteholder, in the case of Registered Notes. Upon receipt of the certification of the Depository, the Indenture Trustee will cause the Temporary Global Note to be endorsed in accordance with subsection 3.05(d). Any exchange as provided in this Section 3.05 will be made free of charge to the Noteholders and the beneficial owners of the Temporary Global Note and to the beneficial owners of the Permanent Global Note issued in exchange, except that a Person receiving the Permanent Global Note must bear the cost of insurance, postage, transportation and the like in the event that such Person does not receive such Permanent Global Note in person at the offices of a Depository.

- (c) The delivery to the Indenture Trustee by a Depository of any written statement referred to above may be relied upon by the Issuer and the Indenture Trustee as conclusive evidence that a corresponding certification or certifications has or have been delivered to such Foreign Depository pursuant to the terms of this Indenture.
- (d) Upon any such exchange of all or a portion of the Temporary Global Note for a Permanent Global Note(s), such Temporary Global Note will be endorsed by or on behalf of the Indenture Trustee to reflect the reduction of its principal amount by an amount equal to the aggregate principal amount of such Permanent Global Note(s). Until so exchanged in full, such Temporary Global Note will in all respects be entitled to the same benefits under this Indenture as Permanent Global Notes authenticated and delivered hereunder except that the beneficial owners of such Temporary Global Note will not be entitled to receive payments of interest on the Notes until they have exchanged their beneficial interests in or security entitlements to such Temporary Global Note for Permanent Global Notes.

3.06 Beneficial Ownership of Global Notes

Until definitive Notes have been issued to the applicable Noteholders pursuant to Section 3.04 or as otherwise specified in any Related Supplemental Indenture:

- (a) the Issuer and the Indenture Trustee may deal with the applicable Depository and the Depository's participants for all purposes (including the making of distributions) as the authorized representatives of the respective Note Owners; and
- (b) the rights of the respective Note Owners will be exercised only through the Depository and the Depository's participants. Unless and until Notes in definitive form are issued pursuant to Section 3.04, the Depository will make book-entry transfers among the Depository's participants and receive and transmit distributions of principal and interest on the related Notes to such Depository's participants in accordance with the Depository's applicable procedures from time to time.

For purposes of any provision of this Indenture requiring or permitting Actions with the consent of, or at the direction of, Noteholders evidencing a specified percentage of the Outstanding Dollar Principal Amount of Notes, such direction or consent may be given by Note Owners (acting through the Depository and the Depository's participants) owning interests in or security entitlements to Notes evidencing the requisite percentage of principal amount of Notes in accordance with the applicable procedures of the Depository and the Depository's participants.

3.07 Notices to Depository

Whenever any notice or other communication is required to be given to Noteholders with respect to which book-entry Notes have been issued, unless and until Notes in definitive form will have been issued to the related Note Owners, the Indenture Trustee will give all such notices and communications to the applicable Depository.

3.08 CUSIP Numbers

In issuing the Notes, the Issuer may use "CUSIP" numbers (if then generally in use), and, if so, the Indenture Trustee shall use such CUSIP numbers in notices of redemption as a convenience to Noteholders; provided that, subject to Section 9.01, any such notice may state that (a) no representation is made as to the correctness of such CUSIP numbers as printed on the related Notes or as contained in any notice of redemption, (b) reliance may be placed only on the other identification numbers, if any, printed on the Notes and (c) any such redemption shall not be affected by any defect in or omission of such CUSIP numbers. The Issuer will promptly provide the Indenture Trustee with written notice of any change in the CUSIP numbers for any Outstanding Note.

ARTICLE IV THE NOTES

4.01 General Title, General Limitations, Issuable in Series, Terms of a Series or Tranche of Notes

- (a) The aggregate Stated Principal Amount of Notes which may be authenticated and delivered and Outstanding under this Indenture is not limited.
- (b) The Notes of any Class may be issued in one or more Series or Tranches.

- (c) The Classes of Notes are as set forth in this Indenture. Each Note issued must be part of a Class and Series of Notes for purposes of allocations pursuant to this Indenture and the Related Supplemental Indenture. A Series of Notes is created pursuant to a Supplemental Indenture. A Tranche of Notes is created pursuant to a Supplemental Indenture or pursuant to a Terms Document related to the Supplemental Indenture for the applicable Series.
- (d) Each Series of Notes shall be designated in the Related Supplemental Indenture as either Senior Notes, Subordinated Notes or Junior Subordinated Notes. If the Notes of a Series of Notes belong to different Tranches, all Notes of such Series, without regard to the Tranche they are included in, shall be Senior Notes, Subordinated Notes or Junior Subordinated Notes, as applicable to the Series of Notes.
- (e) Each Series of Notes may consist of a single Tranche or may be subdivided into multiple Tranches. Notes of a single Series of a Class will belong to different Tranches if they have different terms and conditions. With respect to any Series of Notes, Notes which have identical terms, conditions and Tranche designation will be deemed to be part of a single Tranche of Notes.
- (f) Before the initial issuance of Notes of each Series or Tranche, there shall also be established in or pursuant to a Supplemental Indenture or pursuant to a Terms Document related to the applicable Supplemental Indenture, provision for:
 - (i) the Class of such Series;
 - (ii) the Series designation;
 - (iii) the Stated Principal Amount of the Notes;
 - (iv) whether such Notes are of a particular Tranche of Notes;
 - (v) the currency or currencies in which such Notes will be denominated and in which payments of principal of, and interest on, such Notes will or may be payable;
 - (vi) the price or prices at which such Series or Tranche of Notes will be issued;
 - (vii) the times at which such Series or Tranche of Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
 - (viii) the rate per annum at which such Series or Tranche of Notes will bear interest, if any, or the formula or index on which such rate will be determined, including all relevant definitions, and the date from which interest will accrue;
 - (ix) each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Notes;

- (x) the Principal Accumulation Date, if any, for such Series of Notes;
- (xi) the Principal Accumulation Amounts for such Series of Notes;
- (xii) the Initial Dollar Principal Amount or the Initial Currency Specific Dollar Principal Amount of such Notes, and the means for calculating the Outstanding Dollar Principal Amount or the Outstanding Currency Specific Dollar Principal Amount, as applicable, of such Series or Tranche of Notes;
- (xiii) whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- (xiv) any events of default with respect to such Series or Tranche of Notes;
- (xv) if such Series or Tranche of Notes will be issued in whole or in part in the form of a Global Note or Global Notes, the terms and conditions, if any, upon which such Global Note or Global Notes may be exchanged in whole or in part for other individual Notes, and the Depository for such Global Note or Global Notes;
- (xvi) if such Series or Tranche of Notes will be issued in whole or in part as Registered Notes, Bearer Notes or both, whether such Series or Tranche of Notes are to be issued with or without coupons or both;
- (xvii) if such Series or Tranche of Notes are to have the benefit of any Credit Enhancement Agreement or Liquidity Agreement, the terms and provisions of the applicable agreement;
- (xviii) the Record Date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Notes, if different from the last day of the month before the related Interest Payment Date or Principal Payment Date;
- (xix) whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes; and
- (xx) any other terms of such Notes as stated in the Related Supplemental Indenture;

all upon such terms as may be determined in or pursuant to the Related Supplemental Indenture.

- (g) The Notes of each Class, Series or Tranche will be distinguished from the Notes of each other Class, Series or Tranche in such manner, reasonably satisfactory to the Indenture Trustee, as the Issuer may determine.
- (h) Any terms or provisions in respect of the Notes of any Class, Series or Tranche issued under this Indenture may be determined pursuant to this Section 4.01 by

providing in the Related Supplemental Indenture for the method by which such terms or provisions will be determined.

4.02 Denominations

The Notes of each Series or Tranche will be issuable in such denominations and currency as will be provided in the provisions of this Indenture or in or pursuant to the Related Supplemental Indenture. In the absence of any such provisions with respect to the Registered Notes of any Series or Tranche, the Registered Notes of that Series or Tranche will be issued in denominations of 100,000 units of the applicable currency and integral multiples of 1,000. In the absence of any such provisions with respect to the Bearer Notes of any Series or Tranche, the Bearer Notes of that Series or Tranche will be issued in denominations of 1,000, 5,000, 50,000 and 100,000 units of the applicable currency.

4.03 Execution, Authentication and Delivery and Dating

- (a) The Notes will be executed on behalf of the Issuer by a Responsible Officer of the Issuer. The signature of any Responsible Officer of the Issuer on the Notes may be manual or facsimile or may be given by other electronic means.
- (b) Notes bearing the manual, facsimile or other electronic signatures of individuals who were at any time a Responsible Officer of the Issuer will bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices before the authentication and delivery of such Notes or did not hold such offices at the date of issuance of such Notes.
- (c) At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Notes executed by the Issuer to the Indenture Trustee for authentication; and the Indenture Trustee will, upon request by an Issuer Certificate, authenticate and deliver such Notes as provided in this Indenture and not otherwise; provided however, that, in connection with its original issuance, no Bearer Note shall be mailed or otherwise delivered to any location in the United States; and provided further that, unless otherwise specified with respect to any Series or Tranche of Notes pursuant to Section 4.01, a Bearer Note may be delivered in connection with its original issuance only if the Person entitled to receive such Bearer Note shall have furnished a certificate in the form set forth in Exhibit 6-A, dated no earlier than 15 days prior to the earlier of the date on which such Bearer Note is delivered and the date on which any temporary Note first becomes exchangeable for such Bearer Note in accordance with the terms of such temporary Note and this Indenture. If any Note shall be represented by a permanent Bearer Note issued as a Global Note, then, for purposes of this Section, Section 3.05, and Section 4.04, the notation of a beneficial owner's interest therein upon original issuance of such Note or upon exchange of a portion of a temporary Global Note shall be deemed to be delivery in connection with its original issuance of such beneficial owner's interest in such permanent Global Note. Except as permitted by Section 4.06, the Indenture Trustee shall not authenticate and deliver any Bearer

Note unless all appurtenant coupons for interest then matured have been detached and cancelled.

- (d) Before any such authentication and delivery, the Indenture Trustee will be entitled to receive, in addition to any Officer's Certificate and Opinion of Counsel required to be furnished to the Indenture Trustee pursuant to Section 1.02, the Issuer Certificate and any other opinion or certificate relating to the issuance of the Series or Tranche of Notes required to be furnished pursuant to Section 3.02 or Article V.
- (e) The Indenture Trustee will not be required to authenticate such Notes if the issue thereof will adversely affect the Indenture Trustee's own rights, duties or immunities under the Notes and this Indenture.
- (f) Unless otherwise provided in the form of Note for any Series or Tranche, all Notes will be dated the date of their authentication.
- (g) No Note will be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a Certificate of Authentication executed by the Indenture Trustee by manual signature of an authorized signatory, and such certificate upon any Note will be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

4.04 Temporary Notes

- (a) Pending the preparation of definitive Notes of any Series or Tranche, the Issuer may execute, and, upon receipt of the documents required by Section 4.03, the Indenture Trustee will authenticate and deliver, temporary Notes which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Notes in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Issuer may determine, as evidenced by the Issuer's execution of such Notes. Any temporary Note shall bear such notations as the Issuer may determine to distinguish them from the definitive Notes.
- (b) If temporary Notes of any Series or Tranche are issued, the Issuer will cause definitive Notes of such Series or Tranche to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes of such Series or Tranche will be exchangeable for definitive Notes of such Series or Tranche upon surrender of the temporary Notes of such Series or Tranche at the office or agency of the Issuer in a Place of Payment, without charge to the Noteholder; and upon surrender for cancellation of any one or more temporary Notes, the Issuer will execute and the Indenture Trustee will authenticate and deliver in exchange therefor a like Stated Principal Amount of definitive Notes of such Series or Tranche of authorized denominations and of like tenor and terms; provided, however, that no definitive Bearer Note shall be delivered in exchange for a temporary Registered Note; and provided further that a definitive Bearer Note shall be delivered in exchange for a temporary Bearer Note only in compliance with the conditions set

forth in Section 4.03. Until so exchanged, the temporary Notes of such Series or Tranche will in all respects be entitled to the same benefits under this Indenture as definitive Notes of such Series or Tranche.

4.05 Registration, Transfer and Exchange

- (a) The Issuer will keep or cause to be kept a register (herein sometimes referred to as the “**Note Register**”) in which, subject to such reasonable regulations as it may prescribe, the Issuer will provide for the registration of Registered Notes, or of Registered Notes of a particular Class, Series or Tranche, and for transfers of Registered Notes or of Registered Notes of such Class, Series or Tranche. Any such register will be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times, the information contained in such register or registers will be available for inspection by the Indenture Trustee at the office or agency to be maintained by the Issuer as provided in Section 13.03.
- (b) Subject to Section 3.04, upon surrender for transfer of any Registered Note of any Class, Series or Tranche at the office or agency of the Issuer in a Place of Payment, the Issuer will execute, and, upon receipt of such surrendered Note, the Indenture Trustee will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Notes of such Class, Series or Tranche of any authorized denominations, of a like aggregate Stated Principal Amount, Principal Payment Date(s) and Principal Payment Default Date and of like terms.
- (c) Subject to Section 3.04, at the option of the Noteholder, Notes of any Class, Series or Tranche may be exchanged for other Notes of such Class, Series or Tranche of any authorized denominations, of a like aggregate Stated Principal Amount, Principal Payment Date(s) and Principal Payment Default Date and of like terms, upon surrender of the Notes to be exchanged at the office or agency of the Issuer in a Place of Payment. Registered Notes, including Registered Notes received in exchange for Bearer Notes, may not be exchanged for Bearer Notes. At the option of the holder of a Bearer Note, subject to applicable laws and regulations, Bearer Notes may be exchanged for other Bearer Notes or Registered Notes (of the same Class, Series and Tranche of Notes) of authorized denominations of like aggregate fractional undivided interests in the Noteholders’ interest, upon surrender of the Bearer Notes to be exchanged at an office or agency of the Note Registrar located outside the United States. Each Bearer Note surrendered pursuant to this Section 4.05 will have attached thereto all unmatured coupons; provided, however, that any Bearer Note so surrendered after the close of business on the last day of the month preceding the relevant Interest Payment Date need not have attached the coupon relating to such Interest Payment Date. Whenever any Notes are so surrendered for exchange, the Issuer will execute, and the Indenture Trustee will authenticate and deliver (in the case of Bearer Notes, outside the United States), the Notes which the Noteholders making the exchange are entitled to receive.

- (d) All Notes issued upon any transfer or exchange of Notes will be the valid and legally binding obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.
- (e) Every Note presented or surrendered for transfer or exchange will (if so required by the Issuer or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Note Registrar duly executed, by the Noteholder or his attorney duly authorized in writing.
- (f) Unless otherwise provided in the Note to be transferred or exchanged, no service charge will be made on any Noteholder for any transfer or exchange of Notes, but the Issuer may (unless otherwise provided in such Note) require payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes before the transfer or exchange will be complete, other than exchanges pursuant to Section 4.04 or Section 11.05 not involving any transfer.
- (g) None of the Issuer, the Note Registrar or the Indenture Trustee shall be required
 - (i) to issue, register the transfer of or exchange any Notes of any Class, Series or Tranche during a period beginning at the opening of business 15 days before the day of selection of Notes of such Class, Series or Tranche to be redeemed and ending at the close of business on (A) if Notes of such Class, Series or Tranche are issuable only as Registered Notes, the day of the mailing of the relevant notice of redemption of Registered Notes of such Class, Series or Tranche so selected for redemption or (B) if Notes of the Class, Series or Tranche are issuable as Bearer Notes, the day of the first publication of the relevant notice of redemption or, if Notes of the Class, Series or Tranche are also issuable as Registered Notes and there is no publication, the mailing of the relevant notice of redemption or (ii) to register the transfer or exchange of any Notes or portions thereof so selected for redemption.
- (h) Notwithstanding anything herein to the contrary, the exchange of Bearer Notes into Registered Notes shall be subject to applicable laws and regulations in effect at the time of exchange; none of the Issuer, the Indenture Trustee or the Note Registrar shall exchange any Bearer Notes into Registered Notes if it has received an Opinion of Counsel that as a result of such exchanges the Issuer would suffer adverse consequences under the Canadian or United States federal income tax laws and regulations then in effect, or the income tax laws of the jurisdiction of the holder of the Bearer Note, and the Issuer has delivered to the Indenture Trustee an Issuer Certificate directing the Indenture Trustee not to make such exchanges unless and until the Indenture Trustee receives a subsequent Issuer Certificate to the contrary. The Issuer shall deliver copies of such Issuer Certificates to the Note Registrar.
- (i) None of the Issuer, the Indenture Trustee, any agent of the Indenture Trustee, any Paying Agent or the Note Registrar will have any responsibility or liability for any

aspect of the records relating to or payments made on account of beneficial ownership of a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership.

- (j) The Issuer initially appoints the Indenture Trustee to act as Note Registrar for the Registered Notes on its behalf. The Issuer may at any time and from time to time authorize any Person to act as Note Registrar in place of the Indenture Trustee with respect to any Class, Series or Tranche of Notes issued under this Indenture.
- (k) Registration of transfer of Notes containing the following legend or to which the following legend is applicable:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE TRUST INDENTURE AND THE INDENTURE SUPPLEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

will be effected only if such transfer is made pursuant to an effective registration statement under the U.S. Securities Act, or is exempt from the registration requirements under the U.S. Securities Act. In the event that registration of a transfer is to be made in reliance upon an exemption from the registration requirements under the U.S. Securities Act other than Rule 144A under the U.S. Securities Act or Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, the transferor or the transferee will deliver, at its expense, to the Issuer and the Indenture Trustee, an investment letter from the transferee, substantially in a form appended to a Supplemental Indenture authorizing the applicable Series of Notes or such other form as the Issuer may determine, and no registration of transfer will be made until such letter is so delivered.

Notes issued upon registration or transfer of, or Notes issued in exchange for, Notes bearing the legend referred to above will also bear such legend and any other legends required by the Related Supplemental Indenture unless the Issuer, the Indenture Trustee and the Note Registrar receive an Opinion of Counsel, satisfactory to each of them, to the effect that such legend may be removed.

Whenever a Note containing the legend referred to above is presented to the Note Registrar for registration of transfer, the Note Registrar will promptly seek instructions from the Issuer regarding such transfer and will be entitled to receive an Issuer Certificate prior to registering any such transfer. The Issuer hereby agrees to indemnify the Note Registrar and the Indenture Trustee and to hold each of them harmless against any loss, liability or expense incurred without negligence or bad

faith on their part arising out of or in connection with actions taken or omitted by them in relation to any such instructions furnished pursuant to this clause. The Indenture Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture, the Related Supplemental Indenture, or under applicable law with respect to any transfer of any interest in any Note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

- (l) By acquiring a Note, each Noteholder that is a United States Person will be deemed to represent, warrant and covenant that either: (i) it is not acquiring the Note (or any interest therein) with the assets of a Benefit Plan or a governmental, church or non-U.S. plan that is subject to any federal, state, local or other non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code (“**Similar Law**”); or (ii) (A) the Note is rated at least “BBB-” or its equivalent by a nationally recognized statistical rating agency at the time of purchase or transfer, and (B) the acquisition, holding and disposition of the Note will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or a violation of any Similar Law.

4.06 Mutilated, Destroyed, Lost and Stolen Notes

- (a) If (i) any mutilated Note (together, in the case of Bearer Notes, with all unmatured coupons, if any, appertaining thereto) is surrendered to the Indenture Trustee or the Note Registrar, or the Issuer, the Note Registrar or the Indenture Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Issuer, the Note Registrar or the Indenture Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Indenture Trustee that such Note has been acquired by a protected purchaser, the Issuer will execute and upon its request the Indenture Trustee will authenticate and deliver (in the case of Bearer Notes, outside the United States), in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, Class, Series or Tranche, Principal Payment Date(s), Principal Payment Default Date and Stated Principal Amount, bearing a number not contemporaneously Outstanding.
- (b) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Note, pay such Note.
- (c) Upon the issuance of any new Note under this Section 4.06, the Issuer may require the payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

- (d) Every new Note issued pursuant to this Section 4.06 in lieu of any destroyed, lost or stolen Note will constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Note will be at any time enforceable by anyone, and will be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes of the same Class, Series or Tranche duly issued hereunder.
- (e) The provisions of this Section 4.06 are exclusive and will preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

4.07 Persons Entitled to Payment

- (a) Unless otherwise provided with respect to such Note pursuant to Section 4.01, interest payable on any Registered Note will be paid to the Person in whose name that Note is registered at the close of business on the most recent Record Date and interest payable on any Bearer Note will be paid to the bearer of that Note (or the applicable coupon) outside of the United States.
- (b) Subject to clause (a), each Note delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Note will carry the rights to interest accrued or principal accreted and unpaid, and to accrue or accrete, which were carried by such other Note.
- (c) Title to any Bearer Note, including any coupons appertaining thereto, shall pass by delivery. The Issuer, the Indenture Trustee, the Manager and any agent of the Issuer, the Indenture Trustee or the Manager may treat the Person who is proved to be the owner of such Note pursuant to subsection 1.04(c) as the owner of such Note for the purpose of receiving payment of principal of and (subject to this Section 4.07) interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and none of the Issuer, the Indenture Trustee, the Manager or any agent of the Issuer, the Indenture Trustee or the Manager will be affected by notice to the contrary.
- (d) Delivery of a Note to the Paying Agent by the holder of such Note shall, upon payment thereof, be a good discharge to the Issuer of all obligations evidenced by such Note. The Paying Agent shall not be bound to enquire into the title of any such Noteholder, save as ordered by a court of competent jurisdiction or as required by statute, nor shall it be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting in respect thereof.
- (e) Any payment of principal or interest on any Note which is due on a day other than a Business Day shall be payable on the next succeeding Business Day without adjustment for interest thereon and such payment shall be deemed to have been made with the same force and effect as if made on the due date.

- (f) Upon the Paying Agent's reasonable request therefor, the Issuer will (i) provide the Paying Agent with any information in its possession or (ii) assist the Paying Agent (to the extent necessary and it is commercially reasonable for the Issuer to do so) to obtain information, in each case, to the extent such information is required by the Paying Agent to comply with its tax reporting and withholding obligations under applicable law with respect to payments to be made to Specified Creditors pursuant to this Indenture and the other Program Agreements, unless the Issuer is prohibited from doing so by applicable law or an obligation of confidentiality by which the Issuer is bound.

4.08 Protection of Notes

- (a) The Indenture Trustee shall hold in safekeeping the Notes which have not been issued (but which have been delivered to the Indenture Trustee by or on behalf of the Issuer) pending receipt of an Issuer Certificate. The Indenture Trustee shall acknowledge receipt of the Notes so delivered by signing and returning to the Issuer an acknowledgement of receipt of the Notes, such acknowledgement to be in a form satisfactory to the Issuer.
- (b) The Indenture Trustee's responsibility for any Notes held in its custody hereunder shall be limited to using the same diligence in physically safeguarding such Notes as it does for its own securities. The Indenture Trustee shall account for the unissued Notes held in its custody whenever so required by the Issuer. If at any time the Indenture Trustee shall discover that any of such Notes have been lost, damaged, destroyed, stolen or misappropriated, it shall promptly advise the Issuer thereof and identify, to the extent practicable, such Notes.

4.09 Additional Issuances of Notes

- (a) There are no restrictions on the timing or amount of any additional issuance of Notes of an Outstanding Series or Tranche of Notes, so long as the conditions described in Article V are satisfied. As of the date of any additional issuance of Notes of an Outstanding Series or Tranche of Notes, the Stated Principal Amount and Outstanding Dollar Principal Amount of that Series or Tranche will be increased to reflect the principal amount of the additional Notes. If the additional Notes are a Series or Tranche of Notes that has the benefit of a Derivative Agreement, the Issuer will enter into a Derivative Agreement for the benefit of the additional Notes. In addition, if the additional Notes are a Series or Tranche of Notes that has the benefit of any Credit Enhancement Agreement or Liquidity Agreement, the Issuer will enter into a Credit Enhancement Agreement or Liquidity Agreement, as applicable, for the benefit of the additional Notes.
- (b) When issued, the additional Notes of a Series or Tranche will be identical in all respects to the other Outstanding Notes of that Series or Tranche and will be equally and ratably entitled to the benefits of this Indenture and the Related Supplemental Indenture as the other Outstanding Notes of that Series or Tranche without preference, priority or distinction; provided, however, that if such additional Notes

are not fungible with such other Outstanding Notes for United States federal income tax purposes, then such additional Notes shall have a separate ISIN, CUSIP or other identifying number from such other Outstanding Notes.

4.10 Redemption of Notes

- (a) Subject to Section 13.24, if the Related Supplemental Indenture for a Series or Tranche of Notes specifies that the Notes of such Series or Tranche will be redeemable, in whole at any time or in part from time to time, such Notes may be redeemed at a redemption price (the “**Redemption Price**”) provided for in such Related Supplemental Indenture. In case of any redemption, the provisions of this Section 4.10 shall apply except to the extent provided otherwise in such Related Supplemental Indenture.
- (b) The Redemption Price, plus accrued and unpaid interest and other amounts (if any) due thereon to the redemption date, will be payable upon presentation and surrender of the Notes called for redemption at any of the places where the principal of such Series or Tranche of Notes is expressed to be payable and at any other places specified in the notice of redemption.
- (c) If less than all the Notes of any Series or Tranche are to be redeemed at one time, the Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a *pro rata* basis, disregarding fractions, according to the principal amount of Notes registered in the name of each Noteholder, or in such other manner (which may include random selection by computer) as the Indenture Trustee may consider equitable, provided that such selection will be proportionate (to the nearest 1,000 units of the applicable currency). For this purpose, the Indenture Trustee may make, and from time to time amend, regulations with regard to the manner in which such Notes may be called for redemption and regulations so made will be valid and binding upon all Noteholders notwithstanding the fact that, as a result of such regulations, one or more Notes become subject to redemption in part only. Unless the context otherwise requires, the terms “Note” and “Notes” as used in this Section 4.10 will be deemed to include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.
- (d) The holder of any Note called for redemption in part only will be entitled to receive, upon surrender of such Note for payment and without expense to such holder, a new Note or Notes of an aggregate principal amount equal to the unredeemed part of the Note so surrendered, and the Issuer will execute and the Indenture Trustee will certify and deliver to such holder such new Note or Notes; provided, however, that, in the case of a Global Note, an appropriate notation may instead be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.
- (e) Notice of intention to redeem any Series or Tranche of Notes will be given by the Issuer in the manner provided in Section 15.03 or otherwise in accordance with the procedures of the Depository at least 15 days but not more than 30 days prior to the

date fixed for redemption. Notwithstanding the foregoing, a redemption notice may be delivered more than 30 days prior to the date fixed for redemption if such notice is issued in connection with a satisfaction and discharge of this Indenture with respect to any Series or Tranche of Notes. Every such notice will specify that portion of the principal amount of such Note to be redeemed (provided that no Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), the redemption date, the Redemption Price and places of payment, and will state that all interest on the Notes called for redemption will cease to be payable from the redemption date.

