ONTARIO POWER GENERATION INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2025

March 12, 2026

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE OF CONTENTS

1 PRESENTATION OF INFORMATION

Unless the context indicates otherwise, references in this Annual Information Form (AIF) to the "Company", the "Corporation" or "OPG" are made to Ontario Power Generation Inc. and its subsidiaries. Unless otherwise noted, the information contained in this AIF is as at or for the year ended December 31, 2025. Amounts are expressed in Canadian dollars unless otherwise indicated. The Glossary found at the end of this AIF contains certain terms defined throughout this AIF and abbreviations and acronyms that may not be otherwise defined in this document. This AIF is dated March 12, 2026.

Certain portions of the Company's annual Management's Discussion and Analysis dated March 12, 2026 (MD&A) and audited consolidated financial statements as at and for the year ended December 31, 2025 are incorporated by reference into this AIF as stated below. The MD&A and annual consolidated financial statements are available on SEDAR+ at www.sedarplus.com and on the Company's website at www.opg.com. ***The above information is not, unless otherwise specifically stated, incorporated by reference into this AIF.***

Financial information is presented in accordance with United States generally accepted accounting principles (US GAAP). The Company also uses certain non-GAAP financial performance measures which are intended to provide additional information to investors and do not have any standardized meaning under US GAAP, and therefore may not be comparable to similar measures presented by other issuers, and should not be considered in isolation or as a substitute for measures of performance under US GAAP. For a detailed description of each of the non-GAAP measures, refer to the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures* in the MD&A.

2 FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking statements that reflect OPG’s current views regarding certain future events and circumstances. Any statement contained in this document that is not current or historical is a forward-looking statement. OPG generally uses words such as “anticipate”, “believe”, “budget”, “foresee”, “forecast”, “estimate”, “expect”, “schedule”, “intend”, “plan”, “project”, “seek”, “target”, “goal”, “strategy”, “may”, “will”, “should”, “could” and other similar words and expressions to indicate forward-looking statements. The absence of any such word or expression does not indicate that a statement is not forward-looking.

All forward-looking statements involve inherent assumptions, risks and uncertainties. All forward-looking statements could be inaccurate to a material degree. In particular, forward-looking statements may contain assumptions such as those relating to OPG’s generating station (GS) performance, availability and operating lives, fuel costs, surplus baseload generation (SBG), fixed asset removal and nuclear waste management obligations and costs, availability of facilities for the permanent disposal of used nuclear fuel and other nuclear waste, performance and earnings of segregated nuclear and OPG pension funds, refurbishment of existing facilities, development and construction of new facilities, acquisition transactions including timing and satisfaction of closing conditions and other business expansion opportunities, performance of acquired businesses, divestiture transactions including timing and satisfaction of closing conditions, defined benefit pension and other post-employment benefit (OPEB) obligations and costs, income taxes, proposed new legislation, government policy including tariffs and the trade environment, the ongoing evolution and growth of electricity industries and markets in Ontario, Canada and the United States of America (United States, US or USA), the continued application and renewal of energy supply agreements (ESAs) with the Independent Electricity System Operator (IESO) and other contracts for non-regulated facilities, inflation, interest rates, foreign currency exchange rates, commodity prices, wholesale electricity market prices, environmental and other regulatory requirements, operating licence applications to the Canadian Nuclear Safety Commission (CNSC), health, safety and environmental developments, changes in the Company’s workforce, renewal of union collective agreements, business continuity events, the weather, climate change, technological change, geopolitical events, financing requirements and liquidity, funding sources and transactions, applications to the Ontario Energy Board (OEB) for regulated prices, the impact of regulatory decisions by the OEB and other regulatory bodies, clean energy investment government programs, forecasts of earnings, cash flow, earnings before interest, income taxes, depreciation and amortization, gross margin, operations, maintenance and administration (OM&A) expenses and project and other expenditures, retention of critical talent, supply chain availability and capacity, and supplier and third party performance. Accordingly, undue reliance should not be placed on any forward-looking statement. The forward-looking statements included in this AIF are made only as of the date of this AIF. Except as required by applicable securities laws, OPG does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise.

OPG faces various risks that could have a material adverse effect on its business, strategy, generating stations, reputation, financial condition, operating results, and generation development and other projects. There may be further risks and uncertainties that are not presently known, or that are not currently believed to be material, that may in the future adversely affect the Company’s performance or financial condition. OPG may be exposed to a significant event that it is not fully insured or indemnified against. For details on risks faced by OPG, refer to the section, *Risk Management* in the MD&A.

3 CORPORATE STRUCTURE

3.1 INCORPORATION AND HEAD OFFICE

OPG was formed in April 1999 through the restructuring of Ontario Hydro's integrated electricity business. OPG was established under the *Business Corporations Act* (Ontario) (OBCA) and is wholly owned by the Province of Ontario (Province or Shareholder). OPG's various articles of incorporation, amalgamation and amendment are publicly filed with the Ministry of Public and Business Service Delivery and Procurement. OPG and the Province are parties to a Memorandum of Agreement (MOA) that sets out OPG's role and responsibilities. Further details on the MOA are discussed in the section, *Interest of Management and Others in Material Transactions* under the heading, *Relationship with the Province, the OEFC, and the OFA*.

OPG's registered head office is located at 1908 Colonel Sam Drive, Oshawa, Ontario, L1H 8P7, Canada.

4 DESCRIPTION OF THE BUSINESS

4.1 OVERVIEW

OPG is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity. As at December 31, 2025, OPG owned and operated two nuclear generating stations, 66 hydroelectric generating stations, two thermal generating stations, one solar facility and four combined-cycle gas turbine (combined cycle) plants in Ontario, Canada. The combined cycle plants are owned and operated through the Company's subsidiary operating as Atura Power. Through the Company's subsidiary, DNNP LP, OPG is constructing the first grid-scale small modular reactor (SMR) on the Darlington New Nuclear Project (DNNP) site in Ontario, Canada. In December 2025, DNNP LP entered into a lease arrangement with Ontario Power Generation Inc. with respect to the DNNP site and reimbursed Ontario Power Generation Inc. for capital expenditures on the DNNP incurred to date.

As at December 31, 2025, through a US-based subsidiary, OPG wholly or jointly owned and operated, and held minority interests in, hydroelectric and solar electricity generation and development assets in the United States (Eagle Creek). In October 2025, OPG entered into an agreement to sell Eagle Creek. The transaction closed on January 9, 2026, resulting in the Company no longer having electricity generation operations or facilities in the United States. Further details on the transaction can be found in the section, *General Developments of the Business* under the heading, *Acquisition and Divestiture Developments*.

OPG's proportionate share of in-service generating capacity and electricity generation volume from co-owned and minority-held facilities are included in the Company's generation portfolio statistics set out in this AIF and the MD&A.

In addition, as at December 31, 2025, OPG owned two nuclear generating stations in Ontario, Canada, the Bruce A GS and the Bruce B GS (Bruce nuclear generating stations), which are leased on a long-term basis to, and operated by, Bruce Power L.P. (Bruce Power). These leased stations are not included in the Company's electricity generation and other operating statistics set out in this AIF and the MD&A.

Including its share of the co-owned and minority-held facilities, as at December 31, 2025, OPG's total in-service generating capacity was 18,096 megawatts (MW), of which 17,395 MW was located in Ontario and 701 MW formed part of the Eagle Creek portfolio in the United States. OPG's in-service generating capacity in Ontario represents approximately 46 percent of installed generation capacity in Ontario's electricity system as reported by the IESO. OPG's in-service generating capacity as at December 31, 2025 excludes Unit 4 of the Darlington nuclear GS (Darlington GS). Unit 4, with a generating capacity of 878 MW, was taken offline in July 2023 and is currently undergoing refurbishment as part of the four-unit Darlington Refurbishment project. Units 1 to 4 of the Pickering nuclear GS (Pickering GS) have been permanently shut down and have been or are being placed in a safe storage state. For the year ended December 31, 2025, OPG's electricity generation in Ontario accounted for approximately 58 percent of the total energy generated and delivered to Ontario's electricity system, as reported by the IESO.

OPG operates in Ontario under electricity generation licences issued by the OEB, with expiry dates ranging from 2029 to 2043. OPG expects the licences to be renewed in the future.

OPG's core business operations primarily consist of nuclear electricity generation, renewable electricity generation, thermal electricity generation and management of nuclear waste. OPG reports operating results in five business segments to provide information that is aligned with how management assesses business performance and, ultimately, how management decisions are made. The composition of OPG's reportable business segments effective as at December 31, 2025 was as follows:

- Regulated – Nuclear Generation;
- Regulated – Nuclear Sustainability Services;
- Regulated – Hydroelectric Generation;
- Contracted Hydroelectric and Other Generation; and
- Atura Power.

Set out below is a brief description of each of the business segments. Further information and the operating results for each of the business segments are included in the section, *Discussion of Operating Results by Business Segment* in the MD&A.