- (f) Upon notice having been given as provided in Section 4.10(e), the Notes called for redemption or the principal amount to be redeemed of the Notes called for redemption in part, as the case may be, will thereupon become due and payable at the Redemption Price, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the maturity date for such Notes, notwithstanding anything contained in this Indenture or in the Notes to the contrary. From and after such redemption date, if the money necessary to redeem such Notes has been deposited as provided in Section 4.10(h) or 4.10(i) and affidavits or other proof satisfactory to the Indenture Trustee as to the delivery or mailing of such notices have been delivered to it, such Notes will not be considered as Outstanding under this Indenture and interest upon such Notes will cease to accrue after such date.
- (g) If any question arises as to whether notice of redemption or deposit of the redemption money has been given or made available as provided above, such question will be decided by the Indenture Trustee, whose decision will be final and binding upon all interested parties.
- (h) Except as may otherwise be provided in the Related Supplemental Indenture or in any Series or Tranche of Notes, or as part of a satisfaction and discharge of this Indenture with respect to any Series or Tranche of Notes where payment has been made in accordance with another provision of this Indenture, upon Notes of a Series or Tranche being called for redemption, the Issuer will deposit with the Indenture Trustee immediately available funds no later than 10:00 a.m. on the date fixed for redemption in the relevant notice of redemption (or such later time on such date as is acceptable to the Indenture Trustee), such sums as may be sufficient to pay the Redemption Price of the Notes to be redeemed, plus accrued and unpaid interest and other amounts (if any) due on such Notes to the redemption date, and will pay to the order of the Indenture Trustee the estimated charges and expenses to be incurred in connection with such redemption. From the sums so deposited and upon surrender of such Notes, the Indenture Trustee will pay or cause to be paid to the holders of the Notes called for redemption the principal thereof, interest and other amounts (if any) thereon to which they are entitled on redemption.
- (i) Alternatively, in respect of any Global Notes, the Issuer may, at its option, cause the amount payable on redemption to be sent by wire transfer on the day such

redemption payment is due to an account maintained by such Noteholder or any other method acceptable to the Issuer and such Noteholder.

4.11 Purchase of Notes for Cancellation

- (a) Provided no Event of Default has occurred and is continuing, the Issuer may purchase or otherwise acquire, at any time and from time to time, all or any of the Outstanding Notes of any Series or Tranche in the market (which will include purchase from or through an investment dealer, participant or a firm holding membership on a recognized stock exchange) or by invitation to tender or by private contract at such prices as it may determine in its sole discretion. The Issuer will deliver to the Indenture Trustee all Notes purchased as aforesaid, when paid, as evidence of such payment.
- (b) If, upon an invitation to tender, more Notes of a Series or Tranche are tendered in response to such invitation at the same lowest price than the Issuer is prepared to accept, Notes of the Series or Tranche to be purchased by the Issuer will be selected by the Indenture Trustee on a *pro rata* basis, disregarding fractions, according to the Outstanding Dollar Principal Amount of Notes registered in the name of each Noteholder, or in such other manner as the Indenture Trustee may consider equitable (which may include random selection by computer), from the Notes tendered by each Noteholder which tendered at such lowest price. For this purpose, the Indenture Trustee may make, and from time to time amend, regulations with respect to the manner in which Notes may be so selected and regulations so made will be valid and binding upon all Noteholders, notwithstanding the fact that, as a result thereof, one or more of such Notes becomes subject to purchase in part only. The holder of any Note of which a part only is purchased, will be entitled to receive upon surrender of such Note for payment and without expense to such holder, a new Note or Notes of an aggregate principal amount equal to the unpurchased part of the Note so surrendered and the Indenture Trustee will certify and deliver to such holder a new Note or Notes; provided, however, that, in the case of a Global Note, an appropriate notation may instead be made on such Global Note to decrease the principal amount thereof to an amount equal to the unpurchased portion thereof.

4.12 Cancellation

All Notes surrendered for payment, redemption, repurchase, transfer, conversion or exchange will, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and will be promptly canceled by it. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered will be promptly canceled by the Indenture Trustee. No Note will be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 4.12, except as expressly permitted by this Indenture. The Indenture Trustee will dispose of all canceled Notes in accordance with its customary procedures and will deliver a certificate of such disposition to the Issuer.

ARTICLE V

CONDITIONS PRECEDENT

5.01 Conditions Precedent for Incurrence of Indebtedness

On or prior to the date that the Issuer enters into a definitive agreement for the incurrence of new Issuer Funding Obligations or the renewal or extension of any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), the following conditions precedent shall be satisfied:

- (a) the Issuer shall have delivered to the Indenture Trustee and each Rating Agency notice of the incurrence of such Issuer Funding Obligation;
- (b) the Issuer shall have delivered to the Indenture Trustee and each Rating Agency an Issuer Certificate to the effect that:
 - (i) the Issuer reasonably believes that the incurrence of such Issuer Funding Obligation will not cause an Adverse Effect;
 - (ii) all instruments furnished to the Indenture Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Indenture Trustee to (A) in the case of a Note issuance only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the Related Funding Obligation Agreement in accordance with Section 5.05;
 - (iii) in the case of a Note issuance only, the form and terms of such Notes have been established in conformity with the provisions of this Indenture;
 - (iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan;
 - (v) the conditions set out in subsections 5.01(c), (d), (g) and (k) have been met; and
 - (vi) such other matters as the Indenture Trustee may reasonably request;
- (c) the representations and warranties set forth in Section 12.01 shall be true and correct in all material respects;
- (d) the Rating Agency Condition with respect to all outstanding Series or Tranches of Issuer Funding Obligations shall have been satisfied with respect to such incurrence;
- (e) the Indenture Trustee shall have received either:
 - (i) a certified copy of the instrument whereby the Province designated in writing that the new Issuer Funding Obligations are Approved Obligations

as contemplated by clause (ii) of Section 4.01 of the Change of Law Protection Agreement; or

- (ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to the new Issuer Funding Obligations delivered in accordance with Section 4.02(a)(ii) of the Change of Law Protection Agreement; such Adherence Compliance Certificate to be delivered not more than five (5) Business Days prior to the incurrence of the new Issuer Funding Obligation, and (B) a certificate signed by the Manager certifying that the Province has not provided a Suspension Notice to the Manager or the Issuer;
- (f) the Issuer shall have delivered to the Indenture Trustee copies of the Related Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture, and if applicable, a Terms Document relating to the applicable Tranche of Notes;
- (g) in the case of Senior Funding Obligations only, the Issuer will have Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate Outstanding Dollar Principal Amount equal to not less than 35% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer will have Junior Subordinated Funding Obligations in an aggregate Outstanding Dollar Principal Amount equal to not less than 10% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);
- (h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated copy of the Specified Creditor list described in Section 13.13(b);
- (i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) shall have made the acknowledgements and agreements set out in Section 5.04;
- (j) the Change of Law Protection Agreement shall be in full force and effect against the Province or shall have been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;
- (k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement shall have been satisfied;
- (l) in the case of a Note issuance only, the Indenture Trustee shall have received an Issuer Certificate for the certification and delivery of such Notes and specifying the particulars relating to such Notes;

- (m) in the case of Bearer Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f)(3) of the Internal Revenue Code), then such Notes shall be described in section 4701(b)(1)(B) of the Internal Revenue Code and such section shall apply to such Notes; and
- (n) in the case of Foreign Currency Notes only, the Issuer shall have appointed one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

For greater certainty, periodic drawdowns under existing Funding Obligation Agreements shall not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an Outstanding Series or Tranche of Notes shall constitute a new incurrence of Issuer Funding Obligations.

5.02 No Consent

The Indenture Trustee will not be required to and, except as otherwise provided in any Funding Obligation Agreement, the Issuer will not be required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to incur any Issuer Funding Obligations.

5.03 Conditions Precedent for the Incurrence of other Obligations Secured

On or prior to the date that the Issuer enters into any agreement that would give rise to Obligations Secured (other than Issuer Funding Obligations referred to in Section 5.01 but including Derivative Funding Obligations), the following conditions precedent shall be satisfied:

- (a) the Issuer shall have delivered to the Indenture Trustee a copy of the applicable agreement;
- (b) the Issuer shall have delivered to the Indenture Trustee an updated copy of the Specified Creditor list described in Section 13.13(b);
- (c) each counterparty to such agreement (or an authorized agent on their behalf) shall have made the acknowledgements and agreements set out in Section 5.04; and
- (d) if the Obligations Secured are Certified Primary Obligations, the Indenture Trustee shall have received either:
 - (i) a certified copy of the instrument whereby the Province designated in writing that the new Obligations Secured are Approved Obligations as contemplated by clause (ii) of Section 4.01 of the Change of Law Protection Agreement; or
 - (ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to the new Obligations Secured delivered in

accordance with Section 4.02(a)(ii) of the Change of Law Protection Agreement; such Adherence Compliance Certificate to be delivered not more than five (5) Business Days prior to the incurrence of the new Obligations Secured, and (B) a certificate signed by the Manager certifying that the Province has not provided a Suspension Notice to the Manager or the Issuer;

provided that, if the Issuer enters into a Derivative Agreement, the Issuer shall have delivered to each Rating Agency notice of the identity of the Derivative Counterparty and the terms of the applicable master agreement and related schedules (but for greater certainty, not each trade confirmation).

5.04 Specified Creditor Acknowledgements

Each Specified Creditor:

- (a) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor hereunder and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under this 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);
- (b) except in the case of the Province, 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, and appoints the Indenture Trustee as its agent for any and all such purposes; and
- (c) consents, requests and authorizes the Issuer and the Indenture Trustee to (i) add such Specified Creditor (or its agent) to the register of Specified Creditors described in Section 13.13 and (ii) disseminate the notice details of such Specified Creditor to other Specified Creditors for the purposes set out in subsection 9.14(b).

5.05 Acknowledgement of Program Agreement by Indenture Trustee

Upon receipt of an Issuer Certificate directing it to do so (provided the conditions set forth in Section 5.01 or 5.03, as applicable, have been satisfied, as certified by the Issuer), the Indenture Trustee shall execute an acknowledgement with respect to any Program Agreement or any evidence of indebtedness issued pursuant to a Program Agreement confirming that such Program Agreement or evidence of indebtedness is an Obligation Secured under this Indenture and the creditors listed in such Program Agreements are Specified Creditors for the purposes of this Indenture.

ARTICLE VI SUBORDINATION

6.01 Subordination

The payment of all Subordinated Funding Obligations shall be subordinate and rank junior, to the extent and in the manner set forth in this Article VI, Article VII and Article VIII, if applicable, to the prior payment in full of all amounts owing from time to time with respect to the Senior Funding Obligations and the Derivative Funding Obligations. The payment of all Junior Subordinated Funding Obligations shall be subordinate and rank junior, to the extent and in the manner set forth in this Article VI, Article VII and Article VIII, if applicable, to the prior payment in full of all amounts owing from time to time with respect to the Senior Funding Obligations, the Derivative Funding Obligations and the Subordinated Funding Obligations. Subject to the provisions of the Related Funding Obligation Agreement, (i) prior to the acceleration of the Issuer Funding Obligations pursuant to Section 8.02, payment in respect of the Subordinated Funding Obligations and the Junior Subordinated Funding Obligations shall be made as provided for in Sections 7.04 to 7.11; and (ii) after the acceleration of the Issuer Funding Obligations pursuant to Section 8.02, payment on account of the Subordinated Funding Obligations and the Junior Subordinated Funding Obligations shall be made as provided for in Section 8.13.

6.02 Subrogation to Senior Funding Obligations and Derivative Funding Obligations

- (a) Subject to the payment in full of the Senior Funding Obligations and the Derivative Funding Obligations or the making of due provision for such payment, the Debtholders of Subordinated Funding Obligations shall be subrogated to the rights of the Debtholders of Senior Funding Obligations and Derivative Counterparties to receive payments or distributions of assets of the Issuer, to the extent of the application thereto of moneys or other assets which would have been received by the Debtholders of Subordinated Funding Obligations but for the provisions of this Article VI, until the principal of and interest on the Subordinated Funding Obligations shall be paid in full.
- (b) Subject to the payment in full of the Senior Funding Obligations, the Derivative Funding Obligations and the Subordinated Funding Obligations or the making of due provision for such payment, the Debtholders of Junior Subordinated Funding Obligations shall be subrogated to the rights of the Debtholders of Senior Funding Obligations and Subordinated Funding Obligations, and Derivative Counterparties, to receive payments or distributions of assets of the Issuer, to the extent of the application thereto of moneys or other assets which would have been received by the Debtholders of Junior Subordinated Funding Obligations but for the provisions of this Article VI, until the principal of and interest on the Junior Subordinated Funding Obligations shall be paid in full.

6.03 Rights of Specified Creditors Preserved

The provisions of this Article VI are and are intended solely for the purpose of defining the relative rights of the Debtholders of Senior Funding Obligations, Subordinated Funding

Obligations and Junior Subordinated Funding Obligations, and Derivative Counterparties, as applicable. Nothing in this Article VI is intended to or shall impair the obligation of the Issuer, subject to the rights of the Debtholders of Senior Funding Obligations and Derivative Counterparties, to pay the Subordinated Funding Obligations and Junior Subordinated Funding Obligations as and when the same shall become due and payable in accordance herewith, or affect the relative rights of the Debtholders of Subordinated Funding Obligations and Junior Subordinated Funding Obligations, and creditors of the Issuer other than Debtholders of such Senior Funding Obligations and Derivative Counterparties, nor shall anything in this Article VI prevent the Indenture Trustee or such Debtholders from exercising all remedies otherwise permitted by this Indenture, subject to the rights (if any) under this Article VI of Debtholders of Senior Funding Obligations, Derivative Counterparties and the Indenture Trustee on their behalfs in respect of any payment or distribution of cash, property or securities of the Issuer received upon the exercise of any such remedy.

6.04 Renewal or Extension of Senior Funding Obligations

- (a) Except as provided in this Indenture or the Related Funding Obligation Agreement, Debtholders of Senior Funding Obligations and Derivative Counterparties may at any time in their discretion renew or extend the time of payment of their Issuer Funding Obligations or exercise any other of their rights in respect thereof, including, without limitation, the waiver of an Event of Default thereunder, all without notice to or assent from the Debtholders of the Subordinated Funding Obligations or Junior Subordinated Funding Obligations, or the Indenture Trustee.
- (b) No compromise, alteration, amendment, modification, extension, renewal or other change of, or waiver, consent or other action in respect of, any liability or obligation under or in respect of any Senior Funding Obligations, Derivative Funding Obligations or of any of the terms, covenants or conditions of any Related Funding Obligation Agreement under which any Senior Funding Obligations or Derivative Funding Obligations shall have been issued, shall in any way alter or affect any of the provisions of this Article VI.

ARTICLE VII

ISSUER ACCOUNTS AND INVESTMENTS; ORDINARY COURSE ALLOCATIONS

7.01 Available Collections

Except as otherwise expressly provided in this Indenture, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance from any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture including, without limitation, all funds and other property payable to the Indenture Trustee in connection with the Collateral. The Indenture Trustee will hold all such money and property received by it as part of the Collateral and will apply it, or cause it to be applied, as provided in this Indenture and any applicable Program Agreement.

7.02 Issuer Accounts

- (a) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Collection Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received shall be credited to the Collection Account. The Collection Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Collection Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 calendar days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Collection Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Collection Account to such new Collection Account. From the date each such new Collection Account is established, it shall be the “Collection Account.”
- (b) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Interest Accumulation Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Interest Accumulation Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 days, so long as the Rating Agency Condition is satisfied) establish a new Interest Accumulation Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Interest Accumulation Account to such new Interest Accumulation Account. From the date each such new Interest Accumulation Account is established, it shall be the “Interest Accumulation Account.” The Interest Accumulation Account is a “finance reserve account” under, and as defined in, the Fair Hydro Regulations.
- (c) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Principal Accumulation Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Principal Accumulation Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer

period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Principal Accumulation Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Principal Accumulation Account to such new Principal Accumulation Account. From the date each such new Principal Accumulation Account is established, it shall be the “Principal Accumulation Account.” The Principal Accumulation Account is a “capital account” under, and as defined in, the Fair Hydro Regulations.

- (d) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Program Cash Reserve Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. The Program Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Program Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 days, so long as the Rating Agency Condition is satisfied) establish a new Program Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Program Cash Reserve Account to such new Program Cash Reserve Account. From the date each such new Program Cash Reserve Account is established, it shall be the “Program Cash Reserve Account.” The Program Cash Reserve Account is a “finance reserve account” under, and as defined in, the Fair Hydro Regulations. The Issuer shall deposit the Program Cash Reserve Required Amount to the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available under subsection 7.04(e)(xiii).
- (e) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**IESO Cash Reserve Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. The IESO Cash Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the IESO Cash Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 days, so long as the Rating Agency Condition is satisfied) establish a new IESO Cash Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property from such IESO Cash Reserve Account to such new IESO Cash Reserve Account. From the date each such new IESO Cash Reserve Account is established, it shall be the “IESO Cash Reserve Account.” The IESO Cash Reserve Account is a “finance reserve account” under, and as defined in, the Fair Hydro Regulations. The Issuer shall deposit the IESO Cash Reserve Deposit Amount directly to the IESO Cash Reserve Account on the earlier of (x) April 30,

2021, and (y) the receipt of the IESO Cash Reserve Deposit Amount from the IESO. Other than such deposit of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, no other amounts shall be deposited to the IESO Cash Reserve Account.

- (f) On or before the date hereof, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Refinancing Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings shall be deposited to the Refinancing Account. For greater certainty, the Refinancing Account may contain Sub-Accounts to account for proceeds in different currencies. The Refinancing Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Refinancing Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Refinancing Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Refinancing Account to such new Refinancing Account. From the date each such new Refinancing Account is established, it shall be the “Refinancing Account.”
- (g) From time to time in connection with the creation of any Series of Issuer Funding Obligations, the Issuer may cause to be established and maintained an Eligible Deposit Account (a “**Series Capital Reserve Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated shall be specified in the Related Funding Obligation Agreement. Each Series Capital Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. If, at any time, the institution holding a Series Capital Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition in respect of the applicable Series is satisfied) establish a new Series Capital Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property to such new Series Capital Reserve Account. From the date each such new Series Capital Reserve Account is established, it shall be a “Series Capital Reserve Account.” Each Series Capital Reserve Account shall be a “capital account” under, and as defined in, the Fair Hydro Regulations.

- (h) From time to time in connection with the creation of any Series of Issuer Funding Obligations, the Issuer may cause to be established and maintained an Eligible Deposit Account (a “**Series Finance Reserve Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the purpose of allowing the Issuer to reserve funds to pay finance charges (including, without limitation, interest and payments under Derivative Agreements) for a Series of Issuer Funding Obligations. Details of any reserve requirements shall be specified in the Related Funding Obligation Agreement. Each Series Finance Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. If, at any time, the institution holding a Series Finance Reserve Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition in respect of the applicable Series is satisfied) establish a new Series Finance Reserve Account that is an Eligible Deposit Account and shall transfer any funds or other property to such new Series Finance Reserve Account. From the date each such new Series Finance Reserve Account is established, it shall be a “Series Finance Reserve Account.” Each Series Finance Reserve Account shall be a “finance reserve account” under, and as defined in, the Fair Hydro Regulations.
- (i) On or before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer shall cause to be established and maintained an Eligible Deposit Account (the “**Protection Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Specified Creditors. All payments received from the Province pursuant to the Change of Law Protection Agreement shall be deposited to the Protection Account. The Protection Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution holding the Protection Account ceases to be an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition is satisfied) establish a new Protection Account that is an Eligible Deposit Account and shall transfer any funds or other property from such Protection Account to such new Protection Account. From the date each such new Protection Account is established, it shall be the “Protection Account.”
- (j) From time to time in connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may cause to be established and maintained one or more Eligible Securities Accounts (each, a “**Securities Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the

benefit of the Indenture Trustee and the Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments in accordance with Section 7.03. Each Securities Account shall relate to only one Program Account or Series Account. Each Securities Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the Specified Creditors. If, at any time, the institution at which a Securities Account is maintained ceases to be an Affiliate of an Eligible Institution, the Manager shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the Manager on its behalf) shall within 30 days (or such longer period, not to exceed 45 calendar days, so long as the Rating Agency Condition (only in respect of the Series if related to a Series Account) is satisfied) establish a new Securities Account that is an Eligible Securities Account and shall transfer any funds or other property to such new Securities Account. From the date each such new Securities Account is established, it shall be a "Securities Account."

7.03 Investment of Funds in the Issuer Accounts

- (a) Funds credited to the Issuer Accounts will (unless otherwise stated in this Indenture or, with respect to a Series Account, any applicable Funding Obligation Agreement) be invested and reinvested by the Indenture Trustee at the written direction of the Manager in one or more Eligible Investments. The Manager may appoint as its agent under a separate agreement a registered investment advisor and authorize such agent to give instructions on behalf of the Manager to the Indenture Trustee for funds to be invested and reinvested in one or more Eligible Investments. The Manager shall provide the Indenture Trustee with a written direction certifying any such appointment, together with an incumbency for such agent in a form acceptable to the Indenture Trustee, acting reasonably. The Indenture Trustee shall be entitled to conclusively rely on, and shall be protected in acting upon, instructions received from such agent on behalf of the Manager. The Manager (or its agent appointed pursuant to the preceding sentence) may authorize the Indenture Trustee to make specific investments pursuant to written instructions, in such amounts as the Manager will specify. Any direction from the Manager (or its agent appointed pursuant to this Section) to the Indenture Trustee shall be in writing and shall be provided to the Indenture Trustee no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such direction received by the Indenture Trustee after 9:00 a.m. (Toronto time) or received on a day that is not a Business Day shall be deemed to have been given prior to 9:00 a.m. (Toronto time) on the next Business Day.
- (b) Notwithstanding anything to the contrary herein, for purposes of making investments in accordance with this Section 7.03, the Issuer shall be entitled to make transfers of cash from any Program Account or Series Account to the Related Securities Account, provided that the Issuer shall ensure that Eligible Investments in the Related Securities Account mature at such times as may be required so that a sufficient amount of cash shall be available for transfer to the applicable Program Account or Series Account to the extent required to pay all Obligations Secured

that are payable on the following Payment Date, Interest Payment Date or Principal Payment Date, as applicable. Transfers of cash between a Program Account or a Series Account and the Related Securities Account shall not require the delivery of a Payment Instruction and may be effected in accordance with a written direction and the Indenture Trustee's standard practices.

- (c) All funds from time to time credited to the Issuer Accounts pursuant to this Indenture and the Funding Obligation Agreements, and all investments made with such funds, if any, are property of the Issuer until such time as they are allocated or paid to satisfy Obligations Secured and will be held by the Indenture Trustee in the Issuer Accounts as part of the Collateral as herein provided, subject to withdrawal by the Paying Agent or the Indenture Trustee for the purposes specified herein.
- (d) Funds and other property in any of the Issuer Accounts will not be commingled with any other funds or property of the Issuer or the Indenture Trustee.
- (e) All interest and earnings (net of losses and investment expenses), if any, on funds credited to an Issuer Account will be part of that Issuer Account.
- (f) Subject to subsection 9.01(d), neither the Indenture Trustee nor the Manager will in any way be held liable by reason of any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on any Eligible Investment included therein.
- (g) Funds credited to the Issuer Accounts will be invested and reinvested by the Indenture Trustee as provided in the written direction of the Manager; provided, however, that such funds shall remain uninvested upon the occurrence of any of the following events:
 - (i) the Manager (or its agent appointed pursuant to paragraph (a) above) shall have failed to give investment directions to the Indenture Trustee; or
 - (ii) an Event of Default shall have occurred and be continuing but no Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02.

7.04 Allocation of Amounts on Deposit in Collection Account

- (a) Subject to the applicable Payment Waterfall, all Senior Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits hereof with respect to such Series or Tranche without preference, priority or distinction on account of (i) the actual time of the incurrence, (ii) the Principal Payment Date(s), (iii) the Principal Payment Default Date, or (iv) the Principal Accumulation Date, except as specified in the Related Funding Obligation Agreement. All Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits hereof with respect to such Series or Tranche without preference, priority or distinction on account of (i) the actual time of the incurrence, (ii) the Principal Payment Date(s), (iii) the

Principal Payment Default Date, or (iv) the Principal Accumulation Date, except as specified in the Related Funding Obligation Agreement. All Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits hereof with respect to such Series or Tranche without preference, priority or distinction on account of (i) the actual time of the incurrence, (ii) the Principal Payment Date(s), (iii) the Principal Payment Default Date, or (iv) the Principal Accumulation Date, except as specified in the Related Funding Obligation Agreement.

- (b) On each Payment Date, Available Collections credited to the Collection Account since the previous Payment Date will be distributed in accordance with Section 7.04(e).
- (c) Subject to subsection 7.04(f), if any amount below is payable on a date other than a Payment Date, prior to such payment being made, an amount will be reserved in the Collection Account equal to the amount estimated by the Manager in its commercially reasonable judgment, based upon amounts then known and/or reasonably expected to be or become payable on or before the next Payment Date, to be the aggregate amount of items *pari passu* or more senior in priority than such obligation, calculated on a *pro forma* basis, and if, due to such reservation of funds, there are insufficient funds available in the Collection Account to make such payment, such payment will be made only on the following Payment Date (and then only if funds are available pursuant to this Section 7.04).
- (d) In the event of non-payment on any Payment Date of any amounts referred to in subsection 7.04(e), such amounts shall remain due and shall be payable on each subsequent Payment Date in the order of priority provided for in subsection 7.04(e), subject to Sections 7.10 and 8.13.
- (e) Subject to Sections 7.04(f), 7.10 and 8.13, on each Payment Date (after making the applications provided for in Section 7.07(a)), any amount standing to the credit of the Collection Account will be distributed by the Paying Agent in the order of priority specified below, based upon the Payment Instruction received from the Manager in respect of such Payment Date, *pro rata* in proportion to the claims represented by each subclause except as otherwise specifically provided below:
 - (i) First, to the payment or remittance of all Taxes exigible for which a Governmental Authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;
 - (ii) Second, on a *pro rata* basis, to the Indenture Trustee and the Issuer Trustee in respect of the amount of fees, expenses and reimbursements owing, up to a maximum aggregate amount (without duplication of any amounts previously paid in respect of such fees, expenses and reimbursements) equal to the Trustee Cap with respect to each of the Issuer Trustee and the Indenture Trustee;

- (iii) Third, *pari passu* (A) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (B) to Derivative Counterparties, on a *pro rata* basis, all Derivative Funding Obligations payable other than Termination Payments;
- (iv) Fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;
- (v) Fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date,
- (vi) Sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;
- (vii) Seventh, *pari passu* (A) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (B) to Derivative Counterparties, on a *pro rata* basis, any Termination Payment where the Derivative Counterparty is not the Defaulting Party or the sole Affected Party;
- (viii) Eighth, to Debtholders, on a *pro rata* basis, all fees and other amounts (other than interest or principal) due and payable on the Senior Funding Obligations;
- (ix) Ninth, to the Manager in respect of all fees, expenses and reimbursement amounts owing;
- (x) Tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;
- (xi) Eleventh, to Debtholders, on a *pro rata* basis, all fees and other amounts (other than interest or principal) due and payable on the Subordinated Funding Obligations;
- (xii) Twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date,
- (xiii) Thirteenth, to deposit to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;
- (xiv) Fourteenth, to transfer such amounts as is sufficient to replenish, on a *pro rata* basis, any Series Capital Reserve Account or Series Finance Reserve Account as required by any Related Funding Obligation Agreement, other than any Series Capital Reserve Account or Series Finance Reserve Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations;

- (xv) Fifteenth, to transfer such amounts as is sufficient to replenish, on a *pro rata* basis, any Series Capital Reserve Account or Series Finance Reserve Account related solely to Subordinated Funding Obligations as required by any Related Funding Obligation Agreement;
- (xvi) Sixteenth, to Debtholders, on a *pro rata* basis, all fees and other amounts (other than interest or principal) due and payable on the Junior Subordinated Funding Obligations;
- (xvii) Seventeenth, to transfer such amounts as is sufficient to replenish, on a *pro rata* basis, any Series Capital Reserve Account or Series Finance Reserve Account related solely to Junior Subordinated Funding Obligations as required by any Related Funding Obligation Agreement;
- (xviii) Eighteenth, to Derivative Counterparties, on a *pro rata* basis, any Termination Payment where the Derivative Counterparty is the Defaulting Party or the sole Affected Party;
- (xix) Nineteenth, to the Issuer Trustee for the account of the beneficiaries of the Issuer, such amount as is required pursuant to the Declaration of Trust;
- (xx) Twentieth, to the Manager in respect of all indemnity amounts owing;
- (xxi) Twenty-First, pari passu (A) to the Indenture Trustee and the Issuer Trustee, in each case, in respect of the amount of any fees, expenses, reimbursements and indemnity amounts owing and not previously paid pursuant to clause (ii); (B) to the payment or remittance of all Taxes exigible and not previously paid pursuant to clause (i); and (C) to all other Specified Creditors not specifically referred to in this Section 7.04(e); in each case, including for each referenced party in subclauses (A), (B) and (C), any amounts payable to their respective Affiliates under the terms of any relevant indemnity; and
- (xxii) Twenty-Second, any amounts remaining: (A) to be held in the Collection Account for distribution in the above order of priority on the succeeding Payment Date (or for distribution prior thereto as permitted or required pursuant to this Indenture); or (B) after the final Issuer Funding Obligation has been paid in full and discharged, and all of the other foregoing amounts are paid in full, together with all amounts due to the Indenture Trustee under Section 9.05 or otherwise, to the Issuer or as the Issuer designates.