Ontario Regulation 53/05 under the *Ontario Energy Board Act, 1998* (*Ontario Regulation 53/05)* provides that OPG receives regulated prices for electricity generated from the Darlington and Pickering nuclear generating stations, the 54 hydroelectric facilities prescribed for rate regulation and any SMRs located on the DNNP site (collectively, prescribed facilities or regulated facilities). OPG's regulated prices for these facilities are determined by the OEB. The operating results of these facilities are reported in the Regulated – Nuclear Generation and Regulated – Hydroelectric Generation business segments. The OEB is an independent, quasi-judicial tribunal that reports to the Legislature of the Province through the Ontario Ministry of Energy and Mines and regulates market participants in Ontario's electricity and natural gas industries. The OEB's mandate and authority come from the *Ontario Energy Board Act, 1998*, the *Electricity Act, 1998* and other provincial statutes. In December 2025, the Province amended *Ontario Regulation 53/05* to prescribe DNNP LP as a new OEB rate regulated electricity generator, subject to the OEB's satisfaction that DNNP LP has met certain conditions. Ontario Power Generation Inc. and DNNP LP are Ontario's only electricity generators subject to rate regulation by the OEB.

The operating results of OPG's non-regulated generating facilities are reported in the Contracted Hydroelectric and Other Generation and Atura Power business segments. As at December 31, 2025, the Contracted Hydroelectric and Other Generation business segment included 12 hydroelectric generating stations, two thermal generating stations and one solar facility located in Ontario. The business segment also included 85 hydroelectric generating stations and one solar facility that were wholly or jointly owned and operated in the United States and formed part of the Eagle Creek portfolio, which OPG sold on January 9, 2026. The Atura Power business segment reports the results of Atura Power's operations, which include a fleet of four combined cycle plants in Ontario as well as certain business development projects, including a battery energy storage system at Atura Power's Napanee GS site (Napanee BESS), an expansion of the combined cycle plant at the Napanee GS (Napanee Combined Cycle GS Expansion Project) and the Niagara Hydrogen Center (NHC), all of which are under construction. Atura Power participates in the Ontario electricity market separately from OPG's other operations.

All of OPG's non-regulated assets in Ontario are subject to ESAs with the IESO. These contracts are generally designed to provide for recovery of operating costs and capital investment in the underlying facilities and a return on invested capital, subject to the facilities continuing to meet their contractual obligations. The IESO is a non-profit corporate entity governed by an independent board of directors appointed by the Province and is responsible for operating the electricity market and directing the operation of the bulk electrical system in Ontario.

OPG is subject to a number of legislative and regulatory requirements in the jurisdictions in which it operates, including those of administrative tribunals, electricity system operators and other regulatory bodies, and certain international treaties. Collectively, these sources dictate many of the constraints within which OPG is permitted to operate its facilities and manage its business.

4.2 CORPORATE STRATEGY

OPG's vision is to electrify life in one generation, with a mission to build a sustainable future powered by the Company's electricity, ideas and people.

OPG's corporate strategy sets out the Company's direction for the future, guiding how it will help meet the province's rising demand for electricity, while delivering value to the Shareholder and supporting growth, reliability and energy security for Ontario. The strategy supports Ontario's Integrated Energy Plan and establishes the Company's long-term areas of focus as follows:

- Build Energy Infrastructure;
- Modernize our Business and Deliver Customer Value; and
- Electrify Sectors and Enable Demand Growth.

OPG's ability to deliver on this strategy builds on three foundational pillars that reflect the Company's commitment to responsible leadership, disciplined delivery and long-term capacity building. OPG's foundations are:

- Our People: We have a strong, skilled, and committed workforce that is central to everything we do;
- Operational and Project Excellence: We will build on our strong track record in operations and project delivery; and
- Indigenous Rightsholders and Community Partners: We will continue to build strong partnerships with Indigenous Nations and communities and local communities based on trust, respect, and early engagement.

4.3 ELECTRICITY INDUSTRY AND ELECTRICITY MARKETS

The electricity industry broadly comprises the following areas:

- Generation – the production of electricity;
- Transmission – the transfer of electricity across high-voltage power lines from generating facilities to local areas including cities and communities;
- Distribution – the delivery of electricity within local areas to homes and businesses using low-voltage power lines; and
- Energy markets and other services – the administration and development of an electricity wholesale market and the procurement of ancillary services ensuring efficient operation of the electricity system and allowing for the purchase and sale of electricity or equivalent financial products.

Electricity can be generated by large scale, multi-unit centralized facilities, or aggregated across multiple smaller sources of varying sizes, such as wind and solar farms, that have been integrated into the power system. Generating sources are either connected directly to the transmission system or embedded in distribution networks. Distributed generation involves production of electricity closer to end users and away from larger scale production facilities that require more transmission.

Sources are usually classified by:

(i) the type of fuel used;
(ii) capacity, typically expressed in MW; and
(iii) dispatch mode (whether or not the electricity generated by a particular facility is dispatched to meet peak, intermediate or baseload demand).

The energy produced by a facility is generally expressed as its output over the time the facility operates, typically in terms of megawatt-hours (MWh).

Electricity is an essential commodity that cannot be stored without converting it to other forms of energy, with various technologies enabling storage capability for the purpose of time shifting. Electricity supply must instantaneously match demand to maintain the stability and reliability of the electrical power system. This is accomplished by coordinating the supply of and demand for electricity, a responsibility typically assigned to regional system operators or local balancing authorities. To ensure such balance, some generators are needed to produce a constant supply of energy to meet ongoing energy needs (baseload generation), while others are needed to adjust energy output to match changes in demand (intermediate and peaking generation). Some generators such as wind and solar facilities generate intermittently based on weather-related availability.

Electricity systems have evolved on a regional basis and are also connected to neighbouring regional power grids. Electricity markets in neighbouring regions whose transmission systems are connected to each other, either directly or through other contiguous connected markets, are referred to as interconnected markets. Such connections enhance system reliability and efficiency, and permit the purchase and sale of electricity between markets. Interconnection transmission capabilities between interconnected markets are subject to physical and weather dependent limitations. These limitations include planned or forced outages to transmission lines and other equipment that reduce transmission capacity, as well as wind and temperature conditions that affect the transfer capability of all transmission lines on the electrical system.

Ontario’s Electricity Industry

OPG’s predecessor, Ontario Hydro, served as a vertically integrated electric utility in Ontario. Following the adoption of a restructuring plan for Ontario’s electricity industry pursuant to the *Energy Competition Act, 1998*, OPG purchased and assumed the electricity generation, wholesale energy and ancillary services businesses of Ontario Hydro effective April 1, 1999. Ontario’s competitive electricity market was opened by the IESO in 2002. The market is used to manage the purchase and sale of wholesale electricity in the province.

The province’s baseload electricity supply consists primarily of nuclear generating stations operated by OPG and Bruce Power and a number of baseload hydroelectric generating stations, with wind and solar generation available dependent on weather conditions. Facilities with intermediate and peaking generation capacity in Ontario include certain hydroelectric generating stations and thermal generating facilities, with the use of natural gas, oil and biomass as fuels. Ontario’s electricity system is one of the cleanest electricity systems in North America.

A number of nuclear power reactors in the province have been or are preparing to undergo refurbishment, which requires generating units to be temporarily removed from service. In addition to OPG's Darlington Refurbishment project, Bruce Power commenced a multi-year refurbishment program, referred to as major component replacement (MCR), for the Bruce nuclear generating stations in 2020. Bruce Power has completed the refurbishment of the first unit, Unit 6 of the Bruce B GS. Unit 3 and Unit 4 of the Bruce A GS are currently undergoing refurbishment. Refurbishment activities at the Bruce nuclear generating stations are expected to continue over approximately the next decade. Additionally, with the Province's approval announced in November 2025, OPG is preparing for the refurbishment of Units 5 to 8 of the Pickering GS, which is expected to begin after the units are removed from service in September 2026 and to be completed by 2034. For further details on the Darlington Refurbishment project, the continued operation plan for the Pickering GS and the Pickering Refurbishment project, refer to the section, *General Development of the Business,* under the headings, *Nuclear Business Developments – Darlington Refurbishment Project* and *Continued Operation Plan for Pickering Nuclear Generating Station and Pickering Refurbishment Project*, respectively.

Ontario's electricity demand as reported by the IESO was 145.6 terawatt hours (TWh) in 2025, excluding electricity exports out of the province. Electricity demand is closely tied to population growth, economic activity, and the extent of electrification. In November 2025, the IESO released an updated electricity demand forecast, a key part of its 2026 Annual Planning Outlook, which showed that Ontario's demand for energy would grow by 65 percent leading up to 2050, with annual consumption rising to 250 TWh in 2050.

In June 2025, the Ontario Ministry of Energy and Mines released an integrated energy plan that provides a roadmap for addressing the province's future energy needs. For further details, refer to the section, *General Development of the Business* under the heading, *General Developments – Ontario's Integrated Energy Plan and Other Energy Planning Initiatives.*

<u>Ontario's Electricity Market</u>

Ontario's real-time energy supply needs are managed by a wholesale electricity market administered by the IESO. On May 1, 2025, Ontario transitioned to a renewed electricity market through the operationalization of the IESO's Market Renewal Program initiative. The renewed market utilizes hourly Locational Marginal Prices (LMPs) at specific locations on the electricity grid and an Hourly Ontario Energy Price for the whole province, set by market offers and bids. On the day prior to dispatch day, the day-ahead, the IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, to generate financially binding schedules with LMPs at specific locations on the grid. On dispatch day, in real-time, the IESO adjusts for any differences between the day-ahead schedules and actual system conditions. As a generator, OPG offers generation into the energy market and receives dispatch instructions from the IESO.

Many non-OPG generators in Ontario have energy supply contracts with the IESO that provide for payments that are different from the market prices of electricity. The difference between the market prices and the prices paid for OPG's regulated generation and a large portion of the contracted generators in the province, as well as the cost of conservation and demand management programs, are charged to Ontario electricity consumers through the Global Adjustment portion of the total price of electricity.

Surplus baseload generation is a system condition that occurs when electricity production that can be generated from baseload facilities exceeds demand, including exports out of the province. Baseload generation supply surplus in Ontario is managed by the IESO, mainly through generation reductions at hydroelectric and certain nuclear generating stations and other grid-connected renewable resources. The prevalence of SBG conditions is impacted by weather conditions which affect electricity demand, availability of wind and solar generation and, through the impact on water flows, the availability of baseload power from hydroelectric generating stations. For additional information on SBG conditions, refer to the section, *Highlights* under the heading, *Electricity Generation* in the MD&A.

The OEB has authorized an additional pricing mechanism for OPG's regulated hydroelectric generation that provides a financial incentive for OPG to shift hydroelectric generation from lower market price periods to higher market price periods. This is intended to benefit customers through the displacement of generation from higher cost sources during periods of higher demand. The time-shifting is made possible by the ability to store water in reservoirs located at a number of OPG's hydroelectric facilities.

The IESO also administers the operating reserve markets and is responsible for procurement of other ancillary services. The objective of the operating reserve markets is to ensure that additional supply of energy is readily available to maintain power system reliability following an unforeseen event. Other ancillary services include regulation service, voltage control and reactive support, black start capability and other services required to maintain the reliability of the electricity system. OPG participates in the operating reserve markets and provides other ancillary services to the IESO.

OPG and other electricity market participants in Ontario are required to comply with Market Rules issued by the IESO. As an owner and operator of generating stations in Ontario, OPG is subject to reliability standards as set out by the IESO in its Market Rules, which are premised on those of the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council (NPCC). Such standards are binding on OPG pursuant to OEB-issued electricity generating licences and the IESO Market Rules. The IESO monitors compliance with and enforces the Market Rules and coordinates with system operators and reliability agencies in other jurisdictions to ensure energy adequacy and security across the interconnected bulk electricity system in North America.

To support environmental and sustainability goals, the Province has developed a voluntary clean energy credit (CEC) registry. The CEC registry is meant to leverage Ontario's clean electricity grid, while supporting new investment in clean generation in the province. OPG offers voluntary CECs from its regulated hydroelectric and nuclear facilities within the Ontario electric market. The majority of proceeds from the sale of CECs is directed to the Province's Future Clean Electricity Fund.

Ontario's market is interconnected with New York, Michigan, Minnesota, Manitoba and Québec. Market participants wishing to import or export electricity between Ontario and the interconnected markets are required to schedule these transactions through the Ontario electricity market. As part of its trading activities, OPG transacts with counterparties in Ontario and interconnected markets using predominantly short-term physical and financial instruments, including over-the-counter energy-related derivatives, of typically one year or less in duration.

4.4 REGULATED PRICING

The majority of OPG's electricity generation is from the Regulated – Nuclear Generation and Regulated – Hydroelectric Generation business segments. The OEB sets volumetric prices for electricity generated from these Ontario-based nuclear and regulated hydroelectric facilities. The regulated prices are generally designed to permit the recovery, over a forecasted generation volume, of an allowed level of operating costs and capital investment and to earn a prescribed rate of return on the deemed equity portion (ROE) of the capital invested in the regulated assets, known as rate base. Rate base for OPG's regulated facilities represents the average net level of investment in the associated fixed and intangible assets in service and an allowance for working capital. *Ontario Regulation 53/05* sets out certain requirements the OEB must follow in setting regulated prices for OPG's prescribed facilities. The outcomes of OPG's applications for regulated prices to the OEB determine a large portion of the Company's revenues and can have a significant impact on the Company's financial performance.

In December 2025, the Province amended *Ontario Regulation 53/05* to establish, among certain additional requirements, a mechanism for OPG's regulated prices to recover interest amounts in respect of the capital expenditures on the Pickering Refurbishment project and the capital expenditures on the DNNP prior to such assets being placed in service, effective January 1, 2026. Further details regarding the December 2025 amendments to *Ontario Regulation 53/05* can be found in the section *General Development of the Business* under the heading, *Rate Application Developments*.

OPG's regulated prices comprise base regulated prices, rate riders to recover or repay approved regulatory deferral and variance account (regulatory account) balances and, as applicable, rate riders to recover or repay an interim period revenue shortfall or excess. An interim period revenue shortfall or excess arises in instances where a subsequent OEB decision results in a difference between final regulated prices retroactively effective for an interim period and the regulated prices in effect during that period on an interim basis as approved by the OEB. The OEB-authorized regulated prices for electricity generated from the regulated facilities for the period from January 1, 2024 to December 31, 2026 in effect as of the date of this AIF can be found in the section, *Revenue Mechanisms for Regulated and Non-Regulated Generation* under the heading, *Regulated Generation* in the MD&A. The OEB-approved rate base levels, deemed capital structure and prescribed ROE for this period can be found in the section, *Core Business and Outlook* under the heading, *Financial Strength* in the MD&A.

Base Regulated Prices

The base regulated prices in effect beginning January 1, 2022 were established by the payment amounts order issued by the OEB in January 2022, reflecting the OEB's decisions on OPG's 2022-2026 application for new regulated prices issued during the second half of 2021.

Pursuant to *Ontario Regulation 53/05*, the base regulated price for OPG's regulated hydroelectric electricity generation (hydroelectric base regulated price) for the period from January 1, 2022 to December 31, 2026 has been set equal to the 2021 hydroelectric base regulated price. Hydroelectric base regulated prices in effect since 2017 and until December 31, 2021 were determined under an incentive ratemaking methodology, by annually escalating such base regulated prices that had been previously established using a forecast cost-of-service approach, with some adjustments, using an OEB-approved formula equal to an inflation factor based on indices published annually by the OEB, less a stretch factor adjustment.

Since 2017, the base regulated prices for OPG's nuclear electricity generation (nuclear base regulated price) have been set under a custom incentive regulation framework, based on an OEB-approved nuclear revenue requirement and production forecast for each year. The OEB-approved nuclear revenue requirement for each year is based on the OEB-allowed level of operating costs and a return of and on rate base, as reduced by a stretch factor. In accordance with *Ontario Regulation 53/05*, OPG's nuclear revenue requirement is adjusted by the amount of OPG's revenues, net of costs, from leasing the Bruce nuclear generating stations to Bruce Power, such that OPG's resulting revenues reduce the nuclear revenue requirement and OPG's resulting costs increase it. Consistent with the requirements of *Ontario Regulation 53/05* applicable to the Darlington Refurbishment project period, in setting the nuclear base regulated prices effective January 1, 2022, the OEB deferred, in certain years of the 2022-2026 period, a portion of the approved annual nuclear revenue requirements for future collection in the Rate Smoothing Deferral Account. *Ontario Regulation 53/05* requires the OEB to authorize the recovery of the amounts deferred in the Rate Smoothing Deferral Account, together with interest at OPG's cost of long-term borrowing approved by the OEB, on a straight-line basis over a period not to exceed ten years following the end of the Darlington Refurbishment project.

Deferral and Variance Account Rate Riders

Regulatory deferral and variance accounts are typically established by the OEB to capture, for subsequent review and approval, differences between actual costs and revenues and the corresponding forecast amounts approved by the OEB in setting base regulated prices, or to record the impact of items not reflected in the approved base regulated prices. Such accounts generally help to mitigate risks and uncertainties to the regulated entity and its customers. Certain of OPG's regulatory accounts, including those in respect of DNNP LP, are established pursuant to *Ontario Regulation 53/05*. Descriptions of OPG's regulatory accounts can be found in Note 6 of OPG's 2025 audited consolidated financial statements.

The OEB's January 2022 payment amounts order on OPG's 2022-2026 application for new regulated prices approved new rate riders on nuclear and regulated hydroelectric electricity generation, effective January 1, 2022, for disposition of regulatory account balances as at December 31, 2019, less amounts previously approved for recovery of repayment of any such balances through existing rate riders. In June 2024, the OEB issued a decision and order approving a proposed complete settlement on OPG's 2023 application requesting the disposition of regulatory account balances as at December 31, 2022, less amounts previously approved for recovery or repayment of any such balances through existing rate riders, through incremental rate riders on nuclear and regulated hydroelectric electricity generation effective July 1, 2024.

For further details regarding developments related to OPG's regulated prices, refer to the section, *General Development of the Business*, under the heading, *Rate Application Developments – Ontario Energy Board Decisions on OPG's Regulated Prices and Other Matters.*

4.5 WATER RIGHTS

OPG's management of available water resources directly affects the generation output, efficiency and ultimately return on investment for the Company's hydroelectric assets. The watersheds on which OPG's hydroelectric generating facilities are located are shared by many users and are subject to various legislative, contractual and regulatory requirements. Accordingly, OPG must balance a broad range of needs associated with the watersheds when utilizing water to generate electricity.