- (f) Notwithstanding subsections 7.04(b), (c) and (e):
- (i) the transfer of any amounts deposited by IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and
 - (ii) the transfer of any amounts deposited into the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three (3) Business Days of the closing date of such transaction,

shall, in each case, be made by the Paying Agent, based upon the Payment Instruction received from the Manager on the date applicable thereto without reserving for or paying amounts which are senior in priority to such obligation under subsection 7.04(e).

7.05 Allocation of Amounts on Deposit in Interest Accumulation Account

Subject to Section 7.10, on each Interest Payment Date, amounts on deposit in the Interest Accumulation Account will be distributed by the Paying Agent in the order of priority specified below, based upon the Payment Instruction received from the Manager in respect of such Interest Payment Date:

- (a) First, to Debtholders, on a *pro rata* basis, in respect of all interest due and payable on the Senior Funding Obligations on such Interest Payment Date;
- (b) Second, to Debtholders, on a *pro rata* basis, in respect of all interest due and payable on Subordinated Funding Obligations on such Interest Payment Date; provided that no payment of interest on Subordinated Funding Obligations shall be made under this Section 7.05(b) unless, after making such payment the amount remaining on deposit in the Interest Accumulation Account equals or exceeds the amount of accrued and unpaid interest on the Senior Funding Obligations as of such Interest Payment Date;
- (c) Third, to Debtholders, on a *pro rata* basis, in respect of all interest due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date; provided that no payment of interest on Junior Subordinated Funding Obligations shall be made under this Section 7.05(c) unless, after making such payment the amount remaining on deposit in the Interest Accumulation Account equals or exceeds the amount of accrued and unpaid interest on the Senior Funding Obligations and the Subordinated Funding Obligations as of such Interest Payment Date; and
- (d) Fourth, any amounts remaining: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the succeeding Interest Payment Date; or (ii) after the final Issuer Funding Obligation has been repaid in full, including all interest thereon, to be transferred to the Collection Account and applied in accordance with subsection 7.04(e);

provided that upon the occurrence and during the continuance of any Event of Default and acceleration of the Issuer Funding Obligations in accordance with Section 8.02, any amounts in the Interest Accumulation Account shall be applied in accordance with Section 8.13.

7.06 Allocation of Amounts on Deposit in Principal Accumulation Account

- (a) Subject to Section 7.10, on each Interest Payment Date (after making the applications provided for in Section 7.05), to the extent that any interest which is due and payable on the Senior Funding Obligations, the Subordinated Funding Obligations and the Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency shall be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Issuer Funding Obligations, provided that if the amount to be applied pursuant to this clause (a) is insufficient to pay all such interest, the application of such amounts shall be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.
- (b) Subject to Section 7.10, on each Principal Payment Date (after making the applications provided for in subsection 7.06(a)), amounts on deposit in the Principal Accumulation Account will be distributed by the Paying Agent in the order of priority specified below, based upon the Payment Instruction received from the Manager in respect of such Principal Payment Date:
 - (i) First, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of Warehouse Obligations payable on such Principal Payment Date;
 - (ii) Second, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of Senior Funding Obligations (other than Warehouse Obligations) payable on such Principal Payment Date;
 - (iii) Third, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of Subordinated Funding Obligations payable on such Principal Payment Date; provided that no payment of principal on Subordinated Funding Obligations shall be made under this subsection 7.06(b)(iii) unless, after making such payment, the amount remaining on deposit in the Principal Accumulation Account equals or exceeds the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and
 - (iv) Fourth, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of Junior Subordinated Funding Obligations payable on such Principal Payment Date; provided that no payment of principal on Junior Subordinated Funding Obligations shall be made under this subsection 7.06(b)(iv) unless, after making such payment, the amount remaining on deposit in the Principal Accumulation Account equals or

exceeds the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

- (c) Any amounts remaining after making the applications referred to in subsection 7.06(a) and subsection 7.06(b) shall: (i) be held in the Principal Accumulation Account for distribution under this Section 7.06 on the succeeding Interest Payment Date or Principal Payment Date; or (ii) after the final Issuer Funding Obligation has been repaid in full, be transferred to the Collection Account and applied in accordance with subsection 7.04(e).
- (d) Notwithstanding the foregoing clauses in this Section 7.06, upon the occurrence and during the continuance of any Event of Default and acceleration of the Issuer Funding Obligations in accordance with Section 8.02, any amounts in the Principal Accumulation Account shall be applied in accordance with Section 8.13.

7.07 Allocation of Amounts on Deposit in IESO Cash Reserve Account

- (a) On each Payment Date beginning on the Payment Date in November, 2021, an amount equal to the lesser of (x) the amounts to be paid or transferred pursuant to clauses (i) through (v) of subsection 7.04(e), and (y) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount shall be withdrawn from the IESO Cash Reserve Account and applied to make the payments or transfers described in clauses (i) through (v) of subsection 7.04(e) in the order in which they are to be paid or transferred under Section 7.04(e).
- (b) On each Payment Date to the extent that the amount available for distribution under subsection 7.04(e) and the amounts, if any, available pursuant to subsection 7.07(a) is less than the sum of the amounts to be paid or transferred pursuant to clauses (i) through (v) of subsection 7.04(e), an amount equal to such deficiency shall be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments and transfers in the order in which they are to be paid or transferred under subsection 7.04(e).
- (c) Upon all funds in the IESO Cash Reserve Account being paid in accordance with clauses (a) and (b), the IESO Cash Reserve Account shall be closed.

7.08 Allocation of Amounts on Deposit in Program Cash Reserve Account

- (a) On each Payment Date (after making the applications provided for in Section 7.07 and 7.04(e)), to the extent that the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), in each case for such Payment Date, an amount equal to such deficiency shall be withdrawn from the Program Cash Reserve Account and deposited into the Interest Accumulation Account.

- (b) On each Principal Payment Date (after making the applications provided for in subsection 7.08(a)), amounts on deposit in the Program Cash Reserve Account will be distributed by the Paying Agent in the order of priority specified below, based upon the Payment Instruction received from the Manager in respect of such Principal Payment Date:
- (i) First, to the extent that the amount on deposit in the Principal Accumulation Account is less than the amount of principal due and payable on the Warehouse Obligations on such Principal Payment Date, an amount equal to such deficiency shall be applied, on a *pro rata* basis, to the payment of principal due and payable on the Warehouse Obligations on such Principal Payment Date;
 - (ii) Second, to the extent that the amount on deposit in the Principal Accumulation Account is less than the amount of principal due and payable on the Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date, an amount equal to such deficiency shall be applied, on a *pro rata* basis, to the payment of principal due and payable on the Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;
 - (iii) Third, to the extent that the amount available from the Principal Accumulation Account under subsection 7.06(b)(iii) is less than the amount of principal due and payable on the Subordinated Funding Obligations on such Principal Payment Date, an amount equal to such deficiency shall be applied, on a *pro rata* basis, to the payment of principal due and payable on the Subordinated Funding Obligations on such Principal Payment Date; and
 - (iv) Fourth, to the extent that the amount available from the Principal Accumulation Account under subsection 7.06(b)(iv) is less than the amount of principal due and payable on the Junior Subordinated Funding Obligations on such Principal Payment Date, an amount equal to such deficiency shall be applied, on a *pro rata* basis, to the payment of principal due and payable on the Junior Subordinated Funding Obligations on such Principal Payment Date.
- (c) Any amounts remaining after making the applications referred to in subsection 7.08(a) and subsection 7.08(b) shall: (i) be held in the Program Cash Reserve Account for distribution under this Section 7.08 on the succeeding Interest Payment Date or Principal Payment Date; or (ii) after the final Issuer Funding Obligation has been repaid in full, be transferred to the Collection Account and applied in accordance with subsection 7.04(e).
- (d) Notwithstanding the foregoing clauses in this Section 7.08, upon the occurrence and during the continuance of any Event of Default and acceleration of the Issuer Funding Obligations in accordance with Section 8.02, any amounts in the Program Cash Reserve Account shall be applied in accordance with Section 8.13.

7.09 Allocation of Amounts on Deposit in Refinancing Account

- (a) Subject to the provisions of any applicable Funding Obligation Agreement, not less than 30 days prior to the first day of the Reference Period that includes the Principal Accumulation Date or Principal Payment Date in respect of a Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, the Issuer shall, if it intends to repay all or a portion of the principal obligations of such Funding Obligation Agreement pursuant to a Refinancing, issue a Refinancing Notice to the Indenture Trustee.
- (b) On completion of a Refinancing, all proceeds received by the Issuer shall be deposited to the Refinancing Account.
- (c) On each Principal Payment Date, an amount shall be transferred from the Refinancing Account to the Principal Accumulation Account equal to the lesser of:
 - (i) the amount on deposit in the Refinancing Account; and
 - (ii) the Deferred Principal Accumulation Amount.
- (d) After the final Issuer Funding Obligation has been repaid in full, any amounts remaining in the Refinancing Account shall be deposited to the Collection Account and applied in accordance with subsection 7.04(e).
- (e) Notwithstanding the foregoing clauses in this Section 7.09, upon the occurrence and during the continuance of any Event of Default and the acceleration of the Issuer Funding Obligations in accordance with Section 8.02, any amounts in the Refinancing Account shall be applied in accordance with Section 8.13.

7.10 Allocation of Amounts on Deposit in Protection Account

- (a) All amounts received by the Issuer from the Province pursuant to the Change of Law Protection Agreement shall be deposited in the Protection Account.
- (b) On each Guarantee Payment Date in respect of which the Province makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other Payment Waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written statement delivered by the Manager to the Province under Section 2.01(a)i. of the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable Payment Waterfall and based upon the Payment Instruction received from the Manager in respect of such Guarantee Payment Date.
- (c) Upon the Province paying any amount in respect of an Approved Obligation as contemplated in subsection 7.10(b), the Province shall be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of payments made to the Specified Creditor

out of the Protection Account and shall be entitled to (i) the right and entitlement to be paid and receive the related Subrogation Amounts and (ii) the benefits of the related Collateral and all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests under and in respect of such Approved Obligation to the extent of the payment by the Province in respect of the Approved Obligation as an absolute assignee of the applicable Specified Creditor, with effect from and after the time of such payment, without any further requirement for notice to or acceptance by the Issuer of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Specified Creditor to the Issuer and unaffected by any other rights or equities that arise thereafter as between the Specified Creditor and the Issuer. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the relevant Specified Creditor in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under this Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under this Indenture and any other agreement under which the Approved Obligation arises. For greater certainty, the entitlements of the Province in respect of Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes shall be treated for all purposes of this Indenture as interest and principal obligations, respectively, arising under Notes having the same priority as and any applicable voting rights under the related Approved Obligations, and accordingly the Province (and any successor, assignee or transferee of such entitlements) shall be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with this Indenture and the Related Funding Obligation Agreement.

- (d) On each Guarantee Payment Date, Payment Date or other day on which any amount is required to be paid in respect of any Obligation Secured, commencing with the first Guarantee Payment Date, the following shall apply:
 - (i) if such day is a Guarantee Payment Date, then for each Approved Obligation for which amounts are paid from the Protection Account to a Specified Creditor pursuant to subsection 7.10(b), the amount payable to such Specified Creditor under such Approved Obligation shall be reduced by the respective amounts of such payments, and equivalent amounts (each, a “**Subrogation Amount**”) shall be payable by the Issuer to the Province in respect of such Approved Obligation, such Subrogation Amounts to be payable in the same order of priority under the applicable Payment Waterfall as the related amounts under the Obligation Secured previously owing to such Specified Creditor.
 - (ii) if the Province has made all deposits required to be made by it on each Guarantee Payment Date occurring on or before such day in accordance with subsection 7.10(b) (or the related Approved Obligation Amounts have otherwise all been paid in full), then in respect of each Approved Obligation for which any related Subrogation Amounts have not yet been paid in full

to the Province, the Issuer shall pay to the Province from amounts available under the applicable Payment Waterfall in accordance with the priority of payment provisions in such Payment Waterfall the amount that would be payable on such date in satisfaction of the relevant Approved Obligation, as determined without regard to any amounts paid on any Guarantee Payment Date pursuant to subsection 7.10(b) and also without regard to the corresponding reduction of the amounts owing to present and former Specified Creditors pursuant to subsection 7.10(d)(i) up to the amount of the unpaid related Subrogation Amounts.

- (e) No Specified Creditor having a right to be paid an amount in respect of an Approved Obligation, and no other Person entitled under an Obligation Secured, in each case that ranks equal with or subordinate to the Approved Obligation in respect of which a Subrogation Amount is payable to the Province under subsection 7.10(d), shall be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province under subsection 7.10(d) (including any right of set-off, offset, reimbursement, contribution or indemnity) and no such Specified Creditor or other Person shall have any right or interest in, to or under the Collateral or any proceeds therefrom in respect of any such Subrogation Amount.
- (f) Any amount payable to the Province in respect of a Subrogation Amount shall bear interest from and including the date of payment by the Province of the related amount pursuant to subsection 7.10(b) to but excluding the date of payment of the Subrogation Amount to the Province, such interest to accrue at the rate equivalent to the applicable interest rate borne by the related Approved Obligation, and such interest amounts shall be added to their respective Subrogation Amounts and shall consequently be payable in the same priority as the relevant Subrogation Amount under subsection 7.10(d), all such accruing interest amounts to be calculated and added to the Subrogation Amounts by the Manager in its discretion acting in a commercially reasonable fashion.
- (g) On each Guarantee Payment Date and upon demand by the Province, the Indenture Trustee shall release and the Paying Agent shall, upon receipt of a Payment Instruction, pay to the Province free and clear of any Liens any amount remaining on deposit in the Protection Account that has not been applied to pay Specified Creditors on the Guarantee Payment Date in accordance with subsection 7.10(b) or that otherwise remains on deposit in the Protection Account on the relevant date.
- (h) In preparing any Payment Instructions, the Manager shall reflect the amounts payable under Section 2.01(a) of the Change of Law Protection Agreement, if applicable.

7.11 Allocation of Amounts on Deposit in Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to satisfy all amounts required to be paid to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and

allocated to Specified Creditors in accordance with the terms of the Related Funding Obligation Agreement.

7.12 Payments to be Held in Trust

If, notwithstanding the Payment Waterfalls, any payment on Obligations Secured shall be received at any time by any Specified Creditor, other than in accordance with this Indenture, then the funds received in respect of such payment shall be held by such Specified Creditor in trust for the Issuer and the other Specified Creditors and such Specified Creditor shall forthwith remit to the Indenture Trustee such funds.

7.13 Application of Trust Money

All money and obligations deposited with the Indenture Trustee pursuant to this Article VII and all money received by the Indenture Trustee in respect of such obligations will be held in trust and applied by it, in accordance with the provisions of the Program Agreements in respect of which it was deposited and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as its own Paying Agent) as the Indenture Trustee, at the direction of the Manager, may determine, to the Persons entitled thereto, of the principal, interest, fees and other amounts for whose payment that money and obligations have been deposited with or received by the Indenture Trustee. Money held by the Indenture Trustee in trust hereunder need not be segregated from other funds except to the extent required by this Indenture or by applicable law. The Indenture Trustee will be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default

“**Event of Default**,” wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

- (a) a default by the Issuer in the payment of any interest on any Controlling Class Obligations when such interest becomes due and payable, and continuance of such default for a period of five (5) days following the date on which such interest became due and payable;
- (b) a default by the Issuer in the payment of any principal of any Controlling Class Obligations at its Principal Payment Default Date;
- (c) any representation or warranty contained in Section 12.01 proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by

Controlling Class Creditors holding at least 25% of the Outstanding Dollar Principal Amount of all Controlling Class Obligations, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a “Notice of Default” hereunder and, as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

- (d) a default in the performance, or breach, of any covenant of the Issuer in this Indenture in respect of any Controlling Class Obligations (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this Section 8.01), all of such covenants in this Indenture which are not expressly stated to be for the benefit of a particular Series of Issuer Funding Obligations being deemed to be in respect of all Series of Issuer Funding Obligations for this purpose, and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by Controlling Class Creditors holding at least 25% of the Outstanding Dollar Principal Amount of all Controlling Class Obligations, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a “Notice of Default” hereunder and, as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;
- (e) the Issuer fails to maintain its existence or its status as a Financing Entity or an Insolvency Event occurs in respect of the Issuer;
- (f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province, or the validity of the Change of Law Protection Agreement or the applicability thereof to the Province or to any Controlling Class Obligations or any other obligations purported to be secured thereby or any material part thereof shall be disaffirmed in writing by or on behalf of the Province;
- (g) an Acceleration Event has occurred; provided that Controlling Class Creditors holding at least 25% of the Outstanding Dollar Principal Amount of all Controlling Class Obligations have given, by registered or certified mail, notice to the Issuer and the Indenture Trustee specifying such default and stating that such notice is a “Notice of Default” hereunder;
- (h) a default in the performance or breach by the Issuer of its covenant in Section 13.11 and the continuance of such default or breach for a period of three (3) Business Days after notice thereof has been given to the Issuer by the Indenture Trustee;
- (i) at any time, the amounts, if any, withdrawn from the Program Cash Reserve Account pursuant to Section 7.08(a) prior to such time, exceeds the aggregate of (x) an amount equal to 0.50% of the largest Outstanding Dollar Principal Amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior

Subordinated Funding Obligations at any time on or before such time, plus (y) the sum of all amounts deposited to the Program Cash Reserve Account pursuant to Section 7.04(e)(xiii) prior to such time, plus (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

- (j) a Servicer Default shall occur.

If Controlling Class Obligations constituting 25% or more of the Outstanding Dollar Principal Amount of all Controlling Class Obligations have been accelerated in accordance with the Related Funding Obligation Agreements, the threshold required to declare an Event of Default described in clause (c), (d) or (g) shall be deemed to have been met and no vote of Controlling Class Creditors to declare an Event of Default shall be required. For greater certainty, failure to pay amounts owing pursuant to a Derivative Agreement shall not constitute grounds for an Event of Default.

8.02 Acceleration of Maturity; Rescission and Annulment

- (a) If an Event of Default (other than an Event of Default described in clause (e) or (f) of Section 8.01) occurs and is continuing, then and in each and every such case, unless the principal of all the Controlling Class Obligations shall have already become due and payable, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the Outstanding Dollar Principal Amount of all Controlling Class Obligations (treated as one class), by notice in writing to the Issuer (and to the Indenture Trustee if given by such Controlling Class Creditors), may declare the Outstanding Dollar Principal Amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) and all interest accrued or principal accreted and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Indenture or any Funding Obligation Agreement to the contrary. In any vote to determine whether the requisite number of Controlling Class Creditors have agreed to accelerate the Issuer Funding Obligations pursuant to this subsection 8.02(a), Controlling Class Creditors whose Controlling Class Obligations have been accelerated in accordance with the Related Funding Obligation Agreements shall be deemed to have voted in favour of acceleration to the extent of the Outstanding Dollar Principal Amount of those Controlling Class Obligations which have been accelerated. If Controlling Class Obligations constituting 50% or more of the Outstanding Dollar Principal Amount of all Controlling Class Obligations have been accelerated in accordance with the Related Funding Obligation Agreements, no vote of Controlling Class Creditors to accelerate the Issuer Funding Obligations shall be required and all remaining Issuer Funding Obligations (other than Derivative Funding Obligations) will become and will be immediately due and payable, notwithstanding anything in this Indenture or any Funding Obligation Agreement to the contrary.
- (b) If an Event of Default described in clause (e) or (f) of Section 8.01 occurs and is continuing, then all Issuer Funding Obligations (other than Derivative Funding Obligations) will automatically be and become immediately due and payable by the

Issuer, without notice or demand to any Person, and the Issuer will automatically and immediately be obligated to pay off the Issuer Funding Obligations.

- (c) At any time after such a declaration of acceleration has been made or an automatic acceleration has occurred with respect to the Issuer Funding Obligations (other than Derivative Funding Obligations) and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter provided in this Article VIII, Controlling Class Creditors may, by Extraordinary Resolution, rescind and annul such declaration and its consequences if:
 - (i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay (A) all overdue installments of interest on the Controlling Class Obligations, (B) the principal of any Controlling Class Obligations which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Related Funding Obligation Agreements, to the extent that payment of such interest is lawful, (C) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Related Funding Obligation Agreements, to the extent that payment of such interest is lawful, and (D) all sums paid by the Indenture Trustee hereunder and the reasonable compensation, expenses and disbursements of the Indenture Trustee, its agents and counsel and all other amounts due to the Indenture Trustee under Section 9.05; and
 - (ii) all Events of Default, other than the nonpayment of the principal of the Controlling Class Obligations which has become due solely by such acceleration, have been cured or waived as provided in Section 8.03.
- (d) If, at any time, any Event of Default capable of being remedied has been remedied by the Issuer to the satisfaction of the Indenture Trustee: (i) the Security Interest will no longer be or be deemed to be enforceable by reason of such Event of Default; (ii) any rights which had become vested in the Indenture Trustee by virtue thereof will be and be deemed to be cancelled as fully and to the same extent as though no such Event of Default had occurred; and (iii) the Indenture Trustee will, or will instruct any receiver appointed pursuant to this Indenture to restore to the Issuer any Collateral in the possession of the Indenture Trustee or receiver, as the case may be.
- (e) No such rescission will affect any subsequent Default or impair any right consequent thereon, nor will any such rescission apply to any event of default applicable solely to any Series or Tranche of Issuer Funding Obligations and contained in any Related Funding Obligation Agreement.

8.03 Waiver of Past Defaults

Subject to Section 8.02(c), Controlling Class Creditors may, by Ordinary Resolution, waive any past Default hereunder and its consequences, provided that the Rating Agency

Condition in respect of each Series or Tranche of the Controlling Class Obligations has been satisfied. Upon any such waiver, such Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, for every purpose of this Indenture; but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

8.04 Notice of Defaults

- (a) Within 90 days after the occurrence of any Default, Event of Default or Acceleration Event of which the Indenture Trustee has received written notice:
 - (i) the Indenture Trustee will transmit by mail to all Registered Noteholders, as their names and addresses appear in the Note Register, notice of such Default, Event of Default or Acceleration Event;
 - (ii) the Indenture Trustee will notify all holders of Bearer Notes by publication of notice of such Default, Event of Default or Acceleration Event in an Authorized Newspaper, or as otherwise provided in the Related Supplemental Indenture;
 - (iii) the Indenture Trustee will give prompt written notification of such Default, Event of Default or Acceleration Event to those Lenders and other Specified Creditors that are included on the Specified Creditor list provided by the Issuer pursuant to subsection 13.13(b); and
 - (iv) the Indenture Trustee will give prompt written notification of such Default, Event of Default or Acceleration Event to the Rating Agencies;

provided, however, that (A) the Indenture Trustee shall not be liable for failing to distribute any written notice pursuant to this Section 8.04 to any party that is at the time of delivery a Specified Creditor but is not on the list of Specified Creditors held by the Indenture Trustee pursuant to subsection 9.14(a), and (B) except in the case of a default in the payment of the principal of or interest on any Issuer Funding Obligation, the Indenture Trustee will be protected in withholding such notice if and so long as a Responsible Officer of the Indenture Trustee in good faith determines that the withholding of such notice is in the interests of Debtholders.

- (b) When notice of the occurrence of a Default, Event of Default or Acceleration Event has been given and the Default, Event of Default or Acceleration Event is thereafter cured, notice that the Default, Event of Default or Acceleration Event is no longer continuing shall be given by the Indenture Trustee to Persons to whom notice was sent pursuant to subsection 8.04(a) within a reasonable time, but not exceeding 30 days in any event, after the Indenture Trustee receives notice from the applicable Debtholders that the Default, Event of Default or Acceleration Event has been cured.

8.05 Remedies Generally

Subject to subsections 8.02(c) and (d) and Section 8.03, if the Controlling Class Obligations become due and payable pursuant to Section 8.02 and the Issuer has failed to pay such Controlling Class Obligations, the Indenture Trustee (subject, however, to compliance with the provisions of Section 9.02(d) with respect to the giving of indemnity and funds) may proceed to realize upon the Security Interest and to enforce the rights of the Indenture Trustee and of the Specified Creditors to whom Obligations Secured are owed by (i) application to any court of competent jurisdiction for an order of sequestration and payment of amounts in respect of clean energy adjustments, collections or remittances in accordance with the Act, (ii) possession of the Collateral, (iii) appointment of a receiver with respect to the Collateral, (iv) proceedings in any court of competent jurisdiction for the appointment of a receiver or for sale of the Collateral or any part thereof, or for foreclosure, (v) subject to Section 10.02, exercise any of the rights of the Issuer under any of the Program Agreements, including the right to replace the Manager or the Servicer in accordance with Section 8.10, or (vi) any other action, suit, remedy or proceeding authorized or permitted by this Indenture or by applicable law or by equity.