International Rivers

Six of OPG's hydroelectric generating stations are directly or indirectly supplied by two major international waterbodies, Lake Erie, via the Niagara River and Welland Canal, and the St. Lawrence River, and are subject to treaties between Canada and the United States relating to water use. These stations represent approximately 45 percent of OPG's total in-service hydroelectric generating capacity in Ontario.

Through a series of agreements between the Government of Canada and the Province, and certain federal and provincial laws, OPG has been granted the right to exercise Canada's rights with respect to the construction, maintenance and operation of generating facilities under the *Boundary Waters Treaty of 1909* and the *Niagara Diversion Treaty of 1950* between Canada and the United States. Both of these treaties continue in perpetuity but are terminable by either party with 12 months prior written notice.

The *Niagara Parks Act* (Ontario) gives the Niagara Parks Commission the authority to grant certain rights for the use of the waters of the Niagara River for purposes of power generation. By agreement with OPG, the Niagara Parks Commission has agreed not to grant any such rights to third parties until after 2056.

Under an agreement between OPG and the St. Lawrence Seaway Management Corporation, a Canadian federal agency, the units of the DeCew Falls generating stations in Ontario use water that is transported along the Welland Canal from Lake Erie. The agreement is in effect through June 30, 2038, with rates subject to renewal every five years.

The Province has granted OPG the right to use water from the International Rapids section of the St. Lawrence River for power generation at the R.H. Saunders GS, subject to an agreement between the Government of Canada and the Province. The Government of Canada has the right, upon notice and after unsuccessful arbitration, to take over the operation of and title to the R.H. Saunders GS in the unlikely event of a breach of the agreement by the Province.

Canadian Interprovincial Rivers

Four of OPG's hydroelectric generating stations are located on the Ottawa River, which forms part of the Ontario-Québec border. These stations represent approximately 12 percent of OPG's total in-service hydroelectric generating capacity in Ontario. Three of these stations are subject to 999-year leases with each of the Province of Ontario and the Province of Québec. The fourth station is subject to a waterpower lease with the Province, which is renewable to 2031, subject to certain conditions. OPG's use of water from the Ottawa River basin is subject to principles established by the Ottawa River Regulation Planning Board, comprised of government and industry representatives.

Ontario Interior Rivers

Fifty-six of OPG's hydroelectric generating stations, representing approximately 43 percent of OPG's total in-service hydroelectric generating capacity in Ontario, are located on 20 other Ontario river systems.

OPG holds waterpower leases, Crown leases and licences with the Province on the river systems that supply 37 of the 56 hydroelectric generating stations. These leases and licences have expiry dates, including renewal periods, ranging between 2023 and 2075. Certain of these leases provide that the leased property and any fixed improvements, including generating stations and dams, will revert to the Province on the expiry of the lease. OPG has initiated the process with the Ontario Ministry of Natural Resources (MNR) to secure new leases and licences for the stations with expiring or expired tenures. OPG continues to operate the hydroelectric generating stations during the renewal process. OPG's use of Ontario's interior watersheds is constrained by restrictions contained in certain of the waterpower leases and licences.

Eight of the 56 hydroelectric generating stations are located on the Trent and Rideau Waterways and are operated pursuant to licences from the Government of Canada. These licences with Parks Canada are set to expire in December 2059. Ten of the 56 hydroelectric generating stations are not subject to leases or licences.

The current provincial regulatory framework requires the development of Operational Plans for new storage dams and generating stations in Ontario, except for those on international rivers, interprovincial rivers or rivers under Canadian federal jurisdiction. These plans include any limitations on water flows and elevations and historically have been a component of formal Water Management Plans (WMPs). WMPs were established under the *Lakes and Rivers Improvement Act* (Ontario) (LRIA) and *Water Management Planning Guidelines for Waterpower (2002)*, on a watershed basis, in consultation with the MNR, federal fisheries authorities and stakeholders, such as recreational and commercial users, local communities, environmental groups, and partners, such as Indigenous groups. In 2016, the MNR eliminated the need for WMPs where they were not already in place, removing the expiry date from existing WMPs and outlining the requirements for Operational Plans for new waterpower works going forward. Existing WMPs continue to be in effect. WMPs and Operational Plans may be amended as certain conditions change or new data becomes available. OPG operates in compliance with WMPs and Operational Plans.

The operations of certain OPG stations in northwestern Ontario can impact users in Manitoba and are subject to directions provided by the Lake of the Woods Control Board, which is comprised of Province of Ontario, Province of Manitoba and Government of Canada representatives.

Ontario Dams

OPG's Safe Operations Policy stipulates that OPG dams are designed, constructed, operated and maintained in a manner that meets all applicable dam safety legislation and regulatory requirements and takes into consideration best practices as recommended in guidelines published by the Canadian Dam Association as well as other appropriate national and international risk management practices. In Canada, all non-federally owned dams fall under provincial jurisdiction, with the exception of dams situated in interprovincial and international boundary waters and canals. The majority of OPG's dams located in Ontario fall within the jurisdiction of the Province, with 18 dams falling within the jurisdiction of the Province of Québec and 13 dams associated with the Trent-Severn and Rideau Waterways falling under federal jurisdiction administered by Parks Canada. In addition, the International Joint Commission established under the *Boundary Waters Treaty of 1909* has an oversight role for dams and associated works on international boundary waters, including the St. Lawrence River and the Niagara River.

The Province regulates dams under the LRIA, administered by the MNR. The legislation requires MNR approval for activities such as the construction, alteration, improvement or repair of dams. In 2011, the MNR published a revised set of Technical Guidelines for dams, following a period of public consultation. The Technical Guidelines represent the current government standards for dam safety. OPG practices in the area of dam safety and public safety around dams are aligned with the requirements outlined in the Technical Guidelines.

The LRIA regulations and the Technical Guidelines allow the MNR to enter into an agreement with a dam owner related to the application of the Technical Guidelines. In 2019, OPG entered into such an agreement with the MNR which includes provisions allowing OPG to apply more modern methods of analysis than those currently prescribed in provincial standards. These more up to date methods are expected to provide more accurate results that better align with the intent of the Technical Guidelines for dam classifications and improve capital allocations associated with dam upgrades.

The Québec Ministry of Environment, the Fight Against Climate Change, Wildlife and Parks is responsible for the *Quebec Dam Safety Act (2002) and Regulations*. The legislation covers OPG's dams on the Ottawa River and, in addition to routine requirements for dam surveillance and emergency management, prescribes specific reporting requirements to the Ministry related to periodic dam safety reviews. OPG's last such formal submission was made in December 2024, with the next submission required by 2033.

Parks Canada published their guidance document related to dam safety, Directive for Dam Safety Program of Parks Canada Dams and Water Retaining Structures, in 2009. This directive, which closely aligns with the Canadian Dam Association guidelines, applies to OPG's dams located on federal waterways administered by Parks Canada. OPG ensures its dam safety practices are fully consistent with these requirements.

Currently, there is no federal or provincial regulation with respect to public safety around dams that specifically addresses safety issues relating to changes in operating water levels, discharges from the hydroelectric or dam facilities and other waterways-based hazards posed by such facilities. The Canadian Navigable Waters Act (Canada) requires OPG to obtain approvals for the installation of all in-water works, such as safety booms associated with the Company's waterways public safety program.

4.6 BUSINESS OPERATIONS

4.6.1 Nuclear Generation

Overview of Nuclear Generating Facilities

OPG owns and operates two nuclear generating stations, the results of which are reported in the Regulated – Nuclear Generation business segment. The following were the two nuclear generating stations OPG owned and operated as at December 31, 2025:

Generating Station	Location	Operating Units	In-Service Capacity (MW)
Darlington [1]	Clarington, Ontario	3	2,634
Pickering [2]	Pickering, Ontario	4	2,064

[1] As at December 31, 2025, the Darlington GS comprised three operating units, Unit 1, Unit 2 and Unit 3, and one unit, Unit 4, which has been undergoing refurbishment since July 2023. Prior to the refurbishment, all four units had been in service since the early 1990s. Each unit has a generating capacity of 878 MW.

[2] As at December 31, 2025, the Pickering GS comprised: four operating units, Units 5 to 8; two permanently shutdown units, Unit 2 and Unit 3, in a safe storage state; and two permanently shutdown units, Unit 1 and Unit 4, being placed in a safe storage state following permanent shutdown in 2024. Units 5 to 8 have been in service since the mid-1980s. The Pickering GS is expected to be taken offline in September 2026 in preparation for the refurbishment of Units 5 to 8.

Both the Darlington and Pickering nuclear generating stations have been designed to operate at full power as baseload generating facilities. The generating performance of OPG's nuclear generating stations is expressed using the Unit Capability Rate (UCR), which measures the amount of energy a generating unit is capable of producing expressed as a percentage of its maximum output, adjusted for planned energy losses, assuming no external constraints such as transmission limitations. Unit Capability Rate results for the Darlington and Pickering nuclear generating stations are discussed in the section, *Discussion of Operating Results by Business Segment* under the heading, *Regulated – Nuclear Generation Segment* in the MD&A. Unit Capability Rate has replaced the previously used measure of Unit Capability Factor (UCF). Unlike UCF, UCR adjusts for the impact of planned outages by eliminating the planned energy losses. For the reasons discussed in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures* in the MD&A, OPG believes that this approach provides a clearer view of a unit's underlying reliability and operational performance. There are currently no regulatory accounts in place that mitigate the impact of generation performance of the nuclear generating stations on OPG's revenue from the nuclear base regulated prices.

Through DNNP LP, OPG is advancing the DNNP with the goal of constructing Canada's first grid-scale SMR in Clarington, Ontario, adjacent to the Darlington GS, using the BWRX-300 reactor plant technology. OPG also continues to advance planning and licensing activities for three such additional SMRs at the DNNP site, which would bring the DNNP's expected total generating capacity to approximately 1,200 MW. The construction of the three additional SMRs at the DNNP site is subject to the Province and regulatory approvals.

For additional information on OPG's nuclear operations, refer to the section, *Core Business and Outlook* under the heading, *Operational Excellence – Electricity Generation Production and Reliability* in the MD&A. Further details on the DNNP can be found in the section, *General Development of the Business* under the heading, *Nuclear Business Developments*.

Nuclear Generation Technology

Nuclear generation harnesses the energy released during controlled nuclear fission reactions to produce steam that is used to drive turbines to generate electricity. Nuclear generation has two main advantages. It is a relatively low marginal-cost generation technology, and it produces virtually no greenhouse gas (GHG), sulphur dioxide, nitrogen oxide or mercury emissions. The latter advantage has become more significant as governments implement climate change policies and stricter air emission standards.

Notwithstanding the lower fuel costs, in contrast to other types of generating facilities, nuclear generating stations incur nuclear waste management and decommissioning costs and greater operations and maintenance expenses. In addition, the construction of nuclear generating stations entails greater initial capital costs than other generation technologies. The higher initial costs reflect the complexity of the technical processes fundamental to nuclear electricity generation, and the additional design and safety precautions taken to protect the public from potential risks associated with nuclear operations.

All of OPG's operating nuclear generating stations use Canada Deuterium Uranium (CANDU) technology reactors. CANDU is a pressurized-heavy-water, natural-uranium power reactor, originally designed in the 1960s by a consortium of Canadian government agencies and private industry. CANDU reactors are unique in their use of natural-uranium fuel and deuterium oxide, or heavy water, as both a moderator necessary to create the conditions for the nuclear fission process and a coolant within the reactor. The refuelling system is also unique in that CANDU reactors can be refueled at full power. This is due to the subdivision of the reactor core into hundreds of separate fuel channels, each holding several natural uranium fuel bundles, allowing for greater fuel efficiency.

There are currently no heavy water plants in Canada. OPG believes that its existing inventory of heavy water will be sufficient to replenish supplies as a result of normal operating losses at its existing nuclear generating stations, taking into account post-refurbishment operations at the Darlington GS and Units 5 to 8 of the Pickering GS.

The BWRX-300 is an approximately 300 MW SMR designed by GE Hitachi Nuclear Energy based on existing boiling water reactor (BWR) technology, using ordinary water as both a moderator necessary to create the conditions for the nuclear fission process and a coolant within the reactor. The design is intended to simplify construction by using modular engineered components, which can shorten construction times and reduce costs, and to promote simplified safe operational processes. The BWRX-300 features natural circulation to move coolant through the reactor core and a passive cooling system that can remove heat without external power or external water supply for extended periods of time. It also incorporates proven BWR components and existing supply chains.

Nuclear Fuel Procurement

OPG's nuclear fuel supply chain for CANDU reactors involves the purchase of uranium concentrate, services for the conversion of uranium concentrate into uranium dioxide and services for the manufacture of nuclear fuel bundles containing uranium dioxide pellets. OPG currently establishes contractual arrangements with each of these distinct components separately and, as appropriate, maintains ownership of the uranium throughout the supply chain. OPG maintains a portfolio of multi-year supply contracts for uranium concentrate with domestic and foreign suppliers as well as uranium commodity traders. Services for the conversion of uranium concentrate into uranium dioxide and nuclear fuel bundles are provided by Canadian-based suppliers.

OPG's nuclear fuel supply chain for the BWRX-300 SMRs involves the purchase of uranium concentrates and/or natural uranium hexafluoride (UF6), UF6 conversion services, uranium enrichment services, and services for UF6 deconversion and manufacture of nuclear fuel assemblies containing enriched uranium dioxide pellets. OPG has established contractual arrangements for these materials and services to support certain initial fuel-cycle requirements as well as certain long-term fuel cycle requirements for the DNNP SMRs. The Company is also in the process of establishing additional long-term contracts for these materials and services while, as appropriate, maintaining ownership of the materials throughout the supply chain. Materials and services for the BWRX-300 SMR nuclear fuel supply chain will be provided by Canadian-based and certain international suppliers.

Nuclear Regulation

The *Nuclear Safety and Control Act* (NSCA) establishes the mandate and authority of the CNSC to make regulations governing all aspects of the development and application of nuclear energy in Canada. The NSCA grants the CNSC the power to act as a court of record, the right to make regulations, the power to require financial guarantees for nuclear waste management and nuclear facilities decommissioning as a condition of granting a licence, order-making powers and the power to impose monetary penalties for licence infractions. The NSCA also grants the CNSC the power to require periodic re-certification of nuclear operators and to set requirements for various nuclear facility security measures. It also provides for regulatory authority over environmental matters, including a requirement that licence applicants make adequate provision for the protection of the environment. The NSCA grants the CNSC licensing authority for all nuclear activities in Canada, including but not limited to the issuance of new licences to operators, the renewal of existing licences, the protection of the environment arising from nuclear activities and making regulations related to nuclear activities.

A fundamental principle in nuclear regulation is that the licensee bears the responsibility for safe operation, with the CNSC setting safety objectives in areas such as radiation protection and physical security for nuclear generating stations and the transport of radioactive materials. The CNSC verifies compliance with the licence and performs audits and inspections of the licensee’s performance against these objectives. The CNSC issues regulatory documents to assist licensees in complying with regulatory requirements. Requirements specified in these regulatory documents have been incorporated into the design and operating documents for OPG’s nuclear generating stations.

Since the operation and regulation of nuclear energy has transboundary impacts, Canada is a signatory to various international conventions relating to nuclear energy and emergency responses and is bound by conventions that it has ratified. In addition, the CNSC has a bilateral information exchange and co-operation agreement with US Nuclear Regulatory Commission, which provides, among other things, for the prompt, reciprocal notification of reactor safety problems that could affect both US and Canadian nuclear generating facilities.

All of OPG's nuclear power reactor operating licences and waste facility operating licences are current and up to date. Current licences have been granted by the CNSC and are in effect for the following facilities:

Facility	Licence Type	Date Issued	Expiry Date
Western Waste Management Facility [1]	Operating	June 1, 2017	May 31, 2027
Pickering Nuclear Generating Station [2]	Operating	September 1, 2018	August 31, 2028
Pickering Waste Management Facility	Operating	September 1, 2018	August 31, 2028
Darlington New Nuclear Project	Site Preparation	October 12, 2021	October 11, 2031
Darlington Waste Management Facility	Operating	May 1, 2023	April 30, 2033
Darlington New Nuclear Project [3]	Construction	April 4, 2025	March 31, 2035
Darlington Nuclear Generating Station [4]	Operating	September 25, 2025	November 30, 2045

[1] The Western Waste Management Facility is located at the Bruce nuclear generating stations’ site. In December 2025, OPG submitted an application to renew the operating licence for the Western Waste Management Facility for a period of 10 years.

[2] In June 2025, OPG submitted an application to renew the operating licence for the Pickering GS for a period of 10 years, inclusive of the planned refurbishment activities for Units 5 to 8. The two-part public hearing is scheduled to be held by the CNSC in June 2026 and October 2026.

[3] In April 2025, the CNSC announced its decision to issue a power reactor construction licence to OPG, authorizing the construction of one SMR at the DNNP site. Construction of additional SMRs and operation of any new nuclear reactors at the DNNP site is subject to the CNSC’s regulatory approval through a separate future application and licensing process, including public participation.

[4] In September 2025, following two-part public hearing held in March 2025 and June 2025, the CNSC renewed OPG’s power reactor operating licence for the Darlington GS for a 20-year period.

Further details on the operating licence for the Pickering GS and OPG’s continued operation plan for the station are discussed in the section, *General Development of the Business* under the heading, *Nuclear Business Developments – Continued Operation Plan for Pickering Nuclear Generating Station and Pickering Refurbishment Project*. Further details on the power reactor construction licence for one SMR at the DNNP site and the DNNP are discussed in the section, *General Development of the Business* under the heading, *Nuclear Business Developments*.

The CNSC issues an annual report on the regulatory oversight and safety performance for nuclear power generating sites. The report assesses how well licensees are meeting regulatory requirements and program expectations in areas such as human performance, radiation and environmental protection, and emergency management and fire protection at Canada's nuclear power plants and waste management facilities. Based on such most recent assessment, conducted for the 2024 year, the CNSC staff determined that all 14 Safety and Control Areas for the Darlington GS, Pickering GS, and the Darlington, Pickering and Western waste management facilities met CNSC staff's expectations.