8.06 Default Interest and Expenses

The Issuer covenants that if:

- (a) the Issuer defaults in the payment of interest on any Series of Controlling Class Obligations when such interest becomes due and payable and such default continues for a period of five (5) days following the Interest Payment Date on which such interest became due and payable, or
- (b) the Issuer defaults in the payment of the principal amount of any Series of Controlling Class Obligations on the Principal Payment Default Date thereof;

the Issuer will, upon demand of the Indenture Trustee, pay (subject to the allocation provided in Article VII and this Article VIII and any Related Funding Obligation Agreement) to the Indenture Trustee, for the benefit of the Debtholders of any such Issuer Funding Obligations, the whole amount then due and payable on any such Issuer Funding Obligations for principal and interest, with interest, to the extent that payment of such interest will be legally enforceable, upon the overdue principal and upon overdue installments of interest, (i) in the case of interest-bearing Issuer Funding Obligations, at the rate of interest applicable to the principal amount thereof, unless otherwise specified in the Related Funding Obligation Agreement; and (ii) in the case of Discount Notes, as specified in the Related Supplemental Indenture, and in addition thereto, will pay such further amount as will be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel and all other amounts due to the Indenture Trustee under Section 9.05.

If the Issuer fails to pay such amounts forthwith upon such demand, the Indenture Trustee may, if the Issuer Funding Obligations have been accelerated in accordance with Section 8.02, take immediate steps to enforce the Security Interest, including instituting, in its own name and as trustee of an express trust, a judicial proceeding seeking the appointment of a receiver or a judicial proceeding for the collection of the sums so due and unpaid, and may directly prosecute such

proceeding to judgment or final decree, and the Indenture Trustee may enforce the same against the Issuer and collect the money adjudged or decreed to be payable in the manner provided by applicable law out of the Collateral, wherever situated.

8.07 Indenture Trustee May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy or other similar proceeding relative to the Issuer or the property of the Issuer, the Indenture Trustee (irrespective of whether the principal of the Issuer Funding Obligations will then be due and payable as therein expressed or by declaration or otherwise) will be entitled and empowered by intervention in such proceeding or otherwise:

- (a) to file and prove a claim for the whole amount of principal, interest, fees and other amounts owing and unpaid in respect of the Issuer Funding Obligations and to file such other papers or documents as may be necessary and advisable in order to have the claims of the Indenture Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel and all other amounts due to the Indenture Trustee under Section 9.05) and of the Debtholders allowed in such judicial proceeding, and
- (b) to collect and receive any funds or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator or other similar official in any such proceeding is hereby authorized by each Specified Creditor to make such payment to the Indenture Trustee, and in the event that the Indenture Trustee will consent to the making of such payments directly to the Specified Creditors, to pay to the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due to the Indenture Trustee under Section 9.05.

8.08 Indenture Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture or the Notes of any Class, Series or Tranche may be prosecuted and enforced by the Indenture Trustee without the possession of any of the Notes of such Class, Series or Tranche or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Indenture Trustee will be brought in its own name as trustee of an express trust.

8.09 Indenture Trustee May Elect to Hold the Collateral

Following an acceleration of Issuer Funding Obligations in accordance with Section 8.02, the Indenture Trustee may elect to continue to hold the Collateral and apply distributions on the Collateral in accordance with the distribution provisions of Section 8.13.

8.10 Termination by Indenture Trustee of Manager and Servicer

Upon the occurrence and during the continuance of an Event of Default, the Indenture Trustee shall have the right to (and, upon receipt of an Extraordinary Resolution to that effect,

shall) terminate the appointment of the then existing Manager under the Management Agreement and/or the Servicer under the Master Transfer and Servicing Agreement, and appoint new Persons under such agreements in accordance with such direction, provided that the Issuer shall have the right to reinstate any appointee under such agreements at such time as the Event of Default is no longer continuing.

8.11 Control by Controlling Class Creditors

- (a) Subject to Section 10.02(b), Controlling Class Creditors will, by Ordinary Resolution, have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations, provided that:
 - (i) the Indenture Trustee will have the right to decline to follow any such direction if the Indenture Trustee, being advised by counsel, determines that the action so directed may not lawfully be taken or would conflict with this Indenture, or if the Indenture Trustee in good faith determines that the proceedings so directed would involve it in personal liability or be unjustly prejudicial to the Controlling Class Creditors not taking part in such direction; and
 - (ii) the Indenture Trustee may take any other action permitted hereunder deemed proper by the Indenture Trustee which is not inconsistent with such direction.
- (b) For greater certainty, Specified Creditors other than Debtholders shall not and do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors other than Debtholders shall only have the right to receive proceeds following an Event of Default in the manner provided for in Section 8.13.

8.12 Limitation on Suits

To the fullest extent permitted by applicable law, no Specified Creditor will have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy hereunder, unless:

- (a) the Issuer or a Controlling Class Creditor has previously given written notice to the Indenture Trustee of a continuing Event of Default;
- (b) Controlling Class Creditors, by way of Ordinary Resolution, have made written request to the Indenture Trustee to institute proceedings in respect of such Event of Default in the name of the Indenture Trustee hereunder;
- (c) such Controlling Class Creditors have offered to the Indenture Trustee (when so requested by the Indenture Trustee) indemnity reasonably satisfactory to it against

the costs, expenses and liabilities to be incurred in compliance with such request; and

- (d) the Indenture Trustee, for 60 days after the Indenture Trustee has received such notice, request and offer of indemnity has failed to institute any such proceeding;

it being understood and intended that no one or more Specified Creditors will have any right in any manner whatsoever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Specified Creditor, or to obtain or to seek to obtain priority or preference over any other Specified Creditor or to enforce any right under this Indenture, except in the manner herein provided and for the benefit of all Specified Creditors. If the above conditions have been met, a Controlling Class Creditor may exercise such rights in accordance with this Indenture.

8.13 Application of Money Following an Event of Default

Subject to the following paragraph and to Section 7.10, upon the occurrence and during the continuance of an Event of Default which has been accelerated in accordance with Section 8.02, any money or other property standing in each Issuer Account or otherwise received by the Indenture Trustee pursuant to this Article VIII will be applied in the order of priority specified in this Section 8.13, *pro rata* in proportion to the claims represented by each subclause, except as otherwise specifically provided below:

- (a) First, to the payment or remittance of all Taxes exigible for which a Governmental Authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;
- (b) Second, to the Indenture Trustee and the Issuer Trustee in respect of the amount of fees, expenses and reimbursements owing;
- (c) Third, *pari passu*, (A) to Debtholders, on a *pro rata* basis, in respect of all interest accrued and unpaid, if any, and fees and other amounts (other than principal) due and payable on the Senior Funding Obligations, and (B) to Derivative Counterparties, on a *pro rata* basis, all Derivative Funding Obligations payable other than Termination Payments;
- (d) Fourth, to Debtholders, on a *pro rata* basis, in respect of all interest accrued and unpaid, if any, and fees and other amounts (other than principal) due and payable on the Subordinated Funding Obligations;
- (e) Fifth, to Debtholders, on a *pro rata* basis, in respect of all interest accrued and unpaid, if any, and fees and other amounts (other than principal) due and payable on the Junior Subordinated Funding Obligations;
- (f) Sixth, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of the Warehouse Obligations until such amount has been paid in full;

- (g) Seventh, *pari passu*, (A) to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of the Senior Funding Obligations (other than Warehouse Obligations) until such amount has been paid in full, and (B) to Derivative Counterparties, on a *pro rata* basis, any Termination Payment where the Derivative Counterparty is not the Defaulting Party or the sole Affected Party;
- (h) Eighth, to the Manager in respect of all fees, expenses and reimbursement amounts owing;
- (i) Ninth, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of the Subordinated Funding Obligations until such amount has been paid in full;
- (j) Tenth, to Debtholders, on a *pro rata* basis, in respect of the aggregate outstanding principal amount of the Junior Subordinated Funding Obligations until such amount has been paid in full;
- (k) Eleventh, to each Derivative Counterparty, on a *pro rata* basis, any Termination Payment where the Derivative Counterparty is the Defaulting Party or the sole Affected Party;
- (l) Twelfth, to the Manager in respect of all indemnity amounts owing;
- (m) Thirteenth, *pari passu* (i) to the payment or remittance of all Taxes exigible and not previously paid pursuant to clause (a); and (ii) to all other Specified Creditors not specifically referred to in this Section 8.13; in each case, including for each referenced party in subclauses (i) and (ii), any amounts payable to their respective Affiliates under the terms of any relevant indemnity; and
- (n) Fourteenth, to the Issuer or as the Issuer otherwise directs.

Notwithstanding the foregoing, amounts on deposit in a Series Account established solely for the benefit of one or more Series of Issuer Funding Obligations shall first be used to satisfy all obligations owing to those Debtholders or Derivative Counterparties for whom such Series Account was established. If any amounts remain following such application, such amounts shall constitute Available Collections and shall be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account shall only be used to satisfy the obligations for which such amounts were deposited.

8.14 Limited Recourse

- (a) Notwithstanding any other provision of this Indenture to the contrary, the obligation to pay principal of or interest on any Issuer Funding Obligation or any other amount payable to any Specified Creditor will be without recourse to the Indenture Trustee, the Issuer Trustee, the Manager or any Affiliate, officer, employee, member or director of any of them, and the satisfaction of the obligation of the Issuer to pay principal of or interest on any Issuer Funding Obligation or any other amount payable to any Specified Creditor will be subject to the allocation and payment

provisions of this Indenture and any Related Funding Obligation Agreement, and limited to amounts available from the Collateral.

- (b) No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Issuer Funding Obligations or under this Indenture, or any certificate or other writing delivered in connection herewith or therewith, against (i) the Issuer Trustee in its individual capacity, (ii) any owner of a unit in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Issuer Trustee in its individual capacity, any holder of a unit in the Issuer or the Issuer Trustee or of any successor or assign of the Issuer Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Issuer Trustee has no such obligations in its individual capacity).
- (c) Under no circumstances shall the Manager or any of its Affiliates be deemed an obligor or guarantor or otherwise deemed to be responsible for payment from its own funds of principal, interest, dividends or other amounts due on the Collateral, the Issuer Funding Obligations or any other Obligations Secured.

8.15 Restoration of Rights and Remedies

If the Indenture Trustee or any Controlling Class Creditor (to the extent and in the manner provided for in Section 8.12) has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, then and in every such case the Issuer, the Indenture Trustee and the Specified Creditors will, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Specified Creditors will continue as though no such proceeding had been instituted.

8.16 Rights and Remedies Cumulative

No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Specified Creditors is intended to be exclusive of any other right or remedy, and every right and remedy will, to the extent permitted by applicable law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or employment of any other appropriate right or remedy.

8.17 Delay or Omission Not Waiver

No delay or omission of the Indenture Trustee or of any Controlling Class Creditor to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VIII or by applicable law to the Indenture Trustee or to the Controlling Class Creditors may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Controlling Class Creditors, as the case may be.

8.18 Waiver of Stay or Extension Laws

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

8.19 Indenture Trustee Appointed Attorney

The Issuer irrevocably constitutes and appoints the Indenture Trustee and any officer or employee thereof, with full power of substitution, as its true and lawful attorney coupled with an interest with full power and authority in the name of the Issuer or in its own name, in its discretion, upon the occurrence and during the continuance of any Event of Default and acceleration in accordance with Section 8.02, for the purpose of carrying out the terms of this Indenture to take all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes hereof, and without limiting the generality of the foregoing, hereby gives the Indenture Trustee the power and right on behalf of the Issuer, without notice to or assent by the Issuer, to the extent permitted by applicable law, to do the following:

- (a) to ask for, demand, sue for, collect and receive all and any monies due or becoming due with respect to the Collateral;
- (b) to receive, take, endorse, assign and deliver any and all cheques, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments, documents and chattel paper taken or received by the Indenture Trustee in connection therewith and herewith; and
- (c) to commence, file, prosecute, defend, settle, compromise or adjust any claim, suit, action or proceeding with respect to the Collateral.

8.20 Disclaimer of Marshalling

In the event that the Security Interest shall become enforceable and the Indenture Trustee shall have determined or become bound to enforce the same, the Issuer covenants not to invoke the doctrine of marshalling or any other equitable principle for the purpose of requiring the Indenture Trustee to realize or to have realized on any particular asset forming part of the Collateral.

ARTICLE IX THE INDENTURE TRUSTEE

9.01 Certain Duties and Responsibilities

- (a) The Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Obligations Secured, and no implied covenants or obligations will be read into this Indenture against the Indenture Trustee.
- (b) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Indenture Trustee will act honestly and in good faith with a view to the best interests of the Debtholders as a whole and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged in accordance with Section 2.08(b), the Indenture Trustee shall no longer act as Indenture Trustee under this Indenture and shall have no fiduciary responsibilities to any remaining Specified Creditors. From and after such time, the Indenture Trustee shall act only as the security agent for those Specified Creditors.
- (c) In the absence of bad faith on its part, the Indenture Trustee may, with respect to any Obligations Secured, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee will be under a duty to examine the same to determine whether or not they substantially conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein).
- (d) No provision of this Indenture will be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:
 - (i) this clause (d) will not be construed to limit the effect of subsection 9.01(a);
 - (ii) the Indenture Trustee will not be liable for any error of judgment made in good faith, unless it will be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts;
 - (iii) the Indenture Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith if so directed by Extraordinary Resolution, relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture with respect to the Obligations Secured; and

- (iv) no provision of this Indenture will require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.
- (e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee will be subject to the provisions of this Section 9.01.

9.02 Certain Rights of Indenture Trustee

Except as otherwise provided in Section 9.01:

- (a) the Indenture Trustee may conclusively rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document (whether in its original, facsimile or other electronic form) believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (b) whenever in the administration of this Indenture the Indenture Trustee will deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;
- (c) the Indenture Trustee may consult with counsel of its own selection and the advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;
- (d) the Indenture Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Controlling Class Creditors pursuant to this Indenture, unless such Controlling Class Creditors shall have offered to the Indenture Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;
- (e) the Indenture Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee will determine to make such further inquiry or investigation, it will be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney;

- (f) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Indenture Trustee will not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;
- (g) the Indenture Trustee will not be responsible for filing any financing statements or continuation statements in connection with the Obligations Secured or the Security Interest, but will cooperate with the Issuer in connection with the filing of such financing statements or amendments to such financing statements;
- (h) the Indenture Trustee shall not be deemed to have notice of any default (including any Servicer Default, Default or Event of Default) unless written notice of any event which is in fact such a default is received by the Indenture Trustee at the Corporate Trust Office of the Indenture Trustee, and such notice references the Issuer Funding Obligations and this Indenture;
- (i) the rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;
- (j) the Indenture Trustee shall not be liable for any action taken, suffered or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;
- (k) the Indenture Trustee shall be entitled to and may rely absolutely upon each Payment Instruction and the Indenture Trustee will have no obligation (i) to perform any calculations under any of the Program Agreements, (ii) to reconcile any Issuer Account against the other(s) or the Program Agreements, or (iii) to monitor any change in the legislation governing any of the Program Agreements;
- (l) the Indenture Trustee will be entitled to rely and act upon any direction, order, instruction, notice or communication provided to it under this Indenture which is sent to it by Electronic Methods. The Indenture Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Issuer agrees: (i) to assume all risks arising out of the use of such Electronic Methods to submit instructions and directions to the Indenture Trustee, including without limitation the risk of the Indenture Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Indenture Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and

- (m) the Indenture Trustee will not be liable for any consequential, punitive or special damages.

9.03 Not Responsible for Recitals or Issuer Funding Obligations

The recitals contained herein and in the Funding Obligation Agreements, except the Certificates of Authentication, will be taken as the statements of the Issuer, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Funding Obligation Agreements. The Indenture Trustee will not be accountable for the use or application by the Issuer of Notes, Borrowings or the proceeds thereof.

9.04 May Hold Notes

The Indenture Trustee, the Issuer Trustee, any Paying Agent, the Note Registrar, the Manager or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and, subject to subsection 9.07(e) and applicable legislation, may otherwise deal with the Issuer with the same rights it would have if it were not Indenture Trustee, Issuer Trustee, Paying Agent, Note Registrar, Manager or such other agent.

9.05 Compensation and Reimbursement; Limit on Compensation Reimbursement and Indemnity

- (a) The Issuer agrees:
 - (i) to pay to the Indenture Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation will not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
 - (ii) except as otherwise expressly provided herein, to reimburse the Indenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Indenture Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its own negligence or bad faith; and
 - (iii) to indemnify the Indenture Trustee for, and to hold it harmless against, any and all loss, liability, expense, claim, damage or injury incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trusts hereunder, including the costs and expenses of defending itself against any claim or liability (whether asserted by the Issuer, any Specified Creditor or any other Person) in connection with the exercise or performance of any of its powers or duties hereunder.

The Indenture Trustee will have no recourse to any asset of the Issuer other than funds available pursuant to Section 7.04, 7.10 or 8.13, or to any Person other than the Issuer.

- (b) This Section 9.05 will survive the termination of this Indenture and the resignation or replacement of the Indenture Trustee under Section 9.07.

9.06 Corporate Indenture Trustee Required; Eligibility

There will at all times be an Indenture Trustee hereunder which will be either a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business as contemplated hereby in each of the provinces and territories of Canada. The Issuer may not, nor may any Person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee. If at any time the Indenture Trustee will cease to be eligible in accordance with the provisions of this Section 9.06, it will resign immediately in the manner and with the effect hereinafter specified in this Article IX.

9.07 Resignation and Removal; Appointment of Successor

- (a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this Article IX will become effective until the acceptance of appointment by the successor Indenture Trustee under Section 9.08.
- (b) The Indenture Trustee may resign at any time by giving written notice thereof to the Issuer. If an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Indenture Trustee within 30 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.
- (c) The Indenture Trustee may be removed at any time by Ordinary Resolution of the Controlling Class Creditors delivered to the Indenture Trustee and to the Issuer. If an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Indenture Trustee within 30 days after the giving of such notice of removal, the Indenture Trustee being removed may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.
- (d) If at any time:
 - (i) the Indenture Trustee ceases to be eligible under Section 9.06 and fails to resign after written request therefor by the Issuer or by any Controlling Class Creditor, or
 - (ii) the Indenture Trustee becomes incapable of acting, or
 - (iii) the Indenture Trustee is adjudged bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property is appointed, or any public officer takes

charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer may remove the Indenture Trustee, or (B) any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six (6) months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

- (e) The Indenture Trustee shall resign if a material conflict of interest arises in its role as a trustee under this Indenture that is not eliminated within 90 days after the Indenture Trustee becomes aware that it has such a material conflict of interest. Forthwith after the Indenture Trustee becomes aware that it has a material conflict of interest, it shall provide the Issuer with written notice of the nature of that conflict. If, notwithstanding the foregoing provisions of this subsection 9.07(e), the Indenture Trustee has such a material conflict of interest, the validity and enforceability of this Indenture and of the Funding Obligation Agreements shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Indenture Trustee contravenes the foregoing provisions of this subsection 9.07(e), any interested Person may apply to a court of competent jurisdiction for an order that the Indenture Trustee be replaced as trustee hereunder. The Indenture Trustee represents to the Issuer that at the time of the execution and delivery hereof, no material conflict of interest exists in the Indenture Trustee's role as a fiduciary hereunder.
- (f) If the Indenture Trustee resigns, is removed or becomes incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any cause, the Issuer will promptly appoint a successor Indenture Trustee. If, within one (1) year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor Indenture Trustee is appointed by Ordinary Resolution of Controlling Class Creditors delivered to the Issuer and the retiring Indenture Trustee, the successor Indenture Trustee so appointed will, forthwith upon its acceptance of such appointment, become the successor Indenture Trustee and supersede the successor Indenture Trustee appointed by the Issuer. If no successor Indenture Trustee shall have been so appointed by the Issuer or Controlling Class Creditors and accepted in the manner hereinafter provided, any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six (6) months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.
- (g) The Issuer will give written notice of each resignation and each removal of the Indenture Trustee and each appointment of a successor Indenture Trustee to each Specified Creditor as provided in Article XV and to each Rating Agency. To facilitate delivery of such notice, upon request by the Issuer, the retiring Indenture Trustee shall provide to the Issuer a list of all Specified Creditors. Each notice will include the name of the successor Indenture Trustee and the address of its Corporate Trust Office.

- (h) Upon such resignation, the Indenture Trustee shall be discharged from all further duties and liabilities under this Indenture.

9.08 Acceptance of Appointment by Successor

Every successor Indenture Trustee appointed hereunder will execute, acknowledge and deliver to the Issuer and to the predecessor Indenture Trustee an instrument accepting such appointment, with a copy to the Rating Agencies, and thereupon the resignation or removal of the predecessor Indenture Trustee will become effective, and such successor Indenture Trustee, without any further act, deed or conveyance, will become vested with all the rights, powers, trusts and duties of the predecessor Indenture Trustee; but, on request of the Issuer or the successor Indenture Trustee, such predecessor Indenture Trustee will execute and deliver an instrument transferring to such successor Indenture Trustee all the rights, powers and trusts of the predecessor Indenture Trustee, and will duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such predecessor Indenture Trustee hereunder, subject nevertheless to its Lien, if any, provided for in Section 9.05. Upon request of any such successor Indenture Trustee, the Issuer will execute any and all instruments for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such rights, powers and trusts.

No successor Indenture Trustee will accept its appointment unless at the time of such acceptance, such successor Indenture Trustee will be qualified and eligible under this Article IX.

9.09 Merger, Conversion, Consolidation or Succession to Business

Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee, will be the successor of the Indenture Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article IX, without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Indenture Trustee shall give prompt written notice of such merger, conversion, consolidation or succession to the Issuer and the Rating Agencies. In case any Notes shall have been authenticated, but not delivered, by the Indenture Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Indenture Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Indenture Trustee had itself authenticated such Notes.

9.10 Trust Indenture Legislation

- (a) In this Article IX, the term “**applicable legislation**” means the provisions, if any, of the *Trust and Loan Companies Act* (Canada) and any other statute of Canada or a province thereof, and of regulations under any such statute, in each case, as amended, restated or re-enacted from time to time, relating to trust indentures and to the rights, duties and obligations of trustees under trust indentures and of entities issuing debt obligations under trust indentures, to the extent that in the opinion of counsel to the Issuer such provisions are at the time in force and applicable to this Indenture.

- (b) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of applicable legislation, such mandatory requirement shall prevail.
- (c) The Issuer and the Indenture Trustee agree that each will at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of applicable legislation.

9.11 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

- (a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;
- (b) the Indenture Trustee has full power and authority to execute, deliver and perform this Indenture and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture and other documents to which it is a party;
- (c) each of this Indenture and the other documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and
- (d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada. If, notwithstanding the provisions of this subsection 9.11(d), the Indenture Trustee ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the Funding Obligation Agreements shall not be affected in any manner whatsoever by reason only of such event.

9.12 Indenture Trustee's Application for Instructions from the Issuer

Any application by the Indenture Trustee for written instructions from the Issuer may, at the option of the Indenture Trustee, set forth in writing any action proposed to be taken or omitted by the Indenture Trustee under and in accordance with this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective; provided that such application shall make specific reference to this Section 9.12. The Indenture Trustee shall not be liable for any action taken by, or omission of, the Indenture Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five (5) Business Days after the date the Issuer actually receives such application, unless the Issuer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Indenture Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

9.13 Appointment of Co-Trustee or Separate Indenture Trustee

- (a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirements of any relevant jurisdiction, the Indenture

Trustee shall have the power and shall execute and deliver all instruments, subject to the prior written consent of the Manager, which consent shall not be unreasonably withheld, to appoint one or more Persons reasonably acceptable to the Issuer to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Issuer's property, and to vest in such Person or Persons, in such capacity and for the benefit of the Specified Creditors, such title to the Issuer's property, or any part thereof, and, subject to the other provisions of this Section 9.13, such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 9.06 and no notice to Specified Creditors of the appointment of any co-trustee or separate trustee shall be required under Section 9.07.

- (b) Every separate trustee and co-trustee shall, to the extent permitted by applicable law, be appointed and act subject to the following provisions and conditions:
 - (i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Issuer's property or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;
 - (ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and
 - (iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.
- (c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article IX. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

- (d) Any separate trustee or co-trustee may at any time appoint the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by applicable law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by applicable law, without the appointment of a new or successor trustee.
- (e) All such appointments made in accordance with this Section 9.13 shall be subject to the approval of the Issuer. The Issuer will give prior written notice of the appointment of any separate trustee or co-trustee to each Rating Agency.

9.14 Preservation of Information; Communications to Specified Creditors

- (a) The Indenture Trustee will preserve, in as current a form as is reasonably practicable, the names and addresses of Registered Noteholders contained in the most recent list furnished to the Indenture Trustee as provided in subsection 13.13(a) and the names and addresses of Registered Noteholders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee will also preserve, in as current a form as is reasonably practicable, the names and addresses of all other Specified Creditors contained in the most recent list furnished to the Indenture Trustee as provided in subsection 13.13(b). The Indenture Trustee may destroy any such list furnished to it upon receipt of a new list.
- (b) If three (3) or more Debtholders of any Class, Series or Tranche (hereinafter referred to as “**applicants**”) (or, if there are less than three (3) such Debtholders, all of the Debtholders) apply in writing to the Indenture Trustee by way of an application substantially in the form of Exhibit 4, then the Indenture Trustee will, within five (5) Business Days after the receipt of such application, afford such applicants access to the information preserved at the time by the Indenture Trustee in accordance with subsection 9.14(a); provided, however, that (i) such Debtholders are identified on the most recent lists of Debtholders held by the Indenture Trustee pursuant to subsection 9.14(a), and (ii) the Indenture Trustee shall not release any information other than the names and addresses (including email addresses) of the Debtholders on such lists.
- (c) By accepting its rights as a third party beneficiary hereunder, every Debtholder agrees with the Issuer and the Indenture Trustee that neither the Issuer nor the Indenture Trustee will be held accountable by reason of the disclosure of any such information as to the names and addresses (including email addresses) of the Debtholders in accordance with subsection 9.14(b), regardless of the source from which such information was derived.
- (d) Any Specified Creditor wishing to be removed from the list of Specified Creditors may deliver a notice to the Indenture Trustee in the form attached as Exhibit 5.

Within five (5) Business Days of the receipt of such notice, the Indenture Trustee shall notify the Issuer to have that Specified Creditor removed from the list provided in accordance with subsection 13.13(b). The Indenture Trustee shall not be responsible, nor shall it be liable for any losses, costs or expenses (including special, indirect, punitive or consequential losses or damages) of the Issuer, any Specified Creditor, or any other party, with respect to any Specified Creditor that fails to, or is delayed in sending, such notice and whose information is disseminated in accordance with this Section 9.14.

- (e) The Indenture Trustee shall not be liable for, or held accountable by reason of, distributing any information pursuant to this Section 9.14 regarding any Specified Creditor that is on the list of Specified Creditors held by the Indenture Trustee pursuant to subsection 9.14(a).

9.15 Acceptance of Trusts by Indenture Trustee

The Indenture Trustee hereby accepts the trusts in this Indenture and agrees to perform the same upon the terms and conditions herein set forth.

9.16 Paying Agent

- (a) The Paying Agent, on behalf of the Indenture Trustee, will make distributions to Specified Creditors from the Collection Account or other applicable Issuer Account pursuant to the provisions of this Indenture and any applicable Program Agreement. Any Paying Agent will have the revocable power to withdraw funds from the Collection Account or other applicable Issuer Account for the purpose of making the distributions referred to above.
- (b) The Indenture Trustee may revoke such power and remove the Paying Agent if the Indenture Trustee determines in its sole discretion that the Paying Agent has failed to perform its obligations under this Indenture in any material respect. The Paying Agent upon removal will return all funds in its possession to the Indenture Trustee.
- (c) The Issuer will cause each Paying Agent (other than the Indenture Trustee) to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent will agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it so agrees), subject to the provisions of this Section 9.16, that such Paying Agent will:
 - (i) hold all sums held by it for the payment of principal of, interest, fees or other amounts in trust for the benefit of the Persons entitled thereto until such sums will be paid to such Persons or otherwise disposed of as herein provided;
 - (ii) if such Paying Agent is not the Indenture Trustee, give the Indenture Trustee notice of any default by the Issuer in the making of any such payment of principal or interest on any Issuer Funding Obligations;

- (iii) if such Paying Agent is not the Indenture Trustee, at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;
 - (iv) open and maintain appropriate records with respect to each Note; record by appropriate entries therein each payment made on account of interest, principal, fees and other amounts owing with respect to each such Note. For the purposes thereof, the Paying Agent shall make available upon request of the Issuer or the Indenture Trustee satisfactory evidence of each payment as soon as practicable after making such payment. The failure to record, or any error in recording, any such payment shall not, however, limit or otherwise affect the obligations of the Issuer as to the principal amount or accrued interest owing with respect to any Note. Such records of payment shall be conclusive evidence of the unpaid principal balance and interest owing in respect of the Notes in the absence of demonstrable error;
 - (v) immediately resign as a Paying Agent and, if such Paying Agent is not the Indenture Trustee, forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Issuer Funding Obligations if at any time it ceases to meet the standards described in this Section 9.16 required to be met by a Paying Agent at the time of its appointment; and
 - (vi) comply with all requirements of the Income Tax Act or any other applicable tax law with respect to the withholding from any payments made by it on any amounts contemplated under this Indenture of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.
- (d) Each Paying Agent, if not OPG, will at all times have, or be a wholly owned subsidiary of a corporation which has, a combined capital and surplus of at least \$50,000,000 and be subject to supervision or examination by a Canadian federal, provincial or territorial authority or be regulated by or subject to the supervision or examination of a Governmental Authority of a nation that is a member of the Organization for Economic Co-operation and Development. If such Paying Agent publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this subsection 9.16(d), the combined capital and surplus of such Paying Agent will be deemed to be its combined capital and surplus as set forth in its most recent report of condition as so published.
- (e) Unless and until the Issuer rescinds one or more of such appointments, the Issuer hereby appoints the Indenture Trustee as its Paying Agent. The Issuer will give prior written notice of the appointment of any Paying Agent (if such Paying Agent is not the Indenture Trustee) to each Rating Agency.

ARTICLE X MEETINGS

10.01 Conduct of Meetings

Meetings of Debtholders of any Class, Series or Tranche, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations, as the case may be, may be convened, held and conducted in the following manner:

- (a) At any time, and from time to time, the Indenture Trustee or the Issuer may, and the Indenture Trustee shall, on receipt of a written request of the Issuer or a requisition signed by Debtholders of a particular Class, Series or Tranche, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a “**Debtholder Group**”), as the case may be, holding at least 25% of the aggregate Outstanding Dollar Principal Amount of the applicable Issuer Funding Obligations, convene, or cause to be convened, a meeting of the Debtholders of that Debtholder Group. If the Indenture Trustee fails to convene, or cause to be convened, a meeting after 30 days of being duly required by the Issuer or such Debtholders, the Issuer or such Debtholders may themselves convene such meeting and, in the case of a meeting called by such Debtholders, the notice calling such meeting may be signed by such Person as those Debtholders specify. Every such meeting shall be held in the City of Toronto or such other place in Ontario, Canada as the Indenture Trustee may in any case determine or approve.
- (b) At least 7 days’ prior notice of any meeting shall be given to the Debtholders of the Debtholder Group to which such meeting relates and to the Issuer, unless the meeting has been called by the Issuer, and such notice shall state the date, time and the place the meeting is to be held and shall specify, in general terms, the nature of the business to be transacted. It shall not be necessary to specify in the notice the text of the resolutions to be passed. Subject to Section 10.01(c), notices shall be given in the manner set forth in Article XV and a copy thereof shall be delivered to the Indenture Trustee unless the meeting has been called by it. It shall not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting. The non-receipt of any such notice by a Debtholder shall not invalidate any resolution passed at such meeting.
- (c) At any meeting of a Debtholders Group, subject as herein provided, a quorum shall consist of one or more Persons present in person or by proxy holding either personally or as proxies not less than 25% of the Outstanding Dollar Principal Amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. If a quorum is not present on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting shall be adjourned to be held at a place and upon a date and at an hour to be fixed by the Indenture Trustee who shall give not less than seven (7) days’ notice of the date and time to which such meeting is to be adjourned and at such adjourned

meeting a quorum shall consist of the Debtholders of that Debtholder Group then and there represented in person or by proxy and entitled to vote at such meeting.

- (d) An individual, who need not be a Debtholder, nominated in writing by the Indenture Trustee shall be chairman of the meeting (a “**Chairman**”). If no individual is so nominated or if the individual nominated is not present within 25 minutes after the time fixed for the holding of the meeting, the Debtholders and proxies for Debtholders present shall choose one of their number to be Chairman.
- (e) Every question submitted to a meeting, except matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes given on a show of hands or, if a poll shall be requested as hereinafter provided, by a majority of the votes cast on the poll (in either case, an “**Ordinary Resolution**”) and shall be binding on all Debtholders of the applicable Debtholder Group. On a show of hands, each Debtholder who is present, whether in person or by proxy, will have one vote for every \$1,000 of Outstanding Dollar Principal Amount of applicable Issuer Funding Obligations of which he or she shall be the Debtholder. A poll shall be taken on every Extraordinary Resolution and otherwise whenever requested by a Debtholder or its proxy. On a poll, each Debtholder shall have one vote for every \$1,000 of Outstanding Dollar Principal Amount of applicable Issuer Funding Obligations of which he or she shall be the Debtholder. Votes may be given in person or by proxy and a proxy need not be a Debtholder. If at any meeting a poll is so demanded as aforesaid on the election of a Chairman or on a question of adjournment, it shall be taken forthwith. If at any meeting a poll is so demanded on any other question, or an Extraordinary Resolution is to be voted upon, a poll shall be taken in such manner and either at once or after an adjournment as the Chairman directs. The result of a poll shall be deemed to be the decision of the meeting at which the poll was demanded and shall be binding on all Debtholders of the applicable Debtholder Group. In the case of joint Registered Noteholders, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but, if more than one of them is present in person or by proxy, they shall vote together in respect of the Notes of which they are joint Registered Noteholders.

10.02 Powers Exercisable by Ordinary Resolution and Extraordinary Resolution

- (a) Subject to Section 11.02, in addition to any powers hereinbefore given, Debtholders of a Class, Series or Tranche of Issuer Funding Obligations shall by Ordinary Resolution have the power to:
 - (i) require the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any of the powers conferred upon it by this Indenture insofar as they apply solely to such Class, Series or Tranche or by the Related Funding Obligation Agreement;
 - (ii) sanction, insofar as they apply to the Class, Series or Tranche, the release of the Issuer from its covenants and obligations hereunder;

- (iii) subject to the provisions of this Indenture or of the Related Funding Obligation Agreement, sanction any change whatsoever to any provision of the Issuer Funding Obligations of such Class, Series or Tranche which shall be agreed to by the Issuer and any modification, alteration, abrogation, compromise or arrangement of or in respect of the rights of the Debtholders of such Class, Series or Tranche or the Indenture Trustee against the Issuer, whether such rights shall arise under the provisions of this Indenture or otherwise;
 - (iv) subject to the provisions of this Indenture, assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture, a Related Supplemental Indenture or any instrument ancillary or supplementary hereto or thereto, in each case, insofar as they apply to the Class, Series or Tranche, which shall be agreed to by the Issuer and to authorize the Indenture Trustee to concur in and execute any deed, instrument or agreement embodying any such modification, change, addition or omission or any other deeds, documents or writings authorized by such Ordinary Resolution; provided that no such assent shall be necessary for any modification of or change in or addition otherwise permitted hereunder or under a Related Supplemental Indenture; and
 - (v) take any other Action authorized by this Indenture or a Related Supplemental Indenture to be taken by Ordinary Resolution of the Debtholders of a Class, Series or Tranche of Issuer Funding Obligations.
- (b) Subject to Section 11.02, in addition to any powers hereinbefore given, Controlling Class Creditors shall by Extraordinary Resolution have the power to:
 - (i) after the Security Interest has become enforceable, authorize the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;
 - (ii) after the Security Interest has become enforceable, sanction the selling of the Collateral or any part thereof or interest therein;
 - (iii) after the Security Interest has become enforceable, authorize the Indenture Trustee or any other Person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;
 - (iv) assent to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;
 - (v) restrain any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any

other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- (vi) require the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by this Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to Article VIII upon such terms and/or conditions as may be decided;
- (vii) authorize the Indenture Trustee, in the event of the Issuer making an authorized assignment or proposal or in the event of an administrator, trustee, receiver or liquidator being appointed under any applicable bankruptcy or insolvency legislation for and on behalf of all Debtholders and, in addition to any claim or debt provided or made for its own account as Indenture Trustee hereunder, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide;
- (viii) appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in such Extraordinary Resolution) to exercise, and to direct the Indenture Trustee to exercise, on behalf of all Controlling Class Creditors, such of the powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution as shall be included in the Extraordinary Resolution appointing the committee. The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee from the Collateral in portions allocated to each Series as may be specified in such Extraordinary Resolution. Such committee shall consist of such number of Persons as shall be prescribed in the Extraordinary Resolution appointing it and the members need not themselves be Controlling Class Creditors or Debtholders. Each such committee may elect a chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedures generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debtholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith; and

- (ix) take any other action authorized by this Indenture to be taken by Extraordinary Resolution.
- (c) The foregoing powers shall be deemed to be several and cumulative and not dependent on each other and the exercise of one or more of such powers, or any combination of such powers, from time to time, shall not be deemed to exhaust the rights of the Debtholders to exercise such power or powers, or combinations of powers, thereafter from time to time. No powers exercisable by Extraordinary Resolution shall derogate in any way from any rights of the Issuer under or pursuant to this Indenture without the agreement of the Issuer. The Issuer shall give the Rating Agency notice of any Ordinary Resolution or Extraordinary Resolution adopted.

10.03 Extraordinary Resolution

An Extraordinary Resolution, adopted in accordance with the provisions hereof, shall be binding upon each and every Debtholder and each other Specified Creditor and their respective heirs, executors, administrators, successors and assigns, whether present or absent, and the Indenture Trustee (subject to the provisions for funding and its indemnity herein contained) shall be bound to give effect thereto accordingly.

Except as expressly provided to the contrary in this Indenture, no action shall be taken at a meeting of the Debtholders of a Debtholder Group which changes any provision of this Indenture or changes or prejudices the exercise of any right of any Debtholder except by Extraordinary Resolution.

10.04 Declaration by Chairman of Result of Vote

At any meeting of Debtholders of any Debtholder Group in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence thereof.

10.05 Minutes

Minutes of all resolutions and proceedings at every such meeting, as aforesaid, shall be made and duly entered in books to be provided from time to time for that purpose by an agent of the Issuer at the expense of the Issuer and any such minutes, as aforesaid, if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed and had.

10.06 Signed Instruments

Any resolution or instrument signed in one or more counterparts by (a) Debtholders holding not less than 50% of the aggregate Outstanding Dollar Principal Amount of Issuer Funding Obligations of a Debtholder Group, in the case of matters capable of being decided by Ordinary

Resolution, and (b) Controlling Class Creditors holding not less than 66 $\frac{2}{3}$ % of the aggregate Outstanding Dollar Principal Amount of all Controlling Class Obligations in the case of matters required to be decided by Extraordinary Resolution, shall, in either case, have the same force and effect as a resolution duly passed at a meeting of such Debtholders by the affirmative vote of all of the votes cast upon a poll. Notice of any Ordinary Resolution or Extraordinary Resolution passed in accordance with this Section 10.06 shall be given by the Indenture Trustee to all applicable Debtholders within 30 days of the date on which such Ordinary Resolution or Extraordinary Resolution was passed.

10.07 Persons Who May Attend

Each Debtholder, by their respective officers, directors, employees, and the legal advisers of such parties, may attend any meeting of Debtholders.

10.08 Binding Effect of Resolutions

Every Ordinary Resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article X at a meeting of Debtholders of a Debtholder Group will be binding upon all of the Debtholders of such Debtholder Group whether present at or absent from such meeting, and every instrument in writing signed by Debtholders in accordance with Section 10.06 will be binding upon all of the Debtholders of such Debtholder Group, whether signatories thereto or not, and the Indenture Trustee will be bound to give effect accordingly to every such Ordinary Resolution, Extraordinary Resolution and instrument in writing. For greater certainty, any Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors in accordance with Section 10.03.

10.09 Notes Regarded as Not Outstanding for Certain Purposes

If, in the opinion of the Indenture Trustee and upon receipt of an Issuer Certificate in respect of the following, any business to be transacted at any meeting of Debtholders or any action to be taken or power exercised by instrument in writing under Section 10.06 does not materially adversely affect the rights of the Debtholders of one or more particular Class, Series or Tranche of Issuer Funding Obligations, the provisions of this Article X shall apply as if the Issuer Funding Obligations of that Class, Series or Tranche were not Outstanding, and no notice of any such meeting need be given to the Debtholders of that Class, Series or Tranche.

ARTICLE XI SUPPLEMENTAL INDENTURES

11.01 Supplemental Indentures and Amendments Without Consent of Specified Creditors

Without the consent of Specified Creditors but with 10 Business Days' prior notice to each Rating Agency and the Province, the Issuer and the Indenture Trustee, at any time and from time to time, and upon delivery by the Issuer to the Indenture Trustee of an Issuer Certificate to the effect that the Issuer reasonably believes that such amendment will not have an Adverse Effect and is not reasonably expected to have an Adverse Effect at any time in the future, the Issuer may amend this Indenture, including any Supplemental Indenture or enter into one or more

Supplemental Indentures, in form satisfactory to the Indenture Trustee, for any of the following purposes:

- (a) to evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes; or
- (b) to add to the covenants of the Issuer, or to surrender any right or power herein conferred upon the Issuer by the Issuer, for the benefit of Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations; or
- (c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, to correct a clear clerical or administrative error, or to make any other provisions with respect to matters or questions arising under this Indenture; or
- (d) to provide for the issuance of any Series or Tranche of Notes as provided in Article IV and Article V and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche; or
- (e) to evidence and provide for the acceptance of appointment by another corporation as a successor Indenture Trustee hereunder; or
- (f) to add any additional Events of Default in respect of any or all Classes, Series or Tranches of Issuer Funding Obligations; or
- (g) to provide for the consolidation of any Financing Entity and the Issuer into a single Person or the transfer of assets in any Financing Entity to the Issuer; or
- (h) if IESO is replaced under the Master Transfer and Servicing Agreement as Servicer, to make any necessary changes to this Indenture or any other related document; or
- (i) to provide for additional forms of Credit Enhancement for any Class, Series or Tranche of Issuer Funding Obligations; or
- (j) to facilitate the issuance of Foreign Currency Issuer Funding Obligations; or
- (k) to comply with any regulatory, accounting, securities or tax laws, rules, regulations or requirements, or changes to Rating Agency ratings criteria; or
- (l) to enable the Issuer to file a registration statement (and any related exhibits thereto) for the offering of securities registered under the U.S. Securities Act and to comply with Regulation AB (including, without limitation, ongoing reporting obligations thereunder); or
- (m) to qualify for sale treatment under generally accepted accounting principles.

Additionally, notwithstanding any provision of this Article XI to the contrary and in addition to clauses (a) through (m) above, the Issuer and the Indenture Trustee may amend this Indenture, including any Supplemental Indenture, without the consent of any Specified Creditor but with 10 Business Days' prior notice to each Rating Agency and the Province, to modify, eliminate or add to the provisions of this Indenture (i) to facilitate compliance with any amendment to any change of law or regulation which applies to the Issuer or the transactions governed by the Program Agreements, or (ii) to cause the provisions hereof to conform to or be consistent with or in furtherance of the statements made with respect to this Indenture in any applicable offering document; in each case, provided that the Issuer shall deliver to the Indenture Trustee an Issuer Certificate to the effect that (A) the Issuer reasonably believes that such amendment will not have an Adverse Effect and is not reasonably expected to have an Adverse Effect at any time in the future or (B) such amendment is required to remain in compliance with any change of law or regulation which applies to the Issuer or the transactions governed by the Program Agreements, or such amendment is required to cause the provisions hereof to conform to or be consistent with or in furtherance of the statements made with respect to this Indenture in any applicable offering document.

Additionally, notwithstanding any provision of this Article XI to the contrary and in addition to clauses (a) through (m) above and the immediately preceding paragraph, this Indenture, including any Supplemental Indenture, may also be amended by the Issuer and the Indenture Trustee, without the consent of any Specified Creditor but with 10 Business Days' prior notice to each Rating Agency and the Province, for the purpose of (i) adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or any Supplemental Indenture or (ii) modifying in any manner the rights of the Specified Creditors under this Indenture or any Supplemental Indenture; provided, however, that (A) the Issuer shall deliver to the Indenture Trustee an Issuer Certificate to the effect that the Issuer reasonably believes that such amendment will not have an Adverse Effect and is not reasonably expected to have an Adverse Effect at any time in the future, and (B) the Rating Agency Condition shall be satisfied.

Additionally, notwithstanding any provision of this Article XI to the contrary and in addition to clauses (a) through (m) above and the immediately preceding paragraphs, this Indenture, including any Supplemental Indenture, may also be amended by the Issuer and the Indenture Trustee, without the consent of any Specified Creditor but with 10 Business Days' prior notice to each Rating Agency and the Province, to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations; provided, however, that (i) the Issuer shall deliver to the Indenture Trustee an Issuer Certificate to the effect that the Issuer reasonably believes that such amendment will not have an Adverse Effect and is not reasonably expected to have an Adverse Effect at any time in the future, and (ii) the Rating Agency Condition shall be satisfied.

Prior written notice of any amendment to this Indenture or any Supplemental Indenture to the Province in accordance with the above paragraphs shall be sent by the Issuer and the Indenture Trustee. The Issuer and the Indenture Trustee shall send a copy of any amendment pursuant to this Section 11.01 to each Rating Agency and the Province; provided that failure to send copies of any amendment to this Indenture or any Supplemental Indenture, or failure to provide any notice under this Section 11.01 shall not invalidate such amendment.

The Indenture Trustee may, but shall not be obligated to, enter into any amendment which adversely affects the Indenture Trustee's rights, duties, benefits, protections, privileges or immunities under this Indenture or otherwise.

11.02 Supplemental Indentures and Amendments with Consent of Debtholders

In addition to any amendment permitted pursuant to Section 11.01, with 10 Business Days' prior notice to each Rating Agency and the Province, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by such amendment of this Indenture, including any Supplemental Indenture, by Ordinary Resolution delivered to the Issuer and the Indenture Trustee, and satisfaction of the Rating Agency Condition, the Issuer and the Indenture Trustee may enter into an amendment of this Indenture or any Supplemental Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Debtholders of each such Class, Series or Tranche of Issuer Funding Obligations under this Indenture or any Supplemental Indenture; provided, however, that no such amendment of this Indenture or any Supplemental Indenture will, without the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- (a) change an Interest Payment Date, Principal Payment Date or Principal Payment Default Date of any Issuer Funding Obligation;
- (b) reduce the principal amount of, or the interest rate on any Note, or change the method of computing the Outstanding Dollar Principal Amount, the Outstanding Currency Specific Dollar Principal Amount or the Outstanding Dollar Principal Amount in a manner that is adverse to any Debtholders;
- (c) reduce the amount of a Discount Note payable upon its acceleration;
- (d) reduce the percentage in Outstanding Dollar Principal Amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for any such amendment, or the consent of whose holders is required for any waiver of compliance with the provisions of this Indenture or of defaults hereunder and their consequences, provided for in this Indenture;
- (e) modify any of the provisions of this Section 11.02 or Section 8.03, except to increase any percentage of Debtholders required to consent to any such amendment or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Debtholders affected thereby;
- (f) change any Place of Payment where any principal of, or interest on, any Note is payable, unless otherwise provided in the Related Supplemental Indenture; or
- (g) change the method of computing the amount of principal of, or interest on, any Note on any date.

An amendment of this Indenture or a Supplemental Indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the

benefit of one or more particular Classes, Series or Tranches of Issuer Funding Obligations, or which modifies the rights of the Debtholders of such Class, Series or Tranche with respect to such covenant or other provision, will be deemed not to affect the rights under this Indenture of the Debtholders of any other Class, Series or Tranche of Issuer Funding Obligations.

It will not be necessary for any Ordinary Resolution or Extraordinary Resolution under this Section 11.02 to approve the particular form of any proposed amendment or Supplemental Indenture, but it will be sufficient if such Ordinary Resolution or Extraordinary Resolution will approve the substance thereof.

The Issuer and the Indenture Trustee shall send a copy of any amendment pursuant to this Section 11.02 to each Rating Agency and the Province; provided that failure to send copies of any amendment to this Indenture or any Supplemental Indenture, or failure to provide any notice under this Section 11.02 shall not invalidate such amendment.

11.03 Execution of Amendments and Supplemental Indentures

In executing or accepting the additional trusts created by any amendment of this Indenture or Supplemental Indenture permitted by this Article XI or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee will be provided with, and (subject to Section 9.01) will be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment or Supplemental Indenture is authorized or permitted by this Indenture and that all conditions precedent thereto have been satisfied. The Indenture Trustee may, but will not (except to the extent required in the case of an amendment or Supplemental Indenture entered into under subsection 11.01(e)) be obligated to, enter into any such amendment or Supplemental Indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

11.04 Effect of Amendments and Supplemental Indentures

Upon the execution of any amendment of this Indenture or any Supplemental Indenture under this Article XI, this Indenture and/or such Supplemental Indenture will be modified in accordance therewith with respect to each Class, Series or Tranche of Issuer Funding Obligations affected thereby, or all Issuer Funding Obligations, as the case may be, and such amendment or Supplemental Indenture will form a part of this Indenture and such Supplemental Indenture for all purposes; and every holder of Issuer Funding Obligations theretofore or thereafter incurred and every other Specified Creditor will be bound thereby to the extent provided therein.

11.05 Reference in Notes to Supplemental Indentures

Notes authenticated and delivered after the execution of any amendment of this Indenture or any Supplemental Indenture pursuant to this Article XI may, and will if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such amendment or Supplemental Indenture. If the Issuer will so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such amendment or Supplemental Indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

ARTICLE XII REPRESENTATIONS AND WARRANTIES OF THE ISSUER

12.01 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and shall be deemed to represent and warrant to the Indenture Trustee on the issuance of Notes of any particular Class, Series or Tranche hereunder, and upon each Borrowing under the applicable Funding Obligation Agreement, that:

- (a) The Issuer is a Financing Entity.
- (b) The indebtedness incurred pursuant to each issuance of Notes and each Borrowing is a Funding Obligation.
- (c) The Issuer (i) is a trust duly constituted and validly existing under the laws of the Province of Ontario, (ii) is duly qualified to carry on its business in each jurisdiction in which it carries on business, (iii) has the power and authority to enter into and perform its obligations under this Indenture and the other Program Agreements executed by it and all instruments and agreements delivered pursuant hereto, and thereto and to own its property and carry on its business as currently conducted including, without limitation, the power and authority and legal right to acquire Investment Interests, and (iv) has obtained all approvals from all Governmental Authorities required in connection with the execution, delivery and performance of the Program Agreements.
- (d) The execution, delivery and performance of this Indenture, and at the time it enters into such document, the other Program Agreements executed by it and every instrument or agreement delivered pursuant hereto and thereto has been or will be duly authorized by all requisite action and this Indenture and such other Program Agreements, instruments and agreements have been or will be duly executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms subject to (i) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally, and (ii) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance.
- (e) There are no actions, suits or proceedings pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer at law or in equity or before or by any Governmental Authority, or before any arbitrator of any kind, which would result in any material adverse change in the business, operations, prospects, properties, assets or condition, financial or otherwise, of the Issuer or in the ability of the Issuer to perform its obligations under this Indenture, the other Program Agreements executed by it or any agreement or instrument delivered pursuant hereto or thereto; and the Issuer is not aware of any existing ground on which such action, suit or proceeding might be commenced with any reasonable likelihood of

success or of any default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any court, arbitrator or Governmental Authority, which, either separately or in the aggregate, would result in any such material adverse change.

- (f) The Issuer is not a party to any agreement or instrument which materially adversely affects its ability to perform its obligations under this Indenture, the other Program Agreements executed by it or any agreements or instruments delivered pursuant hereto or thereto or materially adversely affects the business, operations, prospects, properties, assets or condition, financial or otherwise of the Issuer.
- (g) The Issuer is not subject to any restriction or any judgment, order, writ, injunction, decree, award, rule or regulation which materially adversely affects, or in the future may materially adversely affect, the business, operations, prospects, properties, assets or condition, financial or otherwise of the Issuer or its ability to perform its obligations under this Indenture, the other Program Agreements executed by it or any agreements or instruments delivered pursuant hereto or thereto.
- (h) Neither the execution nor delivery of this Indenture, the other Program Agreements executed by it or any agreements or instruments delivered pursuant hereto or thereto, the consummation of the transactions herein and therein contemplated, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, any of the provisions of the Declaration of Trust or any agreements or instruments to which the Issuer is a party or by which it or any of its property and assets are bound, or results or will result in the creation or imposition of any Lien of any nature whatsoever upon any of the property or assets of the Issuer.
- (i) No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action in respect of, any Governmental Authority on the part of the Issuer is required in connection with the execution and delivery of this Indenture, the other Program Agreements executed by it or any agreements or instruments delivered pursuant hereto or thereto or the consummation of any of the transactions contemplated hereby or in connection with the enforcement of this Indenture, the other Program Agreements executed by it or any agreements or instruments delivered pursuant hereto or thereto (except those which have been obtained or deemed to have been obtained).

12.02 Certified Primary Obligations

The Issuer shall be deemed to represent and warrant to the Indenture Trustee on the incurrence of any Obligations Secured (other than Issuer Funding Obligations) that if the Issuer does not deliver the certificates contemplated by subsection 5.03(d), that the Obligations Secured are not Certified Primary Obligations.

ARTICLE XIII COVENANTS OF THE ISSUER

13.01 Payment of Principal and Interest

With respect to each Class, Series or Tranche of Issuer Funding Obligations, the Issuer will duly and punctually pay the principal of and interest on such Issuer Funding Obligations in accordance with their terms, this Indenture and any Related Funding Obligation Agreement, and will duly comply with all the other terms, agreements and conditions contained in, or made in this Indenture and any Funding Obligation Agreement.