On June 6, 2023, the Federal Court of Canada (Federal Court) endorsed the CNSC's move to require pre-placement and random alcohol and drug testing of workers in safety-critical positions, as mandated by the CNSC's approved regulatory document REGDOC 2.2.4 – Fitness for Duty, Vol. II: Managing Alcohol and Drug Use (version 3) (REGDOC 2.2.4) for use at Canadian high-security nuclear sites in November 2020. The requirements outlined in REGDOC 2.2.4 ensure that Canada is in line with the international best practices for the operation of high-security nuclear facilities. On July 11, 2023, the Power Workers' Union (PWU) and the Society of United Professionals (Society) filed a motion to appeal the Federal Court's June 6, 2023 decision, and a motion to stay the implementation of the pre-placement and random alcohol and drug testing regimes, pending the outcome of the appeal. On October 27, 2023, the stay motion was granted, and all licensees were restricted from implementing such testing pending the final disposition of the appeal, which was heard in January 2024. On November 6, 2024, the Federal Court of Appeal upheld the Federal Court's June 6, 2023 ruling. On May 29, 2025, after the unions sought to appeal the matter before the Supreme Court of Canada, a decision was received dismissing the unions' application for leave, ending the legal review process regarding the validity of pre-placement and random alcohol and drug testing provisions of REGDOC 2.2.4. Effective November 1, 2025, OPG has implemented these provisions in accordance with the CNSC's direction.

Details on Canada's nuclear liability regime and related insurance coverage can be found under the heading, *Insurance*.

Nuclear Generating Station Life

Service life predictions for OPG-operated nuclear generating stations are developed by assessing the impacts of a number of operating, technical and regulatory considerations on both unit and station economics. A decision by OPG to remove a unit from service would be primarily an economic decision that becomes more likely as the number of components requiring replacement and the frequency and duration of inspections required to ensure a unit's fitness for service increases. The key life-limiting components at OPG's operating nuclear generating stations include fuel channels, feeder tubes, steam generators (SG) and other reactor components. End-of-service life predictions are reviewed as new information on possible degradation mechanisms becomes available and as future generation expectations are revised.

In 2023, OPG completed an updated feasibility assessment for refurbishing Units 5 to 8 of the Pickering GS as requested by the Province. Following OPG's submission of the feasibility assessment as approved by OPG's Board of Directors (Board) in August 2023, the Province announced its support for OPG proceeding with next steps toward refurbishing Units 5 to 8 of the Pickering GS in January 2024. Taking into account these developments, OPG revised the accounting end-of-life assumptions for Units 5 to 8 of the Pickering GS from 2024 to 2070, effective December 31, 2023. Further details can be found in the section, *General Development of the Business* under the heading, *Nuclear Business Developments – Continued Operation Plan for Pickering Nuclear Generating Station and Pickering Refurbishment Project*.

Nuclear Facility Planning

OPG uses a structured approach to identify and prioritize projects to optimize returns from nuclear generating station reinvestment within the constraints imposed by technical and financial requirements, while ensuring that safety, environmental and other regulatory programs are of the highest priority. Input from predictive maintenance programs, life cycle management plans and system health monitoring is used to determine the activities necessary to sustain and improve nuclear unit performance. OPG seeks to prioritize and optimize maintenance and project activities across the nuclear generating fleet by leveraging advancements in monitoring and diagnostic tools to enhance asset condition assessments.

A structured framework modeled on the best practices identified by the Electric Power Research Institute, the Institute of Nuclear Power Operations and the World Association of Nuclear Operators (WANO) is used to optimize the maintenance of the nuclear generating stations and assess the health of the facilities. The structured framework includes predictive maintenance programs, which combine technologies and human expertise to analyze equipment performance, maintenance and design data in order to make timely decisions about the scope and timing of inspections and maintenance for major or critical equipment. The predictive maintenance program for each station is prioritized on the basis of the importance of the equipment for reactor safety. Life cycle management plans are maintained for critical station components and are updated annually to incorporate operating experience and new information. The life cycle plans define the inspection and maintenance programs required to ensure that these components perform in accordance with their design basis. In addition, system engineers conduct performance monitoring of station systems according to system performance monitoring plans that are based on a comparison of performance indicators against established targets to improve system performance. System performance is assessed by collecting, trending and analyzing station data. This information is reported in system health reports which are updated annually, at a minimum.

OPG's practices impacting the performance of its operating nuclear generating stations are reviewed regularly by WANO, with identified areas for improvement acted upon with priority. Through the WANO continuous monitoring process, both the Pickering GS and Darlington GS are currently recognized as performing at the highest levels of operational safety and reliability. Darlington GS has received this recognition for last 15 years. OPG is committed to continuous improvement and operation of its nuclear generating stations to such highest levels of performance.

Nuclear planned outages are necessary to execute inspection and maintenance work related to asset management and regulatory requirements for systems and equipment where access is not possible under normal operating conditions. Planned outages also provide OPG an opportunity to perform system and equipment upgrades, project work, configuration changes and other improvements and modifications. The nuclear generation plan, by reference to the station's life cycle management plans, establishes the number, frequency and duration of the outages for each year required to ensure the continued safe and reliable long-term operation of a plant and its compliance with CNSC regulatory requirements.

The outage cycle determines the typical number of planned outages at each nuclear generating station in a particular year. The Darlington GS is on a 36-month outage cycle, where each of the four units typically undergoes an outage every three years, resulting in one or two outages per year for the station. The Pickering GS has been on a 30-month outage cycle. Additionally, there are inspection and maintenance activities on the station vacuum building, containment systems and other safety systems mandated by CNSC licence requirements to be performed every 10 to 12 years, which typically require all units at each station to be shut down for the duration of this work.

Nuclear Ancillary Operations

Detritiation Services

Tritium is a radioactive substance produced as a by-product of operating CANDU reactors, through the use of heavy water in the reactor moderator and heat transport systems. OPG operates a specialized facility at its Darlington site, the Darlington Tritium Removal Facility (TRF), which removes tritium from the tritiated heavy water (detritiation) used at the nuclear generating stations, in order to control the occupational dose exposure to employees and limit the amount of tritium released to the environment. The extracted tritium is chemically immobilized, placed in special containers, and safely stored in a vault. The Darlington TRF is also expected to be used to detritiate heavy water during the eventual decommissioning of OPG's nuclear generating stations. Tritium is sold to regulatory-approved organizations for commercial and health industry uses. OPG also provides detritiation services to Bruce Power.

Medical Isotopes

Cobalt-60 (Co-60) isotopes are produced by OPG at certain units of its nuclear generating stations, mainly for use in the health industry to sterilize surgical and medical supplies. Cobalt-60 is currently produced in Units 6, 7 and 8 of the Pickering GS and as of late 2024, Unit 1 of the Darlington GS. The Co-60 production process involves replacing existing stainless steel adjuster rods with rods containing Cobalt-59. Cobalt-59 is isotopically converted into Co-60 after lengthy exposure to the atomic reaction in the reactor core. During planned maintenance outages, the rods are removed, cut, and packaged for sale as Co-60, and new rods are inserted in the reactor to continue the production cycle. Adjuster rods are a component of the reactor regulating system used to control the reactivity in the reactor core and the reactor's power output.

In 2023, OPG and Nordion (Canada) Inc. finalized a commercial agreement for the future sale of the Co-60 isotope from the Darlington GS. In June 2024, the CNSC announced its decision to amend the power reactor operating licence for the Darlington GS to authorize the production of the Co-60 radioisotope. The first harvest of the Co-60 isotope at the Darlington GS is expected by 2028.

In 2023, Laurentis Energy Partners (LEP), a subsidiary of OPG, completed the installation and commissioning of the isotope Target Delivery System (TDS) at Darlington GS, in partnership with BWXT Medical Ltd, a subsidiary of BWX Technologies, Inc. LEP will initially use the TDS to supply molybdenum-99 (Mo-99) to BWXT Medical Ltd. Molybdenum-99 is a parent isotope of technetium-99, which is used for skeletal, brain and organ imaging in order to help diagnose such diseases as heart disease and cancer. Due to the unique design of the CANDU reactors, isotopes such as Mo-99 can be removed while the reactor is online, without interrupting the station's generation of electricity. Additionally, LEP has an agreement with Boston Scientific Corporation to produce yttrium-90 (Y-90) using the existing TDS for use in TheraSphere™ Y-90 Glass Microspheres. Yttrium-90 is used to deliver targeted radiation therapy in the treatment of liver cancer. In May 2025, the CNSC announced its decision to amend the power reactor operating licence for the Darlington GS to authorize LEP to produce Y-90 and lutetium-177 (Lu-177) isotopes using the existing TDS. Lutetium-177 is used to deliver targeted radionuclide therapy for treating rare tumors and prostate cancer.

LEP produces high-purity helium-3, a rare isotope used in quantum computing, neutron research, border security and medical imaging, from tritium stored at the Darlington GS. Helium-3 is a non-radioactive, stable gas and is extracted and purified from the tritium containers at the Darlington GS using custom-designed equipment.

Bruce Power Refurbishment and Bruce Lease Agreement

OPG leases the four-unit Bruce A (Units 1 to 4) and the four-unit Bruce B (Units 5 to 8) nuclear generating stations and associated lands and facilities to Bruce Power on a long-term basis (Bruce site). The stations are located in the Municipality of Kincardine, Ontario on the shore of Lake Huron. Unit 1 and Unit 2 of the Bruce A GS were refurbished by Bruce Power under a refurbishment agreement with the IESO and returned to service in 2012. Under an updated refurbishment agreement between the IESO and Bruce Power announced in December 2015, Bruce Power is proceeding with the MCR program for the remaining un-refurbished units of the Bruce nuclear generating stations. To facilitate the MCR program, the lease agreement between Bruce Power and OPG (Bruce Lease) and related agreements were amended to extend Bruce Power's future options to renew the lease up to the end of 2064.

While Bruce Power is responsible for operating all of the leased units, OPG is responsible for the management of the used nuclear fuel and low and intermediate level irradiated waste (known as low and intermediate level waste or L&ILW) associated with the Bruce nuclear generating facilities, as well as the decommissioning of the facilities at the Bruce nuclear generating stations' site. OPG's life cycle costs to perform these obligations are recovered from Bruce Power through annual rent payments and volumetric fees for nuclear waste management under the Bruce Lease and related agreements. Pursuant to the lease agreement, Bruce Power must return the two Bruce nuclear generating stations to OPG together, in a defueled and de-watered state. OPG also receives fees from Bruce Power for heavy water detritiation and certain other services.

Any L&ILW resulting from the refurbishment of the Bruce nuclear generating units that is determined to be non-routine per the existing waste management contract between Bruce Power and OPG requires an additional agreement to compensate OPG for managing these materials. In 2018, OPG and Bruce Power executed a supplemental agreement to enable OPG to recover costs associated with the receipt, storage and disposal of non-routine steam generator and re-tube waste relating to the Unit 6 MCR at the Bruce B GS. In 2024, OPG and Bruce Power executed similar supplemental agreements relating to the Unit 3 and Unit 4 MCRs at the Bruce A GS, and in 2025, the Unit 5 MCR at the Bruce B GS.

Pursuant to a Memorandum of Understanding (MOU) of November 2015, OPG and Bruce Power have committed to ongoing collaboration to improve their respective nuclear refurbishment programs. Focus areas for collaboration include asset management and inspection programs, procurement, tooling, waste management and labour arrangements.

In 2023, the Province announced that Bruce Power would start pre-development work to site up to 4,800 MW of new nuclear generation on the Bruce site. OPG, as the owner of the site, subsequently provided its written concurrence to Bruce Power to commence pre-development planning site work in 2023.

4.6.2 Renewable Generation

Overview of Hydroelectric Generating Facilities

Hydroelectric generating stations use the energy of falling water to drive hydraulic turbines that generate electricity, a reliable, low-cost source of renewable energy. Electricity generation from OPG's hydroelectric facilities depends primarily upon the availability of water, which is affected largely by natural factors such as precipitation and evaporation. It is also impacted by the prevalence of SBG conditions. OPG's hydroelectric stations operate as baseload, intermediate or peaking stations, depending on their physical characteristics and hydrological conditions. The financial impact of SBG conditions and variability in water flows on the rate regulated hydroelectric generating stations in Ontario is mitigated by OEB-authorized regulatory accounts.

OPG currently owns and operates 66 hydroelectric generating stations and 239 associated dams located on 24 river systems across Ontario. The operating results of 54 of these stations that are rate regulated by the OEB are reported in the Regulated – Hydroelectric Generation business segment. The operating results of the remaining 12 non-regulated hydroelectric stations in Ontario are subject to ESAs with the IESO and are reported in the Contracted Hydroelectric and Other Generation business segment.

As at December 31, 2025, OPG's regulated hydroelectric facilities in Ontario had a total in-service generating capacity of 6,572 MW and the non-regulated hydroelectric facilities in Ontario had a total in-service generating capacity of 1,058 MW. Regular maintenance and the replacement of specific components typically allow hydroelectric stations to operate for very long periods of time, with OPG's hydroelectric stations in Ontario ranging in age up to approximately 125 years old. Certain hydroelectric stations have shared operations with other hydroelectric operators, including the R.H. Saunders and Chats Falls generating stations, which operate under joint operating agreements with the New York Power Authority and Hydro-Québec, respectively.

Hydroelectric ESAs with 50-year terms are in place for the following hydroelectric facilities in Ontario:

Generating Facility	Expiry Date
Lac Seul and Ear Falls generating stations	February 2059
Healey Falls GS	April 2060
Sandy Falls, Wawaitin, Lower Sturgeon and Hound Chute generating stations	December 2060
Little Long, Harmon, Smoky Falls and Kipling generating stations [1]	January 2064
Peter Sutherland Sr. GS	March 2067

[1] These facilities are also known as the Lower Mattagami generating stations.

The generating performance of OPG's hydroelectric generating stations in Ontario is expressed using plant availability. Hydroelectric availability is represented by the percentage of time the generating unit is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, weighted by unit capacity. Hydroelectric plant availability results for the Regulated – Hydroelectric Generation and the Contracted Hydroelectric and Other Generation business segments are discussed in the section, *Discussion of Operating Results by Business Segment* under the headings, *Regulated – Hydroelectric Generation Segment* and *Contracted Hydroelectric and Other Generation Segment*, respectively, in the MD&A.

OPG operates and maintains hydroelectric facilities in regional operations groups. The hydroelectric generating stations in Ontario operated and maintained by each of the three regional operations groups, the Western Region, the Niagara Region, and the Eastern Region, as at December 31, 2025 were as follows:

Region	River System	Generating Stations		In-Service Capacity (MW)
Eastern	Abitibi River	• Abitibi Canyon	• Otter Rapids	4,430
	Madawaska River	• Arnprior • Barrett Chute • Calabogie	• Mountain Chute • Stewartville	
	Matabitchuan River	• Matabitchuan		
	Mattagami River	• Harmon * • Kipling * • Little Long * • Lower Sturgeon *	• Sandy Falls * • Smoky Falls * • Wawaitin *	
	Montreal River	• Chute • Hound Chute *	• Lower Notch	
	New Post Creek	• Peter Sutherland Sr. *		
	Ottawa River	• Chats Falls • Chenaux	• Des Joachims • Otto Holden	
	South River	• Bingham Chute • Elliot Chute	• Nipissing	
	St. Lawrence River	• R.H. Saunders		
	Sturgeon River	• Crystal Falls		
	Wanapitei River	• Coniston • McVittie	• Stinson	
Niagara	Niagara River	• Sir Adam Beck I • Sir Adam Beck II	• Sir Adam Beck Pump	2,398
	Welland River	• DeCew I	• DeCew II	
Western	Aguasabon River	• Aguasabon		802
	Beaver River	• Eugenia		
	English River	• Caribou Falls • Ear Falls *	• Lac Seul * • Manitou Falls	
	Kamanistikquia River	• Kakabeka Falls	• Silver Falls	
	Mississippi River	• High Falls		
	Muskoka River	• Big Eddy • Hanna Chute • Ragged Rapids	• South Falls • Trethewey Falls	
	Nipigon River	• Alexander • Cameron Falls	• Pine Portage	
	Rideau River	• Merrickville		
	Severn River	• Big Chute		
	Trent River	• Auburn • Frankford • Hagues Reach • Healey Falls * • Lakefield	• Meyersburg • Ranney Falls • Seymour • Sidney • Sills Island	
	Winnipeg River	• Whitedog Falls		

* Operates under an ESA.

Through Eagle Creek, OPG wholly or jointly owned and operated 85 hydroelectric generating stations and 89 dams located on 49 river systems throughout the United States, prior to the sale of Eagle Creek on January 9, 2026. The results of these operations were reported in the Contracted Hydroelectric and Other Generation business segment. Effective January 9, 2026, the Company no longer has electricity generation operations or facilities in the United States. Further details on the transaction can be found in the section, *General Developments of the Business* under the heading, *Acquisition and Divestiture Developments*.

For additional information on OPG's hydroelectric operations, refer to the section, *Core Business and Outlook* under the heading, *Operational Excellence – Electricity Generation Production and Reliability* in the MD&A.

<u>Hydroelectric Facility Planning</u>

Major components of hydroelectric facilities typically include: generating equipment such as turbines, generators and transformers; civil works such as powerhouses, dams, headworks, spillways and water conveyance canals and tunnels; and facilities required to operate and maintain the stations such as control centres and work centres. Although there is a link between the age of a facility and the capital investment required to maintain it, age does not generally establish an overall upper limit on the expected useful life of a hydroelectric generating station. Regular maintenance, overhaul refurbishment or replacement of components typically allow stations to operate for very long periods.

OPG continues to progress on an ongoing turbine-generator refurbishment program for its hydroelectric generating units across Ontario. This program will ensure continued reliable operations of the Company's hydroelectric fleet to deliver decades of renewable electricity and help meet the province's energy needs. Further details on the refurbishment of hydroelectric generating stations can be found in the section, *General Development of the Business* under the heading, *Renewable Generation Business Developments – Refurbishment of Hydroelectric Generating Stations.*

OPG currently operates five staffed control centres across Ontario that provide remote control and monitoring for all of the Company's hydroelectric generating facilities. These remote control centres are designed to minimize the number of staffed control rooms throughout the province, reduce control system failures and increase the amount of information available for production planning.

OPG uses a structured portfolio approach to identify and prioritize projects for its hydroelectric asset investment programs. Engineering reviews and asset condition assessments are performed as appropriate to determine near-term and long-term expenditure requirements to sustain or improve station performance and longevity. This approach is designed to identify necessary capital, operating and maintenance expenditures for specific facilities and to direct resources towards those facilities that can best maintain or enhance their value.