13.02 Use of Proceeds

The Issuer will use the proceeds of Notes and Borrowings solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

13.03 Maintenance of Office or Agency

The Issuer will maintain an office or agency in each Place of Payment where Notes may be presented or surrendered for payment, where Notes may be surrendered for transfer or exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer will give prompt written notice to the Indenture Trustee of the location, and of any change in the location, of such office or agency. If at any time the Issuer will fail to maintain such office or agency or will fail to furnish the Indenture Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Indenture Trustee, and the Issuer hereby appoints the Indenture Trustee its agent to receive all such presentations, surrenders, notices and demands.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes of one or more Classes, Series or Tranches may be presented or surrendered for any or all of such purposes specified above and may constitute and appoint one or more Paying Agents for the payments of such Notes, in one or more other cities, and may from time to time rescind such designations and appointments; provided, however, that no such designation, appointment or rescission shall in any matter relieve the Issuer of its obligations to maintain an office or agency in each Place of Payment for Notes of any Class, Series or Tranche for such purposes. The Issuer will give prompt written notice to the Indenture Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

13.04 Legal Existence

The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its legal existence and maintain its status as a Financing Entity.

13.05 Separateness Covenants

The Issuer will take all reasonable steps to maintain the Issuer's identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its Affiliates. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, the Issuer shall:

- (a) not identify the offices of the Manager or any Affiliate thereof as its offices (by signage or otherwise);
- (b) not identify the telephone number of the Manager as its telephone number and it will not utilize the stationery, invoices or cheques of the Manager;
- (c) conduct all transactions with the Manager strictly on an arm's length basis and in good faith, allocate all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;
- (d) conduct its affairs strictly in accordance with the Declaration of Trust, and observe all necessary, appropriate and trust formalities;
- (e) maintain the Issuer's books and records separate from those of the Manager or any Affiliate thereof and otherwise readily identifiable as its own assets rather than assets of the Manager or any Affiliate thereof;
- (f) prepare its financial statements separately from those of the Manager and ensure that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity;
- (g) only maintain bank accounts or other depository accounts to which the Issuer alone is the account party (or where the Issuer Trustee or the Indenture Trustee will maintain them on behalf of the Issuer), and from which only the Issuer or its agent has the power to make withdrawals;
- (h) pay all of the Issuer's operating expenses from the Issuer's own assets (including, for greater certainty, reimbursing the Manager for any such expenses);
- (i) continuously maintain the resolutions, agreements and other instruments of the Issuer underlying the transactions described in the Program Agreements as official records of the Issuer separately identified and held apart from the records of the Manager;
- (j) maintain its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any Affiliate thereof; and
- (k) not become liable to any Person for any obligations of the Manager or any Affiliate thereof.

13.06 Compliance with Laws

The Issuer will comply with the requirements of all applicable laws, the noncompliance with which would, individually or in the aggregate, materially and adversely affect the ability of the Issuer to perform its obligations under the Program Agreements.

13.07 Performance of Obligations

- (a) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral, including but not limited to filing or causing to be filed all PPSA financing statements and amendments thereto required to be filed by the terms of this Indenture in accordance with and within the time periods provided for herein.
- (b) The Issuer (i) will diligently pursue any and all actions to enforce its rights under each instrument or agreement included in the Collateral and (ii) will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's covenants or obligations under any such instrument or agreement or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except, in each case, as expressly provided in this Indenture, the Master Transfer and Servicing Agreement or any other Program Agreement.
- (c) The Issuer will enforce the Servicer's compliance with and performance of all of the Servicer's material obligations under the Master Transfer and Servicing Agreement. The Issuer will enforce the Manager's compliance with and performance of all of the Manager's material obligations under the Management Agreement.

13.08 Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with Article V. The Issuer will not enter into any Funding Obligation Agreement, other than a Warehouse Facility Agreement, that provides for Issuer Funding Obligations that have principal repayment obligations that the Manager believes, acting reasonably having regard to the Financing Plan and all Issuer Funding Obligations then outstanding, would likely require the Issuer to satisfy payments of principal on any Principal Payment Date in respect of such Issuer Funding Obligations by means of a Refinancing other than a Pre-Approved Refinancing.

13.09 Financial Statements

The Issuer will deliver or cause to be delivered to the Indenture Trustee and the Rating Agencies within 140 days after the end of each fiscal year audited financial statements of the Issuer for the fiscal year, including the balance sheet and statements of income, retained earnings and changes in financial position of the Issuer, and within 90 days after the end of each fiscal quarter,

other than the fiscal quarter of the Issuer ending on the fiscal year end of the Issuer, unaudited financial statements of the Issuer for such fiscal quarter of the Issuer, including the balance sheet and statements of income, retained earnings and changes in financial position of the Issuer. The Indenture Trustee shall send a copy of each financial statement delivered pursuant to this Section 13.09 to each Noteholder.

13.10 Statement as to Compliance

The Issuer will deliver to the Indenture Trustee and the Rating Agencies, on or before March 31 of each year, beginning in 2018, a written statement signed by a Responsible Officer of the Issuer stating that:

- (a) a review of the activities of the Issuer during the prior year and of the Issuer's performance under this Indenture and under the terms of the Notes has been made under such Responsible Officer's supervision; and
- (b) to the best of such Responsible Officer's knowledge, based on such review, the Issuer has complied in all material respects with all conditions and covenants under this Indenture throughout such year and that no Default or Event of Default has occurred, or, if there has been a material Default or an Event of Default has occurred, specifying each such Default or Event of Default known to such Responsible Officer and the nature and status thereof.

13.11 Payment Instructions

Promptly after the receipt by the Issuer of each Monthly Report under the Master Transfer and Servicing Agreement, the Issuer will, in cooperation with the Manager, complete the Payment Instruction in respect of the Collection Account and deliver a copy thereof to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) at least two (2) Business Days prior to the applicable Payment Date. At least two (2) Business Days prior to any date on which payments are to be made pursuant to Sections 7.05 to 7.11, the Issuer will, in cooperation with the Manager, complete and deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) a copy of the Payment Instruction in respect of the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account, the Protection Account or any Series Account, as applicable.

13.12 Notice of Certain Events; Protection Event

- (a) The Issuer agrees to give the Indenture Trustee and the Rating Agencies prompt written notice of: (i) each Event of Default; (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement, including any Servicer Default (notice of which Servicer Default shall state that it is a "Notice of Servicer Default"); (iii) each breach on the part of the Manager of its obligations under the Management Agreement; (iv) any default of the Issuer or a Derivative Counterparty under a Derivative Agreement; and (v) any Protection Event and the nature thereof.

- (b) Within 10 Business Days after receipt by the Indenture Trustee of notice of any Servicer Default or Protection Event, the Indenture Trustee shall provide notice thereof to each Specified Creditor; provided, however, that the Indenture Trustee shall not be liable for failing to distribute any written notice pursuant to this subsection 13.12(b) to any party that is at the time of delivery a Specified Creditor but is not on the lists of Specified Creditors held by the Indenture Trustee pursuant to subsection 9.14(a).
- (c) Upon the occurrence of a Protection Event, at the request of the Issuer or Controlling Class Creditors, by Ordinary Resolution, the Indenture Trustee shall deliver a written demand to the Province requiring the Province to make payments on Obligations Secured pursuant to and in accordance with the Change of Law Protection Agreement. Notwithstanding Section 8.12, if, following such request, the Indenture Trustee does not deliver such written demand to the Province within 10 days of such request, any Controlling Class Creditor shall be entitled to deliver such written demand to the Province.

13.13 Issuer To Furnish Indenture Trustee Names and Addresses of Specified Creditors

- (a) The Issuer will furnish or cause to be furnished to the Indenture Trustee:
 - (i) not more than 15 days after each Record Date, in such form as the Indenture Trustee may reasonably require, a list of the names and addresses of the Registered Noteholders of each applicable Class, Series or Tranche as of such date, and
 - (ii) at such other times as the Indenture Trustee may request in writing, within 30 days after the receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 15 days before the time such list is furnished;

provided, however, that so long as the Indenture Trustee is the Note Registrar, no such lists shall be required to be furnished.

- (b) Upon written request from the Indenture Trustee, within 10 Business Days after the receipt by the Issuer of any such request, the Issuer will furnish or cause to be furnished to the Indenture Trustee a list, substantially in the form of Exhibit 3 (and in .pdf file format) of the names and addresses of all Specified Creditors (other than Noteholders), together with a reference to such Specified Creditor's Program Agreement, provided that no written request shall be required for the deliveries in subsection 5.01(h) or 5.03(c).

13.14 Other Positive Covenants

The Issuer will:

- (a) in the event that the Issuer shall be required to file tax returns, the Manager shall prepare or shall cause to be prepared such tax returns and shall provide such tax

returns to the Issuer for signature at least five (5) Business Days before such tax returns are due to be filed. The Issuer, in accordance with the terms of each applicable Supplemental Indenture, shall also prepare or shall cause to be prepared all tax information required by applicable law to be distributed to any Noteholder and shall deliver such information to the Indenture Trustee at least five (5) Business Days prior to the date it is required by applicable law to be distributed to any Noteholder. The Indenture Trustee, upon written request, will furnish the Manager with all such information known to the Indenture Trustee as may be reasonably requested and required in connection with the preparation of all tax returns of the Issuer;

- (b) subject to the payment priorities provided in Sections 7.04(e) and 8.13, pay or cause to be paid all Taxes levied, assessed or imposed upon the Issuer and its property or any part thereof, as and when the same become due and payable; provided that the Issuer may protest the payment of any such Taxes if it is acting in good faith and if it either provides the Indenture Trustee with cash in an amount sufficient to satisfy the same or otherwise satisfies the Indenture Trustee that its interests are not prejudiced thereby and the Rating Agency Condition is satisfied;
- (c) upon the written request of the Indenture Trustee, use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent or, in each case, any successor thereof; or (ii) termination, non-renewal or expiry of a Liquidity Agreement or a Credit Enhancement Agreement (other than, in the latter case, a termination, non-renewal or expiry which occurs because neither party thereto has any further obligation thereunder), to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such Liquidity Agreement or Credit Enhancement Agreement, in form and substance the same as the applicable provisions in the previously existing Program Agreement and will notify the Indenture Trustee and the Rating Agencies of each such occurrence and new agreement, and will execute and deliver all Supplemental Indentures and amendments hereto and all instruments of further assurance and other instruments and will take other and further action as the Indenture Trustee, relying on the advice of counsel, may consider necessary or advisable to assign and render subject to this Indenture any such agreement; and
- (d) deliver or cause to be delivered to the Indenture Trustee and the Rating Agencies on a confidential basis (excepting only, on the part of the Rating Agencies, for purposes of rating the securities of the Issuer) (i) copies of all Program Agreements (including any amendments thereto) in effect from time to time; and (ii) such reports and other information relating to the conduct of the business and affairs of the Issuer as the Indenture Trustee and the Rating Agencies may reasonably require including, without limitation, information pertaining to any actual or anticipated Event of Default or other event which could reasonably be anticipated to have a material adverse effect on the affairs of the Issuer.

13.15 Rule 144A Information

For so long as Notes of any Class, Series or Tranche are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Exchange Act, the Issuer agrees to provide to any Noteholder of such Class, Series or Tranche and to any prospective purchaser of Notes designated by such Noteholder, upon the request of such Noteholder or prospective purchaser, any information required to be provided to such Noteholder or prospective purchaser to satisfy the conditions set forth in Rule 144A(d)(4) under the Securities Exchange Act.

13.16 Further Instruments and Acts

Upon request of the Indenture Trustee or as necessary, the Issuer will execute and deliver such further instruments and do such further acts (including, but not limited to, disclosing or causing to be disclosed information) as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

13.17 No Other Business

The Issuer will not engage in any business other than as permitted under the Declaration of Trust or the other Program Agreements and activities ancillary thereto.

13.18 Amendments to Program Agreements

- (a) Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than this Indenture and individual trade confirmations under Derivative Agreements) or enter into any Co-Owner Agreement.
- (b) Without in any way limiting clause (a), the Issuer will not:
 - (i) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors, acting pursuant to an Ordinary Resolution;
 - (ii) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than this Indenture, Derivative Agreements and the Declaration of Trust), if any such supplementation, amendment, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province having been given 10 Business Days’ prior notice; provided that failure to provide such notice shall not invalidate such amendment, supplementation, modification, restatement or replacement, or waiver or consent; or
 - (iii) consent, if consent is required, to the resignation of the Manager under the Management Agreement.

- (c) Without in any way limiting clause (a), the Issuer will not amend the Declaration of Trust if such amendment would have an Adverse Effect or would reasonably be expected to have an Adverse Effect at any time in the future; provided that if an amendment would have, or would reasonably be expected to have, an Adverse Effect, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected thereby, acting pursuant to an Ordinary Resolution.
- (d) Upon receipt of an Issuer Certificate directing it to do so (provided that the Issuer has certified that the conditions set forth in Section 13.18(b) or 13.18(c), as applicable, have been satisfied), the Indenture Trustee shall execute any amendment, supplementation, modification, restatement or replacement of any Program Agreement to which it is a party (by acknowledgment or otherwise).

13.19 Issuer May Consolidate, Etc., Only on Certain Terms

The Issuer shall not consolidate or merge with or into any other Person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any Person (in this Section 13.19, a “**transaction**”), unless:

- (a) the Person (if other than the Issuer) formed by or surviving the consolidation or merger, or the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is restricted, as applicable, shall: (i) be a Financing Entity, (ii) be organized and existing under the laws of Canada or any province or territory thereof, (iii) not be a Non-resident, (iv) not be subject to regulation as an “investment company” under the Investment Company Act, (v) expressly assume, pursuant to an assignment and/or assumption agreement or supplement executed and delivered to the Indenture Trustee, in a form satisfactory to the Indenture Trustee, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of every agreement and covenant of the Issuer in this Indenture and the other Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agree, by means of such assignment and/or assumption agreement or supplement, that (A) all right, title and interest so conveyed or transferred is subject and subordinate to the Security Interest, and (B) it shall make all filings required by applicable securities laws in connection with the Notes;
- (b) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;
- (c) the Issuer shall have delivered to the Indenture Trustee an Issuer Certificate and an Opinion of Counsel each stating that (i) such transaction and the agreements delivered in connection therewith comply with this Section 13.19, (ii) all conditions precedent in this Section 13.19 relating to such transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and is valid, binding and enforceable against the surviving Person or transferee, as applicable;

- (d) the Rating Agency Condition shall have been satisfied with respect to such transaction; and
- (e) any action that is necessary to maintain the Security Interest shall have been taken.

13.20 Successor Substituted

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Issuer substantially as an entirety in accordance with Section 13.19, the Person formed by or surviving such consolidation or merger (if other than the Issuer) or the Person to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein. In the event of any such conveyance or transfer, the Person named as the Issuer in the first paragraph of this Indenture or any successor which shall theretofore have become such in the manner prescribed in this Section 13.20 shall be released from its obligations under this Indenture as issued immediately upon the effectiveness of such conveyance or transfer.

13.21 Guarantees, Loans, Advances and Other Liabilities

Except as contemplated by this Indenture or the Declaration of Trust, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

13.22 Capital Expenditures

The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets.

13.23 Restricted Payments

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem (at the request of an owner or otherwise), purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of any units so redeemed, purchased, retired or otherwise acquired, in cash or property to the extent that cash or property is available for such purpose, subject to Sections 7.04, 7.10 and 8.13. For greater certainty, if the Issuer is restricted from satisfying the foregoing amounts in cash or property pursuant to the provisions of this Section, then the Issuer shall satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

13.24 Redemption of Subordinated Notes or Junior Subordinated Notes

Notwithstanding anything in the Related Supplemental Indenture to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Notes or Junior Subordinated Notes, in whole at any time or in part from time to time, unless the following conditions have been satisfied both before and after giving effect to the redemption, as certified by the Issuer pursuant to an Issuer Certificate:

- (a) no Default or Event of Default shall have occurred and be continuing;
- (b) all Issuer Accounts shall have been fully funded in accordance with the provisions of this Indenture and any Funding Obligation Agreement; and
- (c) the sum of the Outstanding Dollar Principal Amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to the redemption shall be no less than 35% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

13.25 No Borrowing

The Issuer will not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any additional indebtedness, except for Funding Obligations and except pursuant to the Program Agreements.

13.26 Minimum Subordinated Funding Obligations

- (a) The Issuer will not permit the aggregate Outstanding Dollar Principal Amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.
- (b) The Issuer will not permit the aggregate Outstanding Dollar Principal Amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

13.27 Other Negative Covenants

The Issuer will not:

- (a) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes or Borrowings (other than amounts withheld or deducted as described in Section 16.02);
- (b) permit the validity or effectiveness of this Indenture to be impaired, or permit the Security Interest to be amended, hypothecated, subordinated, terminated or

discharged, or permit any Person to be released from any covenants or obligations hereunder with respect to any Program Agreements except as may be expressly permitted hereby;

- (c) permit any Lien (other than Permitted Liens) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof;
- (d) sell, transfer, exchange or otherwise dispose of any of the Collateral except as may be expressly permitted hereby;
- (e) release any security or guarantee in respect of the Collateral;
- (f) voluntarily dissolve or liquidate; or
- (g) take any action that would cause it to be treated as engaged in a “trade or business within the United States” within the meaning of applicable U.S. tax law interpreting section 864 of the Internal Revenue Code or its successor or predecessor provisions.

13.28 Indenture Trustee May Perform Covenants

If the Issuer fails to perform any of its covenants herein contained, the Indenture Trustee may, subject to the receipt of indemnification and funding reasonably acceptable to the Indenture Trustee as provided in Section 9.02(d), itself perform the covenant if the covenant is capable of being performed by the Indenture Trustee and, if the covenant requires the payment or expenditure of money, the Indenture Trustee may make the payment or expenditure with money borrowed by or advanced to it for such purpose, but will be under no obligation to do so; and all sums so expended or advanced will bear interest at the rate of interest charged to the Indenture Trustee by its bankers from the date of expenditure until repayment and will (together with such interest) be paid by the Issuer upon demand and will until paid form part of the Obligations Secured and constitute a Lien on the Collateral to which such covenant related in priority to the Security Interest and will be payable out of any funds coming into possession of the Indenture Trustee hereunder. No performance or payment will be deemed to relieve the Issuer from the consequences of the occurrence of any Event of Default hereunder.

ARTICLE XIV CERTAIN PROGRAM AGREEMENTS

14.01 Management Agreement

The Indenture Trustee acknowledges that the Issuer has entered into the Management Agreement which provides, among other things, for the provision of certain services and the performance by the Manager of certain obligations of the Issuer under this Indenture connected with the Issuer Investment Interest, the incurrence of Issuer Funding Obligations and all registrations required pursuant to Section 4.05. Accordingly, any obligation of the Issuer hereunder performed by the Manager on behalf of the Issuer will be deemed to have been performed by the Issuer and any payments referred to hereunder received or received and applied against the Issuer Funding Obligations by the Manager on behalf of the Issuer will be deemed to have been received

or received and applied by the Issuer. The Indenture Trustee may act and rely on any instrument or report referred to hereunder prepared by the Manager on behalf of the Issuer as if the instrument or report had been prepared by the Issuer.

14.02 Credit Enhancement Agreements

The Indenture Trustee acknowledges that the Issuer may enter into one or more Credit Enhancement Agreements which provide, among other things, for the right of the Issuer, the Indenture Trustee or the Manager, as attorney for the Issuer, to make drawings on Credit Enhancers for the purpose of paying maturing Issuer Funding Obligations and repaying Borrowings under Liquidity Agreements. The Indenture Trustee hereby appoints the Manager as the Indenture Trustee's attorney, with full authority in the place and stead of and in the name of the Indenture Trustee or otherwise, from time to time to make any drawings pursuant to a Credit Enhancement Agreement (provided that written notice of any drawings shall be given by the Manager to the Indenture Trustee) and, in that connection, to execute and deliver all such documents, instruments and certificates including, without limitation, any drawing certificates required to be delivered to a Credit Enhancer at the time any drawing is made, and to do all such further acts and things and to take all such proceedings as the Manager in its sole discretion deems necessary or desirable to enforce compliance by a Credit Enhancer with the terms of a Credit Enhancement Agreement.

14.03 Declaration of Trust

The Indenture Trustee acknowledges that pursuant to the Declaration of Trust, the Indenture Trustee may appoint a successor Issuer Trustee if the Issuer Trustee and the unitholders of the Issuer fail to appoint such a successor. The Indenture Trustee will only exercise such right if it has received an Ordinary Resolution of Controlling Class Creditors directing it to take such action.

ARTICLE XV NOTICES

15.01 Notice to Issuer

Any notice, document or other communication required or permitted to be given or delivered to the Issuer hereunder will be in writing and will be valid and effective if given by delivery to the addresses indicated below or by facsimile or email transmission at such addresses (with, in the case of facsimile or email transmission, receipt confirmed, either by telephone, reply facsimile or reply email, or, in the case of email transmission, through the email software itself) and such notice, document or other communication shall be deemed to have been received, if given by delivery, on the day of delivery, and, if sent by facsimile or email transmission, on the day receipt thereof has been confirmed in accordance with the provisions of this Section 15.01. Such notice shall, if given on a day other than a Business Day or after the normal business hours of the recipient on a Business Day, be deemed to have been given on the next Business Day:

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

Attention: Vice President, Fair Hydro Plan
Fax: (416) 592-4189
Email: FHT@opg.com

Attention: General Counsel
Fax: (416) 592-4189

with copies to:

Computershare Trust Company of Canada, in its capacity as
Issuer Trustee for Fair Hydro Trust
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: Manager, Corporate Trust
Fax: (416) 981-9777
Email: corporatetrust.toronto@computershare.com

15.02 Notice to the Indenture Trustee

Any notice, document or other communication required or permitted to be given or delivered to the Indenture Trustee hereunder will be in writing and will be valid and effective if given by delivery to the address indicated below or by facsimile transmission at such address (with, in the case of facsimile transmission, receipt confirmed, either by telephone or reply facsimile) and such notice, document or other communication shall be deemed to have been received, if given by delivery, on the day of delivery, and, if sent by facsimile transmission, on the day receipt thereof has been confirmed in accordance with the provisions of this Section 15.02. Such notice shall, if given on a day other than a Business Day or after the normal business hours (being 5:00 p.m. (Toronto time)) of the Indenture Trustee on a Business Day, be deemed to have been given on the next Business Day:

BNY Trust Company of Canada
One York Street, 6th Floor
Toronto, Ontario M5J 0B6

Attention: Corporate Trust Administration
Fax: (416) 360-1711

15.03 Notice to Noteholders

- (a) Any notice, document or other communication required or permitted to be given or delivered hereunder to Registered Noteholders will be deemed to be validly given if sent to a destination within Canada by first class mail and if sent to a destination outside of Canada by airmail, postage prepaid in each case, sent by facsimile transmission or email transmission, addressed in each case to the Registered Noteholder at its address appearing in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Registered Noteholders is given by mail, facsimile or

electronic transmission, neither the failure to mail, send by facsimile or send by electronic transmission such notice, nor any defect in any notice so mailed, to any particular Noteholders will affect the sufficiency of such notice with respect to other Noteholders and any notice that is mailed, sent by facsimile or sent by electronic transmission in the manner herein provided shall conclusively have been presumed to have been duly given. In the case where CDS Clearing and Depository Services Inc. is the Registered Noteholder, notices, documents or other communications may be given by hand-delivery and such notice, document or other communication shall be deemed to have been received on the day of delivery.

- (b) No notice will be given by mail, facsimile, email transmission or otherwise delivered to a holder of Bearer Notes or coupons in bearer form. In the case of any Class, Series or Tranche with respect to which any Bearer Notes are Outstanding, any notice required or permitted to be given to holders of such Bearer Notes will be published in an Authorized Newspaper within the time period prescribed in this Indenture or the Related Supplemental Indenture.
- (c) In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it will be impractical to mail notice of any event to any holder of a Registered Note when such notice is required to be given pursuant to any provision of this Indenture, then any method of notification as will be satisfactory to the Indenture Trustee and the Issuer will be deemed to be a sufficient giving of such notice.
- (d) With respect to any Series or Tranche of Notes, the Related Supplemental Indenture or Terms Document may specify different or additional means of giving notice to the Noteholders of such Series or Tranche.
- (e) Where this Indenture, any Supplemental Indenture or any Registered Note provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver will be the equivalent of such notice. Waivers of notice by Registered Noteholders will be filed with the Indenture Trustee, but such filing will not be a condition precedent to the validity of any action taken in reliance upon such waiver.

15.04 Notice to Other Specified Creditors

Any notice, document or other communication required or permitted to be given or delivered to any Specified Creditor (other than Noteholders) hereunder will be in writing and will be given by delivery to the applicable addresses provided to the Issuer by such Specified Creditor and set forth in the Specified Creditor list delivered pursuant to subsection 13.13(b) or by facsimile or electronic transmission. Any such notice shall, if given on a day other than a Business Day or after the normal business hours of the recipient on a Business Day, be deemed to have been given on the next Business Day.

15.05 Notice to Rating Agencies

Any notice, document or other communication required or permitted to be given or delivered to the Rating Agencies hereunder will be in writing and will be given by delivery to the applicable addresses provided to the Issuer by the Rating Agencies or by facsimile or electronic transmission. Any such notice shall, if given on a day other than a Business Day or after the normal business hours of the recipient on a Business Day, be deemed to have been given on the next Business Day. Where this Indenture provides for notice to any Rating Agency, failure to give such notice will not affect any other rights or obligations created hereunder and will not under any circumstance constitute an Adverse Effect.

15.06 Change of Address

Any Person referenced above may from time to time notify any other interested Person, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such Person for all purposes of this Indenture.

ARTICLE XVI MISCELLANEOUS

16.01 No Petition

The Indenture Trustee, by entering into this Indenture, and each Specified Creditor by accepting its rights as a third party beneficiary hereunder, agrees, to the fullest extent permitted by applicable law, that at no time until one year and one day following repayment in full of all Issuer Funding Obligations shall it commence, or join in commencing, a bankruptcy case or other insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

16.02 Withholding Rights

The right of any Person to receive amounts described in this Indenture, including rights of a Noteholder to receive interest on or principal of a Note, or the rights of a Person to receive payments described in the Payment Waterfalls, shall be subject to any applicable withholding or deduction imposed pursuant to the Income Tax Act or other applicable tax law, including foreign withholding and deduction. Any amounts properly withheld or deducted shall be treated as actually paid to the appropriate recipient, provided that such deduction or withheld amounts are actually remitted in accordance with applicable law to the appropriate Governmental Authority.

16.03 U.S. Tax Treatment

The Issuer and each Noteholder that is a United States Person agree that the Notes are intended to be debt for United States federal, state and local income and franchise tax purposes and agree to treat the Notes accordingly for all such purposes, unless otherwise required by a taxing authority. Each Noteholder that is a United States Person further agrees that it will cause any Note Owner that is a United States Person acquiring an interest in a Note through it to comply with this Indenture as to treatment as indebtedness for United States federal, state and local income and franchise tax purposes as described in this Section 16.03.

16.04 Alternate Payment Provisions

Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer, with the written consent of the Indenture Trustee, may enter into any agreement with any Noteholder providing for a method of payment or notice that is different from the methods provided for in this Indenture for such payments or notices. The Issuer will furnish to the Indenture Trustee a copy of each such agreement and the Indenture Trustee will cause payments or notices, as applicable, to be made in accordance with such agreements.

16.05 Final Distribution

- (a) The Issuer shall give the Indenture Trustee at least 30 days written notice of the Principal Payment Date on which the Noteholders of any Class, Series or Tranche may surrender their Notes for payment of the final distribution on and cancellation of such Notes. Not later than the fifth day of the month in which the final distribution in respect of such Class, Series or Tranche is payable to Noteholders, the Indenture Trustee shall provide notice to Noteholders of such Class, Series or Tranche specifying (i) the date upon which final payment of such Class, Series or Tranche will be made upon presentation and surrender of Notes of such Class, Series or Tranche at the office or offices therein designated, (ii) the amount of any such final payment, and (iii) that the Record Date otherwise applicable to such Principal Payment Date is not applicable, payments being made only upon presentation and surrender of such Notes at the office or offices therein specified (which, in the case of Bearer Notes, shall be outside the United States). The Indenture Trustee shall give such notice to the Note Registrar and the Paying Agent at the time such notice is given to Noteholders.
- (b) Notwithstanding a final distribution to the Noteholders of any Class, Series or Tranche of Notes (or the termination of the Issuer), except as otherwise provided in this paragraph, all funds then on deposit in any Series Account allocated solely to such Noteholders shall continue to be held in trust for the benefit of such Noteholders, and the Paying Agent or the Indenture Trustee shall pay such funds to such Noteholders upon surrender of their Notes, if certificated. In the event that all such Noteholders shall not surrender their Notes for cancellation within six (6) months after the date specified in the notice from the Indenture Trustee described in paragraph (a), the Indenture Trustee shall give a second notice to the remaining such Noteholders to surrender their Notes for cancellation and receive the final distribution with respect thereto (which surrender and payment, in the case of Bearer Notes, shall be outside the United States). If within one (1) year after the second notice all such Notes shall not have been surrendered for cancellation, the Indenture Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining such Noteholders concerning surrender of their Notes, and the cost thereof shall be paid out of the funds in the Collection Account or any Series Account held for the benefit of such Noteholders. The Indenture Trustee and the Paying Agent shall pay to the Issuer any monies held by them for the payment of principal or interest that remains unclaimed for two (2) years. After payment to the Issuer, Noteholders entitled to the money must look

to the Issuer for payment as general creditors unless an applicable abandoned property law designates another Person.

16.06 Force Majeure

In no event shall the Indenture Trustee or the Issuer Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Indenture Trustee and the Issuer Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

16.07 Delivery of Executed Copies

Each party acknowledges delivery of a fully executed copy of this Indenture.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

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

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

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:
Title:

By: _____

Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____

Name: **Ahmad Adam**
Title: **Vice-President**

Schedule A
DEFINED TERMS

“**Acceleration Event**” means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with the Related Funding Obligation Agreement.

“**Act**” means *Ontario Fair Hydro Plan Act, 2017*.

“**Action**” has the meaning specified in Section 1.04.

“**Adherence Compliance Certificate**” has the meaning specified in the Change of Law Protection Agreement.

“**Adverse Effect**” means, whenever used in this Indenture with respect to any action, that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to this Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the Security Interest and the rights and remedies of the Indenture Trustee in respect thereof.

“**Affected Party**” has the meaning specified in the applicable Derivative Agreement.

“**Affiliate**” means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agency Agreement**” means an agency agreement made between the Issuer and one or more Persons acting on behalf of the Issuer, providing for the sale and distribution of Notes on an agency basis.

“**Approved Obligation**” has the meaning specified in the Change of Law Protection Agreement.

“**Approved Obligation Amount**” has the meaning specified in the Change of Law Protection Agreement.

“**Authorized Newspaper**” means any newspaper or newspapers of general circulation, in the case of Notes issued in the United States, in the Borough of Manhattan, The City of New York, and in the case of Notes issued in Canada, in the City of Toronto, in each case printed in the English language and customarily published on each Business Day at such place, whether or not published on Saturdays, Sundays or holidays, or if and so long as Notes of any Class, Series or Tranche are listed on any securities exchange and that exchange so requires, the newspaper of record required

by the applicable securities exchange, printed in any language satisfying the requirements of such exchange.

“Available Collections” means, for any Monthly Period, without duplication: (a) the Servicer CEA Receipts paid to the Issuer in accordance with Section 3.3 of the Master Transfer and Servicing Agreement, plus investment earnings allocable to the amounts on deposit in the Collection Account, plus any other amounts, or allocable portion thereof, to be treated as Available Collections, subject to this Indenture and any applicable Supplemental Indenture; (b) the IESO Carrying Cost Payments (other than the IESO Cash Reserve Deposit Amount); and (c) amounts received by the Issuer pursuant to Derivative Agreements.

“Bearer Note” means a Note in bearer form.

“Benefit Plan” means an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to the provisions of Title I of ERISA, a “plan” described in and subject to Section 4975 of the Code, or an entity whose underlying assets include “plan assets” by reason of an employee benefit plan’s investment in the entity.

“Borrowing” means a borrowing or drawing by the Issuer pursuant to a Liquidity Agreement, a Loan Agreement or a Credit Enhancement Agreement.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are, or the office of the Indenture Trustee is, authorized or obligated by applicable law, regulation or executive order to be closed.

“Canadian Depository” means, unless otherwise specified by the Issuer pursuant to any of Section 3.04, 3.06, or 4.01, with respect to Notes issuable or issued as a Global Note within Canada, CDS Clearing and Depository Services Inc., or any successor thereto registered as a clearing agency under the *Securities Act* (Ontario), or other applicable statute or regulation.

“Carrying Costs” has the meaning ascribed to the term “carrying costs” in the Fair Hydro Regulations.

“Certificate of Authentication” means the certificate of authentication of the Indenture Trustee, the form of which is described in Section 3.03.

“Certified Primary Obligations” has the meaning specified in the Change of Law Protection Agreement.

“Chairman” has the meaning specified in subsection 10.01(d).

“Change of Law Protection Agreement” means the change of law protection agreement dated December 21, 2017 among the Province, the Issuer and the Indenture Trustee.

“Class” means the Senior Funding Obligations, the Subordinated Funding Obligations, the Junior Subordinated Funding Obligations, each of which shall be a Class of Issuer Funding Obligations.

“Collateral” has the meaning specified in Section 2.01.

“**Collection Account**” has the meaning specified in subsection 7.02(a).

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Controlling Class Creditors**” means, at any time, the Debtholders holding Controlling Class Obligations.

“**Controlling Class Obligations**” means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

“**Co-Owner Agreement**” means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by subsection 29(5) of the Act.

“**Corporate Trust Office**” means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office as of the date hereof is located at One York Street, 6th Floor, Toronto, Ontario M5J 0B6, or at such other address as the Indenture Trustee may designate from time to time by notice to the Specified Creditors and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

“**Credit Enhancement**” means any form of credit enhancement (howsoever characterized) for any Issuer Funding Obligation, including any letter of credit, letter of guarantee, insurance policy, surety bond, cash reserve account, spread account, guaranteed rate agreement, note purchase agreement, loan facility or other similar agreement established for the benefit of a Lender or Noteholder, as applicable, and including any facility provided by a Person to the Issuer which is specified or acknowledged in writing by the Issuer as “Credit Enhancement” for purposes hereof.

“**Credit Enhancement Agreement**” means any credit enhancement agreement entered into hereafter between the Issuer and one or more Credit Enhancers, and acknowledged and accepted by the Indenture Trustee in accordance with Article V, providing Credit Enhancement in respect of any Issuer Funding Obligation, and includes any letter of credit, guarantee, surety bond or other instrument executed and delivered by such Credit Enhancer(s).

“**Credit Enhancer**” means any Person providing Credit Enhancement to the Issuer or in respect of any Issuer Funding Obligation.

“**DBRS**” means DBRS Limited, or any successor thereof.

“**Debtholder**” means a Noteholder or a Lender.

“**Debtholder Group**” has the meaning specified in subsection 10.01(a).

“**Declaration of Trust**” means the declaration of trust made as of December 20, 2017 under which the Issuer was established.

“Default” means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

“Defaulting Party” has the meaning specified in the applicable Derivative Agreement.

“Deferred Principal Accumulation Amount” means, on any Principal Payment Date, the amount by which the aggregate of the Principal Accumulation Amount (Warehouse), the Principal Accumulation Amount (Senior), the Principal Accumulation Amount (Subordinated) and the Principal Accumulation Amount (Junior Subordinated) for such Principal Payment Date determined without reference to any Refinancing Notices is greater than the amount on deposit in the Principal Accumulation Account.

“Depository” means a Canadian Depository, a U.S. Depository or a Foreign Depository, as the case may be.

“Derivative Agreement” means any rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap transaction, credit default swap transaction or any other similar transaction (including any option with respect to any of those transactions) or any combination of these transactions entered into from time to time by the Issuer in connection with or related to Borrowings or Notes.

“Derivative Counterparty” means any party to any Derivative Agreement other than the Issuer or the Indenture Trustee.

“Derivative Funding Obligations” means Funding Obligations arising under, or in connection with, Derivative Agreements.

“Discount Note” means a Note that provides for an amount less than the Stated Principal Amount (but not less than the Initial Currency Specific Dollar Principal Amount) thereof to be due and payable upon the occurrence of an optional redemption, or the occurrence of an Event of Default and the acceleration of such Note, in each case before the Principal Payment Date of the applicable Note.

“Dollar,” “\$” or “Cdn. \$” means Canadian dollars.

“Electronic Methods” means delivery of any notice or form of communication by facsimile, pdf or e-mail, or by other similar electronic means in a form satisfactory to the Issuer.

“Eligible Deposit Account” means an account that is a segregated account with an Eligible Institution.

“Eligible Institution” means (a) a trust company or Schedule I chartered bank (or an Affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of “A” or better by DBRS, or (y) a short-term deposit rating of “R-1 (low)” or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of

“A2” or better by Moody’s, or (y) a short-term deposit rating of “P-1” or better by Moody’s, or (b) any institution that otherwise satisfies the Rating Agency Condition.

“**Eligible Investments**” means instruments or investment property that evidence:

- (a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;
- (b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers’ acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least “R-1 (low)” and “P-1” by each of DBRS and Moody’s, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;
- (c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least “R-1 (low)” and “P-1” by each of DBRS and Moody’s, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;
- (d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from DBRS and Moody’s;
- (e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;
- (f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:
 - (i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a “**broker/dealer**”), the unsecured short-term debt obligations of which are rated at least “P-1” by Moody’s and “R-1” by DBRS at the time of entering into such repurchase obligation; or
 - (ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least “P-1” by Moody’s and “R-1” by DBRS at the time of purchase so long as the obligations of such unrated

broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

- (g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the Business Day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be “Eligible Investments” unless the issuer thereof has (x) either a short-term unsecured debt rating of at least “P-1” from Moody’s or a long-term unsecured debt rating of at least “A2” from Moody’s and also has (y) either a short-term unsecured debt rating of at least “R-1 (low)” from DBRS or a long-term unsecured debt rating of at least “A” from DBRS.

“**Eligible Securities Account**” means a securities account that is a segregated account with an Affiliate of an Eligible Institution, which Affiliate is licensed to maintain securities accounts.

“**ERISA**” means the *Employee Retirement Income Security Act* of 1974, as amended.

“**Event of Default**” has the meaning specified in Section 8.01.

“**Exchange Date**” means, with respect to any Class, Series or Tranche of Notes, the latest of:

- (a) in the case of exchanges of beneficial interests in Temporary Global Notes for beneficial interests in Permanent Global Notes in registered form, any date that is after the related issuance date;
- (b) in the case of exchanges of beneficial interests in Temporary Global Notes for beneficial interests in Permanent Global Notes in bearer form, the date of presentation of certification of non-United States beneficial ownership (as described in Section 3.05); and
- (c) the earliest date on which such an exchange of a beneficial interest in a Temporary Global Note for a beneficial interest in a Permanent Global Note is permitted by applicable law.

“**Exchange Rate Agent**” means, with respect to any Series of Issuer Funding Obligations (unless otherwise specified with respect to any Series of Issuer Funding Obligations pursuant to the Related Funding Obligation Agreement), a chartered bank listed on Schedule I to the *Bank Act* (Canada) designated pursuant to the Related Funding Obligation Agreement.

“**Extraordinary Resolution**” means a resolution passed by the affirmative votes of Controlling Class Creditors holding not less than 66⅔% of the Outstanding Dollar Principal Amount of all Controlling Class Obligations represented and voting at a meeting of all Controlling Class Creditors duly convened and held in accordance with the provisions of this Indenture.

“Fair Hydro Regulations” means the regulations made under the Act, including Ontario regulations 206/17 and 195/17.

“Finance Amount” has the meaning ascribed to the term “finance amount” in the Act and the Fair Hydro Regulations as of the date of this Indenture.

“Financing Entity” has the meaning ascribed to the term “financing entity” in the Act as of the date of this Indenture.

“Financing Plan” has the meaning ascribed to the term “financing plan” in the Act as of the date of this Indenture.

“Foreign Currency” means (a) a currency other than Dollars, or (b) denominated in a currency other than Dollars.

“Foreign Currency Note” means a Note denominated in a Foreign Currency.

“Foreign Depository” means the Person specified in the Related Supplemental Indenture, in its capacity as depository for the accounts of any clearing agencies located outside Canada and the United States.

“Funding Obligation” has the meaning ascribed to the term “funding obligation” in the Act as of the date of this Indenture.

“Funding Obligation Agreement” means any Notes, any Supplemental Indenture (including any Terms Document), any Liquidity Agreement, any Loan Agreement, any Credit Enhancement Agreement or any Derivative Agreement.

“Global Note” means any Note issued pursuant to Section 3.04.

“Governmental Authority” means any nation or government, any federal, state, provincial, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

“Guarantee Payment Date” means each day when any payment or payments are to be made in respect of one or more Approved Obligations occurring following the delivery of a Payment Demand to the Province pursuant to the Change of Law Protection Agreement.

“IESO” means the Independent Electricity System Operator, a statutory corporation without share capital established by the *Electricity Act, 1998*, SO, 1998.

“IESO Carrying Cost Payments” means those amounts paid to the Issuer by the IESO pursuant to the Fair Hydro Regulations.

“IESO Cash Reserve Account” has the meaning specified in subsection 7.02(e).

“IESO Cash Reserve Deposit Amount” means an amount equal to the aggregate of:

- (a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and
- (b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

“IESO Cash Reserve Required Amount” means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate Outstanding Dollar Principal Amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

“IESO Security Agreement” means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay IESO Carrying Cost Payments.

“Income Tax Act” means the *Income Tax Act* (Canada).

“Indemnity Agreement” means the Indemnity Agreement dated December 21, 2017 by the Manager in favour of the Indenture Trustee.

“Indenture” or **“this Indenture”** means this Trust Indenture, as amended, supplemented, restated or otherwise modified from time to time, including by Supplemental Indentures for the issuance of Series of Notes entered into pursuant to the applicable provisions hereof.

“Indenture Trustee” means the Person named as the Indenture Trustee in the first paragraph of this Indenture until a successor Indenture Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Indenture Trustee” means and includes such Person.

“Initial Currency Specific Dollar Principal Amount” means with respect to a Series or Tranche in a Series that includes Foreign Currency Notes, the amount specified in the applicable Supplemental Indenture as the Initial Currency Specific Dollar Principal Amount thereof.

“Initial Dollar Principal Amount” means (a) unless otherwise specified in the applicable Supplemental Indenture, with respect to a Class, Series or Tranche of Notes, the aggregate initial principal amount of the Outstanding Notes of such Class, Series or Tranche plus the aggregate initial principal amount of any additional Notes of such Class, Series or Tranche, and (b) with respect to a Class, Series or Tranche of Discount Notes that includes Foreign Currency Notes, the amount specified in the applicable Supplemental Indenture as the Initial Dollar Principal Amount thereof.

“Insolvency Event” means, with respect to a specified Person, the specified Person admits the inability of such specified Person to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of such specified Person or otherwise acknowledges the insolvency of such specified Person or any proceeding shall be instituted by or against such specified Person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for such specified Person or for any substantial part of its property and if such proceeding has been instituted against such specified Person either such proceeding has not been stayed or dismissed within 45 days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of such specified Person or of the property of such specified Person or any substantial part thereof.

“Interest Accrual Amount (Junior Subordinated)” means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to subsections 7.04(e)(v) and 7.07.

“Interest Accrual Amount (Senior)” means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to subsections 7.04(e)(iii)(A) and 7.07.

“Interest Accrual Amount (Subordinated)” means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to subsections 7.04(e)(iv) and 7.07.

“Interest Accumulation Account” has the meaning specified in subsection 7.02(b).

“Interest Payment Date” means each Business Day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the Related Funding Obligation Agreement.

“Internal Revenue Code” means the United States Internal Revenue Code of 1986, as amended.

“Investment Asset” has the meaning ascribed to the term “investment asset” in the Act as of the date of this Indenture.

“Investment Company Act” means the United States Investment Company Act of 1940, as amended.

“Investment Interest” has the meaning ascribed to the term “investment interest” in the Act as of the date of this Indenture.

“Issuer” has the meaning specified in the first paragraph of this Indenture.

“Issuer Accounts” means, collectively, the Program Accounts, the Series Accounts and the Related Securities Accounts, and including any Sub-Accounts of the foregoing.

“Issuer Certificate” means a certificate (including an Officer’s Certificate) signed in the name of the Issuer by a Responsible Officer of the Manager on behalf of the Issuer and, in each case delivered to the Indenture Trustee relating to, among other things, the issuance of a new Series or Tranche of Notes. Wherever this Indenture requires that an Issuer Certificate be signed also by an accountant or other expert, such accountant or other expert (except as otherwise expressly provided in this Indenture) may be an employee of the Manager.

“Issuer Funding Obligations” means, the Funding Obligations of the Issuer, including the Senior Funding Obligations, the Subordinated Funding Obligations, the Junior Subordinated Funding Obligations and the Derivative Funding Obligations.

“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 Trustee” means, at any time, the Person who is, in accordance with the Declaration of Trust, the trustee of the Issuer at such time.

“Junior Subordinated Borrowings” means Borrowings that have been designated as “Junior Subordinated Borrowings” in the Related Loan Agreement, Related Liquidity Agreement or Related Credit Enhancement Agreement.

“Junior Subordinated Funding Obligations” means Funding Obligations arising under, or in connection with, Junior Subordinated Notes and Junior Subordinated Borrowings.

“Junior Subordinated Notes” means Notes of a Series that have been designated as “Junior Subordinated Notes” in the Related Supplemental Indenture.

“Lender” means any Person providing credit facilities, note purchase facilities or advances under a Liquidity Agreement, Loan Agreement or Credit Enhancement Agreement, as applicable.

“Lien” means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind.

“Liquidity Agreement” means an agreement between the Issuer and one or more Lenders, and acknowledged and accepted by the Indenture Trustee in accordance with Article V, providing for the creation of one or more liquidity facilities in respect of all or a portion of the Notes in favour of the Issuer, including a facility to fund the repayment of all or a portion of Notes or that permits the Issuer to require the purchase of Notes by a counterparty, and including further any facility provided by a Person to the Issuer which is specified or acknowledged in writing by the Issuer as a “Liquidity Agreement” for the purposes hereof.

“Loan Agreement” means an agreement between the Issuer and one or more Lenders, and acknowledged and accepted by the Indenture Trustee in accordance with Article V, providing for the creation of one or more credit facilities in favour of the Issuer for purposes of purchasing Investment Interests.

“Management Agreement” means the management agreement dated December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee in accordance with Article V.

“Manager” means OPG, in its capacity as manager of the Issuer under the Management Agreement.

“Market Exchange Rate” means, unless otherwise specified with respect to any Series of Issuer Funding Obligations, (a) for any conversion involving a currency unit on the one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 3.1 for the Notes of the relevant Series, (b) for any conversion of Dollars into any Foreign Currency, the Bank of Canada noon rate as published on the Reuters Screen Page BOFC (or such other means of reporting the Bank of Canada noon rate as may be agreed upon by each of the parties to this Indenture) and (c) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in either Toronto, New York City or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the Exchange Rate Agent. Unless otherwise specified with respect to any Series of Issuer Funding Obligations, in the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (a), (b) and (c), the Exchange Rate Agent shall use, in its sole discretion and without liability on its part, such Bank of Canada noon rate as of the most recent available date, or quotations from one or more major banks in Toronto, New York City, or another principal market for the currency in question, or such other quotations as the Exchange Rate Agent shall deem appropriate. Unless otherwise specified by the Exchange Rate Agent, if there is more than one market for dealing in any currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency shall be that upon which a non-resident issuer of securities designated in such currency would purchase such currency in order to make payments in respect of such securities.

“Master Transfer and Servicing Agreement” means the master transfer and servicing agreement dated December 21, 2017 between the Issuer and IESO.

“**Monthly Period**” means, with respect to each Payment Date, the period from and including the first day of each calendar month and to and including the last day of such calendar month.

“**Monthly Report**” has the meaning ascribed thereto in Section 3.5(a) of the Master Transfer and Servicing Agreement.

“**Moody’s**” means Moody’s Investors Service, Inc., or any successor thereof.

“**MTSA Acknowledgement**” means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

“**Non-resident**” means a non-resident of Canada as such term is defined in the Income Tax Act or a partnership that is not a Canadian partnership within the meaning of the Income Tax Act.

“**Note**” or “**Notes**” means any note or notes of any Class, Series or Tranche created pursuant to Supplemental Indentures and authenticated and delivered from time to time under this Indenture.

“**Note Owner**” means the beneficial owner of an interest in a Global Note.

“**Note Purchase Agreement**” means an agreement providing for the purchase of Notes from the Issuer by one or more Persons.

“**Note Register**” has the meaning specified in subsection 4.05(a).

“**Note Registrar**” means the Person who keeps the Note Register.

“**Noteholder**” means a Person in whose name a Note is registered in the Note Register or the bearer of any Bearer Note (including a Global Note in bearer form), as the case may be.

“**Obligations Secured**” means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

“**Officer’s Certificate**” means a certificate on behalf of any Person that is signed by any Responsible Officer of such Person and states that the certifications set forth in such certificate are based upon the results of a due inquiry into the matters in question conducted by or under the supervision of the signing Responsible Officer and that the facts stated in such certifications are made to such signing Responsible Officer’s knowledge and belief.

“**OPG**” means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario.

“Opinion of Counsel” means one or more written opinions of counsel, who may, except as otherwise expressly provided in the Program Agreements, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party.

“Ordinary Resolution” has the meaning specified in subsection 10.01(e).

“Outstanding” means, in respect of Notes, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

- (a) any Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation pursuant to Section 4.12;
- (b) any Notes for whose full payment (including principal and interest) or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the holders of such Notes; provided that, if such Notes are to be redeemed, notice of such redemption has been duly given in accordance with subsection 4.10(e), or provision therefor satisfactory to the Indenture Trustee has been made; and
- (c) any Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, or which will have been paid pursuant to the terms of Section 4.06 (except with respect to any such Note as to which proof satisfactory to the Indenture Trustee is presented that such Note is held by a Person in whose hands such Note is a legal, valid and binding obligation of the Issuer).

For purposes of determining the amounts of deposits, allocations, reallocations or payments to be made, unless the context clearly requires otherwise, references to “Notes” will be deemed to be references to “Outstanding Notes”. In determining whether Noteholders of the requisite principal amount of Outstanding Notes have taken any Action hereunder, and for purposes of Article X, (i) Senior Notes beneficially owned by the Issuer, the Manager or any Affiliate of the Issuer or the Manager and (ii) any Class of Notes (or any portion thereof) in which the Province has an interest pursuant to Section 7.10 will, in each case, be disregarded and deemed not to be Outstanding at any time that a Specified Creditor other than the Province has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such Action, only Senior Notes (or in the case of the Province, any Notes) which a Responsible Officer of the Indenture Trustee knows to be owned by the Issuer, the Manager or any Affiliate of the Issuer or the Manager, or with respect to which the Province has an interest pursuant to Section 7.10, will be so disregarded. Senior Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee creates to the satisfaction of the Indenture Trustee the pledgee’s right to act as owner with respect to such Notes and that the pledgee is not the Issuer, the Manager or any Affiliate of the Issuer or the Manager.

“Outstanding Currency Specific Dollar Principal Amount” means at any time, with respect to any Notes in a Series that includes Foreign Currency Notes, the Initial Currency Specific Dollar Principal Amount of the Outstanding Notes of such Series or Tranche at such time, less the amount

of any payments of principal to the holders of such Series of Notes; plus, the amount of any increase in the Outstanding Currency Specific Dollar Principal Amount of such Series of Notes due to the issuance of additional Notes of such Series.

“Outstanding Dollar Principal Amount” means at any time:

- (a) in respect of Notes, either:
 - (i) with respect to any Class, Series or Tranche of Notes (other than Discount Notes), the aggregate Initial Dollar Principal Amount of the Outstanding Notes of such Class, Series or Tranche at such time, less the amount of any payments of principal to the holders of such Class, Series or Tranche of Notes pursuant to the Related Supplemental Indenture, or
 - (ii) with respect to any Series or Tranche of Discount Notes, an amount of the Outstanding Notes of such Series or Tranche calculated by reference to the applicable formula set forth in the Related Supplemental Indenture, taking into account the amount and timing of payments of principal made to the holders of such Series or Tranche pursuant to the Related Supplemental Indenture;plus, in either case, the amount of any increase in the Outstanding Dollar Principal Amount of such Class, Series or Tranche of Notes due to the issuance of additional Notes of such Class, Series or Tranche pursuant to Article V; and
- (b) in respect of other Issuer Funding Obligations, the aggregate principal amount (converted into Dollars, if applicable) of Borrowings.

“Paying Agent” means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer as provided in subsection 9.16(e).

“Payment Date” means the 15th day of each calendar month (subject to Section 1.12).

“Payment Demand” has the meaning specified in the Change of Law Protection Agreement.

“Payment Instruction” means an instruction of the Manager substantially in one of the forms in Exhibit 1.

“Payment Waterfall” means a priority of payment set out in any one of Section 7.04(e), 7.05, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11 or 8.13.

“Permanent Global Note” has the meaning specified in subsection 3.05(a).

“Permitted Liens” means:

- (a) Liens for Taxes not yet due or for which installments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is

being contested diligently and in good faith by appropriate proceedings by that Person for which reasonable reserves under GAAP are maintained;

- (b) the Lien of any Indenture Trustee, as provided in Section 9.05;
- (c) the Security Interest; and
- (d) any Lien created pursuant to a Co-Owner Agreement.

“Person” means any individual, corporation, limited liability company, unlimited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

“Place of Payment” means, with respect to any Class, Series or Tranche of Notes issued hereunder, the city or political subdivision so designated with respect to such Class, Series or Tranche of Notes in accordance with the provisions of Article V.

“PPSA” shall mean the *Personal Property Security Act* (Ontario).

“Pre-Approved Refinancing” has the meaning ascribed thereto in the Change of Law Protection Agreement.

“Principal Accumulation Account” has the meaning specified in subsection 7.02(c).

“Principal Accumulation Amount” means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the Related Funding Obligation Agreement plus any amounts specified in the Related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a Refinancing Notice in respect of such Series pursuant to Section 7.09, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such Refinancing Notice.

“Principal Accumulation Amount (Junior Subordinated)” means, in respect of any Payment Date, the sum of the Principal Accumulation Amounts for all Series of Junior Subordinated Funding Obligations for such Payment Date.

“Principal Accumulation Amount (Senior)” means, in respect of any Payment Date, the sum of the Principal Accumulation Amounts for all Series of Senior Funding Obligations (other than Warehouse Obligations) for such Payment Date.

“Principal Accumulation Amount (Subordinated)” means, in respect of any Payment Date, the sum of the Principal Accumulation Amounts for all Series of Subordinated Funding Obligations for such Payment Date.

“Principal Accumulation Amount (Warehouse)” means, in respect of any Payment Date, the sum of the Principal Accumulation Amounts for all Series of Warehouse Obligations for such Payment Date.

“Principal Accumulation Date” means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the Related Funding Obligation Agreement.

“Principal Payment Date” means each Business Day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the Related Funding Obligation Agreement.

“Principal Payment Default Date” has, with respect to any Issuer Funding Obligation, the meaning specified in the Related Funding Obligation Agreement.

“Program Account” means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

“Program Agreements” means this Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each Transfer Notice, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any Derivative Agreements, Credit Enhancement Agreements, Liquidity Agreements, Loan Agreements, Underwriting Agreements, Agency Agreements or Note Purchase Agreements and all other documents and certificates delivered in connection therewith.

“Program Cash Reserve Account” has the meaning specified in subsection 7.02(d).

“Program Cash Reserve Required Amount” means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

“Protection Account” has the meaning specified in subsection 7.02(i).

“Protection Event” has the meaning ascribed thereto in Schedule A of the Change of Law Protection Agreement.

“Province” means Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance.

“Rating Agency” means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the Related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

“Rating Agency Condition” means, unless otherwise specified in the Related Funding Obligation Agreement for any Series or Tranche of Issuer Funding Obligations, with respect to any action subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 Business Days prior to the effective date of such action (or such shorter notice period if specified in the Related Funding Obligation Agreement with respect to any specific action, or if 10 Business Days prior notice is impractical, such advance notice as is practicable) and the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to any Issuer Funding Obligation immediately before the taking of such action, provided that wherever there is reference to satisfaction of a Rating Agency Condition in this Indenture or any other Program Agreement, subject to the terms of the specific Program Agreement which shall govern, such condition need not be satisfied if there is no Rating Agency then rating the applicable Issuer Funding Obligation in respect of which the Rating Agency Condition is applicable. For purposes of this Indenture and any Supplemental Indenture, the Indenture Trustee shall receive, and shall be entitled to rely on, an Issuer Certificate confirming the satisfaction of the Rating Agency Condition. If the Rating Agency Condition is required to be satisfied without specifying one or more specific Series or Tranches of Issuer Funding Obligations, it shall be required to be satisfied in respect of all outstanding Series or Tranches of Issuer Funding Obligations.

“Record Date” means, for the interest or principal payable on any Note on any applicable Interest Payment Date or Principal Payment Date, the last day of the calendar month immediately preceding such Interest Payment Date or Principal Payment Date, unless otherwise specified in the Related Supplemental Indenture.

“Redemption Price” has the meaning specified in subsection 4.10(a).

“Reference Period” has the meaning ascribed to the term “reference period” in the Act as of the date of this Indenture.

“Refinancing” has the meaning ascribed to the term “refinancing” in the Act as of the date of this Indenture.

“Refinancing Account” has the meaning specified in subsection 7.02(f).

“Refinancing Notice” means a notice substantially in the form of Exhibit 2.

“Registered Note” means a Note issued in registered form.

“Registered Noteholder” means a Noteholder of a Registered Note.

“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 Commission, as such rules may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

“Related” is used in reference to the Issuer Funding Obligations of a particular Series and means, when used in conjunction with:

- (a) **“Credit Enhancement Agreement”**: a Credit Enhancement Agreement pursuant to which Credit Enhancement has been provided in respect of such Issuer Funding Obligations;
- (b) **“Funding Obligation Agreement”**: a Funding Obligation Agreement entered into in connection with the incurrence of such Issuer Funding Obligations;
- (c) **“Liquidity Agreement”**: a Liquidity Agreement pursuant to which one or more liquidity facilities have been made available to fund the repayment of such Issuer Funding Obligations constituting Notes or, if specified in such Liquidity Agreement, a Series or Tranche of such Issuer Funding Obligations constituting Notes;
- (d) **“Loan Agreement”**: a Loan Agreement in respect of Issuer Funding Obligations constituting Borrowings; and
- (e) **“Supplemental Indenture”**: a supplement to this Indenture executed in connection with the issuance of such Issuer Funding Obligations constituting Notes.

“Related Securities Account” means, in respect of any Program Account or Series Account, a Securities Account which has been established for the purpose of allowing the Issuer to invest the funds credited to such Program Account or Series Account in Eligible Investments in accordance with Section 7.03.

“Required Principal Accumulation Amount (Senior)” means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts (Warehouse) and the Principal Accumulation Amounts (Senior) for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

“Required Principal Accumulation Amount (Subordinated)” means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts (Subordinated) for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

“Responsible Officer” means, with respect to: (a) the Issuer, any director or officer of the Manager; (b) the Servicer, any director or officer of the IESO; and (c) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of this Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer’s knowledge and familiarity with the particular subject).

“Securities Account” has the meaning specified in subsection 7.02(j).

“Securities Exchange Act” means the United States Securities Exchange Act of 1934, as amended from time to time.

“Security Interest” means the Lien granted pursuant to Section 2.01.

“Senior Borrowings” means Borrowings that have been designated as “Senior Borrowings” in the Related Loan Agreement, Related Liquidity Agreement or Related Credit Enhancement Agreement.

“Senior Funding Obligations” means Funding Obligations arising under, or in connection with, Senior Notes and Senior Borrowings.

“Senior Notes” means Notes of a Series that have been designated as “Senior Notes” in the Related Supplemental Indenture.

“Series” means, with respect to any Class of Issuer Funding Obligation, the Series of the Class specified in the Related Funding Obligation Agreement.

“Series Account” means each Series Finance Reserve Account and each Series Capital Reserve Account.

“Series Capital Reserve Account” has the meaning specified in subsection 7.02(g).

“Series Finance Reserve Account” has the meaning specified in subsection 7.02(h).

“Servicer” has the meaning specified in the Master Transfer and Servicing Agreement.

“Servicer CEA Receipts” has the meaning ascribed thereto in Section 3.3(e) of the Master Transfer and Servicing Agreement.

“Servicer Default” has the meaning ascribed thereto in Section 7.1 of the Master Transfer and Servicing Agreement.

“Specified Creditors” means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province, Derivative Counterparties, Credit Enhancers, Rating Agencies and counterparties to Underwriting Agreements, Agency Agreements or Note Purchase Agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

“Stated Principal Amount,” has, with respect to any Note, the meaning specified in the Related Supplemental Indenture (including a Terms Document).

“Sub-Account” means each sub-account of an Issuer Account maintained pursuant to this Indenture or any Funding Obligation Agreement.

“Subordinated Borrowings” means Borrowings that have been designated as “Subordinated Borrowings” in the Related Loan Agreement, Related Liquidity Agreement or Related Credit Enhancement Agreement.

“Subordinated Funding Obligations” means Funding Obligations arising under, or in connection with, Subordinated Notes and Subordinated Borrowings.

“Subordinated Notes” means Notes of a Series that have been designated as “Subordinated Notes” in the Related Supplemental Indenture.

“Subrogation Amount”, in respect of any Approved Obligation, has the meaning specified in subsection 7.10(d)(i).

“Supplemental Indenture” means, with respect to any Series of Notes, a supplement to this Indenture, executed and delivered in conjunction with the issuance of such Notes pursuant to Section 4.01, together with any applicable Terms Document for any Tranches of Notes belonging to such Series and any amendment to the Supplemental Indenture executed pursuant to Section 11.01 or 11.02.

“Suspension Notice” has the meaning specified in the Change of Law Protection Agreement.

“Tax” has the meaning ascribed to the term “tax” in the Fair Hydro Regulations as of the date of this Indenture.

“Temporary Global Note” has the meaning specified in Section 3.05(a).

“Termination Payment” means all amounts payable upon early termination of any Derivative Agreement calculated in accordance with the terms of such Derivative Agreement.

“Terms Document” means, with respect to any Tranche of Notes, a supplement to the Related Supplemental Indenture.

“Tranche” means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

“Transfer” has the meaning ascribed to the term “transfer” in the Act as of the date of this Indenture.

“Transfer Notice” has the meaning ascribed thereto in Section 1.1 of the Master Transfer and Servicing Agreement.

“Trustee Cap” means, on any Payment Date, an amount equal to (x) \$150,000, multiplied by (y) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (z) 12.

“Underwriting Agreement” means an agreement providing for the purchase of Notes from the Issuer by one or more Persons as principals for the purpose of resale.

“United States” means, unless otherwise specified with respect to any Notes pursuant to Section 4.10, the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“United States Person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States of America, any one of the states thereof, the District of Columbia or any political subdivision thereof, or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

“U.S. Depository” means, unless otherwise specified by the Issuer pursuant to any of Section 3.04, 3.06, or 4.01, with respect to Notes issuable or issued as a Global Note within the United States, The Depository Trust Company, or any successor thereto registered as a clearing agency under the Securities Exchange Act, or other applicable statute or regulation.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended from time to time.

“Warehouse Facility Agreement” means a Funding Obligation Agreement that provides the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

“Warehouse Obligations” means Senior Funding Obligations incurred pursuant to Warehouse Facility Agreements.

EXHIBIT 1
FORMS OF PAYMENT INSTRUCTION

See Attached.

Payment Instruction – Collection Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

COLLECTION ACCOUNT

1. Opening Balance	\$[]
2. Additions	\$[]
3. Withdrawals	\$[]
a. Taxes	\$[]
b. Issuer Trustee and Indenture Trustee fees and expenses	\$[]
c. Interest and Derivative Funding Obligations – Total	\$[]
i. Interest Accrual Amount (Senior)	\$[]
ii. Payments on Derivative Funding Obligations (other than Termination Payments)	\$[]
1. [break out for each non-defaulting Derivative Counterparty]	\$[]
d. Interest Accrual Amount (Subordinated)	\$[]
e. Interest Accrual Amount (Junior Subordinated)	\$[]
f. Principal Accumulation Amount (Warehouse)	\$[]
g. Principal and Derivative Funding Obligations – Total	\$[]
i. Principal Accumulation Amount (Senior)	\$[]
ii. Termination Payments – Total	\$[]
1. [break out for each Derivative Counterparty]	\$[]
h. Fees and other amounts on Senior Funding Obligations – Total	\$[]
i. [break out on series by series basis]	\$[]
i. Manager fees and other amounts (excluding indemnity amounts)	\$[]
j. Principal Accumulation Amount (Subordinated)	\$[]
k. Fees and other amounts on Subordinated Funding Obligations – Total	\$[]
i. [break out on series by series basis]	\$[]
l. Principal Accumulation Amount (Junior Subordinated)	\$[]
m. Program Cash Reserve Required Amount	\$[]

n.	Reserve amounts for Series Accounts (other than for Subordinated Funding Obligations or Junior Subordinated Funding Obligations) – Total	\$[]
	i. <i>[break out on series by series basis]</i>	\$[]
o.	Reserve amounts for Series Accounts for Subordinated Funding Obligations – Total	\$[]
	i. <i>[break out on series by series basis]</i>	\$[]
p.	Fees and other amounts on Junior Subordinated Funding Obligations – Total	\$[]
	i. <i>[break out on series by series basis]</i>	\$[]
q.	Reserve amounts for Series Accounts for Junior Subordinated Funding Obligations – Total	\$[]
	i. <i>[break out on series by series basis]</i>	\$[]
r.	Derivative Funding Obligations – Total	\$[]
	i. <i>[break out for each defaulting Derivative Counterparty]</i>	\$[]
s.	Beneficiaries of Issuer	\$[]
t.	Manager indemnity amounts	\$[]
u.	Payments to other Specified Creditors – Total	\$[]
	i. <i>[break out for each obligation]</i>	\$[]
4.	Ending Balance	\$[]
5.	Investment Proceeds on Collection Account	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – Interest Accumulation Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

INTEREST ACCUMULATION ACCOUNT

1.	Opening Balance	\$[]
2.	Additions for Senior Funding Obligations	\$[]
3.	Additions for Subordinated Funding Obligations	\$[]
4.	Additions for Junior Subordinated Funding Obligations	\$[]
5.	Withdrawals for Senior Funding Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
6.	Withdrawals for Subordinated Funding Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
7.	Withdrawals for Junior Subordinated Funding Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
8.	Ending Balance	\$[]
9.	Investment Proceeds on Interest Accumulation Account	\$[]
10.	Interest Accrual Amount (Senior)	\$[]
11.	Interest Accrual Amount (Subordinated)	\$[]
12.	Interest Accrual Amount (Junior Subordinated)	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – Principal Accumulation Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

PRINCIPAL ACCUMULATION ACCOUNT

1.	Opening Balance	\$[]
2.	Additions for Warehouse Obligations	\$[]
3.	Additions for Senior Funding Obligations (other than Warehouse Obligations)	\$[]
4.	Additions for Subordinated Funding Obligations	\$[]
5.	Additions for Junior Subordinated Funding Obligations	\$[]
6.	Withdrawals for Warehouse Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
7.	Withdrawals for Senior Funding Obligations (other than Warehouse Obligations) – Total	\$[]
	a. [break out on series by series basis]	\$[]
8.	Withdrawals for Subordinated Funding Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
9.	Withdrawals for Junior Subordinated Funding Obligations – Total	\$[]
	a. [break out on series by series basis]	\$[]
10.	Ending Balance	\$[]
11.	Investment Proceeds on Principal Accumulation Account	\$[]
12.	Principal Accumulation Amount (Warehouse)	\$[]
13.	Principal Accumulation Amount (Senior)	\$[]
14.	Principal Accumulation Amount (Subordinated)	\$[]
15.	Principal Accumulation Amount (Junior Subordinated)	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – IESO Cash Reserve Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

IESO CASH RESERVE ACCOUNT

1.	Opening Balance	\$[]
2.	Withdrawals	\$[]
	a. Taxes	\$[]
	b. Issuer Trustee and Indenture Trustee fees	\$[]
	c. Interest and Derivative Funding Obligations – Total	\$[]
	i. Interest Accrual Amount (Senior)	\$[]
	ii. Payments on Derivative Funding Obligations (other than Termination Payments)	\$[]
	1. [break out for each non-defaulting Derivative Counterparty]	\$[]
	d. Interest Accrual Amount (Subordinated)	\$[]
	e. Interest Accrual Amount (Junior Subordinated)	\$[]
3.	Ending Balance	\$[]
4.	Investment Proceeds on IESO Cash Reserve Account	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – Program Cash Reserve Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

PROGRAM CASH RESERVE ACCOUNT

1.	Opening Balance	\$[]
2.	Additions	\$[]
3.	Withdrawals for Senior Funding Obligations (Interest) – Total	\$[]
	a. [break out on series by series basis]	\$[]
4.	Withdrawals for Subordinated Funding Obligations (Interest) – Total	\$[]
	a. [break out on series by series basis]	\$[]
5.	Withdrawals for Junior Subordinated Funding Obligations (Interest) – Total	\$[]
	a. [break out on series by series basis]	\$[]
6.	Withdrawals for Senior Funding Obligations (Principal) – Total	\$[]
	a. [break out on series by series basis]	\$[]
7.	Withdrawals for Subordinated Funding Obligations (Principal) – Total	\$[]
	a. [break out on series by series basis]	\$[]
8.	Withdrawals for Junior Subordinated Funding Obligations (Principal) – Total	\$[]
	a. [break out on series by series basis]	\$[]
9.	Ending Balance	\$[]
10.	Investment Proceeds on Program Cash Reserve Account	\$[]
11.	Program Cash Reserve Required Amount	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – Refinancing Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

REFINANCING ACCOUNT

1.	Opening Balance	\$[]
2.	Additions	\$[]
3.	Withdrawals – Total	\$[]
	a. [break out on series by series basis]	\$[]
4.	Ending Balance	\$[]
5.	Investment Proceeds on Series Reserve Account	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – Protection Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

PROTECTION ACCOUNT

1.	Opening Balance	\$0
2.	Additions	\$[]
3.	Withdrawals for Specified Creditors – Total	\$[]
	a. [break out for each obligation]	\$[]
4.	Withdrawals for Province (return of remaining amounts)	\$[]
5.	Ending Balance	\$0

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

Payment Instruction – [Specify Series] Account
Fair Hydro Trust

Pursuant to the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”), the Manager hereby instructs the Paying Agent to pay or transfer, as applicable, the amounts set out below in accordance with the wire, check or other payment details set out in Schedule A to this Payment Instruction. Such payments or transfers are to be made on: _____
[insert date of payment(s) / transfer(s)].

Capitalized terms used in this Payment Instruction have the meanings given to such terms in the Trust Indenture.

[SPECIFY SERIES] ACCOUNT [duplicate on a series by series basis]

1.	Opening Balance	\$[]
2.	Additions	\$[]
3.	Withdrawals – Total	\$[]
	a. [break out for each obligation]	\$[]
4.	Ending Balance	\$[]
5.	Investment Proceeds on Series Account	\$[]
6.	Required Series Account amount	\$[]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule A

[insert wire, cheques or other payment details for each payment]

EXHIBIT 2
FORM OF REFINANCING NOTICE

TO: BNY Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”) under the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and the Indenture Trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”)

RE: Refinancing Notice in respect of [*identify Funding Obligation Agreement to which the Refinancing Notice applies*] (the “**Refinanced Funding Obligation Agreement**”)

DATE: [■]

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Indenture or the Refinanced Funding Obligation Agreement, as applicable.

1. This Refinancing Notice is delivered pursuant to Section 7.09(a) of the Trust Indenture in respect of the Refinanced Funding Obligation Agreement.
2. The Issuer hereby advises that notwithstanding the provisions of the Refinanced Funding Obligation Agreement, the Principal Accumulation Amounts in respect of the Payment Dates on or after the Principal Accumulation Date are adjusted as follows:

Payment Date	Adjusted Principal Accumulation Amount
[Insert details]	[Insert details]

[signature page follows]

DATED _____.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

EXHIBIT 3
FORM OF SPECIFIED CREDITOR LIST

Program Agreement	Name of Specified Creditor / Agent	Address	City	Province/ State	Postal/Zip Code	Country	Email	Issuer Funding Obligation	Value [Lenders only]
<i>Issuer Funding Obligations (other than Notes and Derivative Funding Obligations)</i>									
[Insert name of Program Agreement]	[Insert name of institution]	[insert address]	[insert city]	[insert province/ state]	[insert postal/zip code]	[insert country]	[email]	[Y / N] [If Yes, Type of Funding Obligation]	[insert \$ amount hold]
<i>Derivative Funding Obligations</i>									
[Insert name of Program Agreement]	[Insert name of institution]	[insert address]	[insert city]	[insert province/ state]	[insert postal/zip code]	[insert country]	[email]	N/A	N/A
<i>Other Obligations Secured</i>									
[Insert name of Program Agreement]	[Insert name of institution]	[insert address]	[insert city]	[insert province/ state]	[insert postal/zip code]	[insert country]	[email]	N/A	N/A

EXHIBIT 4
FORM OF REQUEST FOR SPECIFIED CREDITOR INFORMATION

TO: BNY Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”) under the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and the Indenture Trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”)

RE: Request for Provision of Information pursuant to Section 9.14 of the Trust Indenture

DATE: [■]

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Indenture.

First Declaration

1. The undersigned, being the duly appointed [*state position*] of [*insert name of Debtholder 1*] (“**Debtholder 1**”), hereby certifies, in that capacity and without personal liability, as follows:
2. The undersigned has made, or caused to be made, such examinations or investigations as are, in my belief, necessary to enable me to make the statements or give the opinions contained or expressed in this certificate.
3. Debtholder 1 forms part of the Debtholders of the following Series or Tranche:

[*insert details of all applicable Issuer Funding Obligations*]
4. Debtholder 1 has owned an Issuer Funding Obligation of such Series or Tranche for a period of at least six (6) months preceding the date of this application.

Second Declaration

5. The undersigned, being the duly appointed [*state position*] of [*insert name of Debtholder 2*] (“**Debtholder 2**”), hereby certifies, in that capacity and without personal liability, as follows:
6. The undersigned has made, or caused to be made, such examinations or investigations as are, in my belief, necessary to enable me to make the statements or give the opinions contained or expressed in this certificate.
7. Debtholder 2 forms part of the Debtholders of the following Series or Tranche:

[*insert details of all applicable Issuer Funding Obligations*]

8. Debtholder 2 has owned an Issuer Funding Obligation of such Series or Tranche for a period of at least six (6) months preceding the date of this application.

Third Declaration

9. The undersigned, being the duly appointed [*state position*] of [*insert name of Debtholder 3*] (“**Debtholder 3**”), hereby certifies, in that capacity and without personal liability, as follows:
10. The undersigned has made, or caused to be made, such examinations or investigations as are, in my belief, necessary to enable me to make the statements or give the opinions contained or expressed in this certificate.
11. Debtholder 3 forms part of the Debtholders of the following Series or Tranche:

[insert details of all applicable Issuer Funding Obligations]

12. Debtholder 3 has owned an Issuer Funding Obligation of such Series or Tranche for a period of at least six (6) months preceding the date of this application.

Request

13. The undersigned Debtholders desire to communicate [*insert applicable Debtholder Group*] with respect to their rights under the Trust Indenture or under the applicable Program Agreement.
14. Attached hereto is a copy of the form of proxy or other communication which such applicants propose to transmit.
15. The Debtholders request that the Indenture Trustee deliver to them the information preserved at the time by the Indenture Trustee in accordance with Section 9.14 of the Trust Indenture.

DATED this ____ day of _____, 20____.

[DEBTHOLDER 1]

By: _____
Name:
Title:

[DEBTHOLDER 2]

By: _____
Name:
Title:

[DEBTHOLDER 3]

By: _____
Name:
Title:

EXHIBIT 5
FORM OF CANCELLATION NOTICE

TO: BNY Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”) under the trust indenture between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and the Indenture Trustee (as amended, modified, supplemented, replaced or restated from time to time, the “**Trust Indenture**”)

RE: Request for Removal from Specified Creditor Register

DATE: [■]

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Indenture.

1. The undersigned, being the duly appointed [*state position*] of [*insert name of institution*].
2. You are hereby requested pursuant to Section 9.14 of the Trust Indenture to, within five (5) Business Days of receipt of this notice, notify the Issuer to remove the following Specified Creditor from the list provided for in subsection 13.13(b) of the Trust Indenture.

Name of Specified Creditor to be Removed: [*enter details*]

Name of Program Agreement: [*enter details*]

DATED this ____ day of _____, 20____.

[SPECIFIED CREDITOR]

By: _____
Name:
Title:

EXHIBIT 6
FORMS OF CERTIFICATION

See attached.

Exhibit 6-A

FORM OF CERTIFICATE TO BE GIVEN BY
PERSON ENTITLED TO RECEIVE BEARER NOTE

CERTIFICATE

FAIR HYDRO TRUST

■% Notes due ■

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Notes held by you for our account (i) are owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source or; a trust if (A) a United States court can exercise primary supervision over the trust's administration and one of more United States persons are authorized to control all substantial decisions of the trust or (B) a trust in existence on August 20, 1996, and treated as a United States person before this date that timely elected to continue to be treated as a United States person ("**United States person(s)**"), (ii) are owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as "**financial institutions**") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Notes through foreign branches of United States financial institutions and who hold the Notes through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise Fair Hydro Trust or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), and, in addition, if the owner is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)), this is to further certify that such financial institution has not acquired the Notes for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the states and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by in writing or by electronic transmission on or prior to the date on which you intend to submit your certification relating to the above-captioned Notes held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certificate excepts and does not relate to \$■ of such interest in the above-captioned Notes in respect of which we are not able to certify and as to which we understand an exchange for an interest in a permanent Global Note or an exchange for and delivery of definitive Notes (or, if relevant, collection of any interest) cannot be made until we do so certify.

We understand that this certificate may be required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: ■

[To be dated no earlier than the 15th day prior to (i) the date of original issuance or (ii) the Exchange Date, as applicable]

[Name of Person Making Certification]

Name:
Title:

Exhibit 6-B

FORM OF CERTIFICATE TO BE GIVEN BY A DEPOSITORY
IN CONNECTION WITH THE EXCHANGE OF A PORTION OF A
TEMPORARY GLOBAL NOTE

CERTIFICATE

FAIR HYDRO TRUST

■% Notes due ■

This is to certify that based solely on written certifications that we have received in writing or by electronic transmission from each of the persons appearing in our records as persons entitled to a portion of the principal amount set forth below (our “**Member Organizations**”) substantially in the form attached hereto, as of the date hereof, \$■ principal amount of the above-captioned Notes (i) is owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source or; a trust if (A) a United States court can exercise primary supervision over the trust’s administration and one of more United States persons are authorized to control all substantial decisions of the trust or (B) a trust in existence on August 20, 1996, and treated as a United States person before this date that timely elected to continue to be treated as a United States person (“**United States person(s)**”), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in U.S. Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as “**financial institutions**”) purchasing for their own account or for resale, or (b) United States person(s) who acquired the Notes through foreign branches of United States financial institutions and who hold the Notes through such United States financial institutions on the date hereof (and in either case (a) or (b), each such financial institution has agreed, on its own behalf or through its agent, that we may advise Fair Hydro Trust or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)) and, to the further effect, that financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Notes for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, “United States” means the United States of America (including the states and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify that (i) we are not making available herewith for exchange (or, if relevant, collection of any interest) any portion of the temporary Global Note representing the

above-captioned Notes excepted in the above-referenced certificates of Member Organizations and (ii) as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: ■

**[To be dated no earlier than the 15th
day prior to the Exchange Date]**

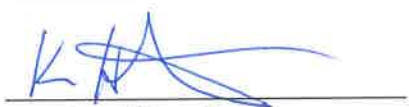
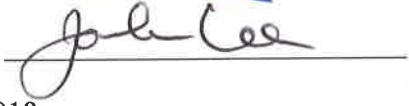
[DEPOSITORY]

By: _____

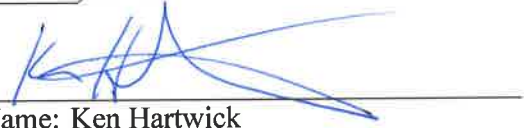
SCHEDULE D

CERTIFICATE OF INCUMBENCY

I, Ken Hartwick, the Chief Financial Officer and Senior Vice President of the Manager, hereby certify on behalf of the Manager, not personally, and without personal liability, that the persons whose names appear below are duly appointed officers and/or directors of the Manager who hold the offices indicated and that the true signature of each such person appears below.

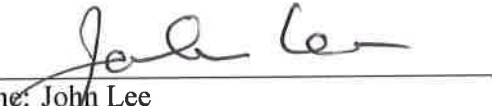
<u>Name</u>	<u>Position</u>	<u>Signature</u>
Ken Hartwick	Chief Financial Officer and Senior Vice President	
John Lee	Vice President – Treasurer	

DATED this 9th day of February, 2018.


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

I, John Lee, the Vice President – Treasurer of the Manager hereby certify on behalf of the Manager, and not personally, that Ken Hartwick is the duly appointed Chief Financial Officer and Senior Vice President of the Manager and that the signature appearing above is his true signature.

DATED this 9th day of February, 2018.


Name: John Lee
Title: Vice President – Treasurer