OPG's maintenance programs include a preventive maintenance program to identify, schedule and execute maintenance activities at the hydroelectric facilities. The preventative maintenance program is based on the concept of streamlined reliability-centred maintenance, whereby the type and frequency of maintenance applied to an individual component is determined based on the nature and consequences of failure, balancing cost and risk. OPG continuously seeks to enhance equipment reliability monitoring, reporting and management to support the maintenance program based on the condition of the facilities.

The cornerstone of OPG's project prioritization and maintenance approaches for the hydroelectric assets is that safety, environmental and other regulatory programs are of the highest priority.

<u>Water Management</u>

OPG's water management strategy for its hydroelectric facilities is to safely utilize available water for generation of electricity in conformance with applicable legal, environmental, operational and regulatory requirements. OPG uses hydrological and meteorological data to manage water levels, water flows and water storage, and seeks to schedule water use for optimum utilization and, in Ontario, with consideration to the IESO's need to respond to SBG conditions.

Gross Revenue Charge and Water Rental Payments

Hydroelectric generating stations in Ontario are subject to taxes and charges as prescribed by *Ontario Regulation 124/02* under the *Electricity Act, 1998*. These taxes and charges, referred to as Gross Revenue Charge (GRC), are based on station gross revenue (Gross Revenue), which, for this purpose, is determined as the product of annual station energy generation and the prescribed revenue rate of $40 per MWh. All OPG hydroelectric generating stations in Ontario are subject to GRC Property Tax, which is determined by applying graduated tax rates, ranging from 2.5 percent to 26.5 percent through four tiers of production, to a station's annual Gross Revenue. GRC Property Tax payments are made to the Ontario Electricity Financial Corporation (OEFC), an agency of the Province. Hydroelectric generating stations that are subject to waterpower lease agreements with the MNR are additionally subject to GRC Water Rental payments. The GRC Water Rental charge is determined as 9.5 percent of a station's annual Gross Revenue. GRC Water Rental payments are made to the Ontario Ministry of Finance.

Annual land rental fees are paid to the MNR as prescribed by Crown leases and licences of occupation which authorize OPG's tenure (including flooding rights), typically at storage dam sites.

The eight OPG hydroelectric generating stations located on the Trent River and Rideau Canal are subject to rental charges prescribed by licences with Parks Canada. These licences authorize OPG to occupy the lands, maintain and operate the powerhouses and dams and utilize water that is surplus to navigation needs for the generation of electricity.

Water conveyance charges are paid to the St. Lawrence Seaway Management Corporation as prescribed by a long-term lease agreement providing for the withdrawal of water surplus to navigation needs from the Welland Canal for utilization at the DeCew Falls generating stations. The water conveyance charges apply to the transport of water from Lake Erie through the Welland Canal to OPG's intakes in Allanburg, Ontario. A shorter term rate agreement under this lease requires renewal every five years. The most recent rate agreement has expired, and renewal negotiations are ongoing.

Water rental payments are made to the Government of Québec, as prescribed by an agreement ratified by the Province of Ontario and Province of Québec pertaining to the sharing of the water powers of the Ottawa River. Water rental charges payable to the Government of Québec and the GRC payments are each based on one-half of the energy produced at three regulated OPG hydroelectric generating stations located on the Ottawa River. The current rate amending agreement is in effect until 2043. Under the agreement, OPG also provides compensation to Hydro-Québec for the generating value at OPG's hydroelectric stations on the Ottawa River attributed to the water diverted into the Ottawa River through the Dozois Reservoir in Québec. OPG shares in the operation and maintenance costs of the dam enabling the Dozois diversion.

The GRC and water rental payments for the regulated hydroelectric stations are recoverable through OEB-approved regulated prices applicable to these stations.

Further details on water rights can be found under the heading, *Water Rights*.

Overview of Nanticoke Solar Facility

Solar generating facilities collect and convert the sun's emitted light into electricity. OPG owned and operated one solar facility, in Ontario, as at December 31, 2025:

Generating Facility	Location	In-Service Capacity (MW)
Nanticoke	Nanticoke, Ontario	44

The Nanticoke solar facility was placed in service in 2019 and operates under a Large Renewable Procurement I (LRP I) contract with the IESO through Nanticoke Solar LP (NSLP). It is located at OPG's Nanticoke site which formerly hosted a coal-fired generating station and adjacent lands. The LRP I contract for the facility expires in March 2039. NSLP is a partnership between OPG, the Six Nations of Grand River and the Mississaugas of the Credit First Nation. The facility is operated and maintained under OPG's Niagara Region operations group. The results of the Nanticoke solar facility are reported in the Contracted Hydroelectric and Other Generation business segment.

4.6.3 Thermal Generation

Overview of Thermal Generating Facilities

OPG's thermal generating facilities were comprised of the following as at December 31, 2025:

Generating Station	Location	Fuel Type	In-Service Capacity (MW)	Contract Expiry Date
Portlands Energy Centre [1, 2]	Toronto, Ontario	Natural Gas	562	April 2029
Atikokan	Atikokan, Ontario	Biomass	180	July 2029
Lennox [3]	Greater Napanee, Ontario	Oil or Natural Gas	2,100	April 2034
Brighton Beach [4]	Windsor, Ontario	Natural Gas	570	July 2034
Halton Hills	Halton Hills, Ontario	Natural Gas	711	April 2035
Napanee	Greater Napanee, Ontario	Natural Gas	900	March 2040

1 The ESA includes an option for Atura Power or the IESO to exercise, in 2028, an extension of the contract expiry by five years under certain conditions.

2 In-service generating capacity shown excludes upgrade capacity totalling 50 MW awarded by the IESO in 2023. The upgrade is expected to be placed in service in 2026.

3 In May 2025, OPG secured a new five-year agreement for the facility with the IESO. The existing ESA will remain in place until April 2029, at which time the new ESA expiring in April 2034 will take effect.

4 In-service generating capacity shown excludes the contractual average upgrade capacity of 42.5 MW that was placed in service in and became effective January 2026.

These stations, which typically operate as peaking or cycling dispatchable facilities under their respective ESAs with the IESO, are an important component of maintaining the current and future reliability of Ontario's electricity system. They provide the system with the flexibility to meet changing daily system demand and capacity requirements and enable variable sources of renewable generation such as wind and solar.

The Atikokan GS is the largest 100 percent biomass station in North America, while the dual-fueled Lennox GS is Canada's largest oil/gas power plant. The Atikokan and Lennox generating stations are operated and maintained under OPG's Western Region operations group. The results of these generating stations are reported in OPG's Contracted Hydroelectric and Other Generation business segment.

The generation performance of OPG's thermal generating stations reported in the Contracted Hydroelectric and Other Generation business segment is measured using the Thermal Equivalent Forced Outage Rate (EFOR). Thermal EFOR is measured by the ratio of time a generating unit is forced out of service by unplanned events, including any forced deratings, compared to the amount of time the generating unit was available to operate. EFOR results for the thermal generating stations are discussed in the section, *Discussion of Operating Results by Business Segment* under the heading, *Contracted Hydroelectric and Other Generation Segment* in the MD&A.

The Brighton Beach GS, Portlands Energy Centre, Halton Hills GS and Napanee GS are operated by Atura Power and their results are reported in the Atura Power business segment. These facilities are combined cycle plants that use natural gas-fueled turbines combined with heat recovery steam generators to drive steam turbines to produce electricity. Each station's design includes two natural gas-fueled generators and one steam turbine.

The generating performance of Atura Power's combined cycle plants is measured using Thermal Availability. Thermal Availability is measured as the percentage of time a generating unit is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, averaged by the number of facilities owned and operated through Atura Power. Thermal Availability results for the combined cycle plants are discussed in the section, *Discussion of Operating Results by Business Segment* under the heading, *Atura Power Segment* in the MD&A.

For further details on OPG's thermal facilities and business developments, refer to the section, *General Development of the Business* under the heading, *Thermal Business Developments*.

<u>Thermal Fuel Procurement</u>

Due to the relatively low capacity factor of the Lennox GS, natural gas for use at the facility is purchased on the spot market, other than a small volume of fixed term natural gas required for non-generation operational services. Oil for the Lennox GS is contracted for and purchased in compliance with the Lennox ESA inventory limits. Fuel selection at the station is based on market and fuel economics.

Annual procurement of biomass fuel quantities for the Atikokan GS is pre-determined by the station's ESA. Agreements are in place with suppliers for the purchase and transport of all biomass fuel pellets needed to provide fuel for the Atikokan GS for the remaining duration of its ESA. The wood pellets used at the station are produced from sustainably managed forests.

Atura Power has contracted for long-term gas transportation, storage and distribution services for its combined cycle plants. Commodity purchases are made daily to meet the production profile requirements for these facilities.

<u>Thermal Facility Planning</u>

Facility planning approaches for thermal facilities are designed to identify necessary capital and operating and maintenance expenditures for each facility. These approaches aim to sustain facility availability over the expected remaining service life through station reinvestment within constraints imposed by technical, financial, safety and system requirements, as well as regulatory and contractual limits. Periodic engineering reviews of major systems are conducted to identify performance issues, provide reinvestment recommendations where appropriate and ensure that regulatory, safety and operating standards continue to meet expectations. Thermal outage planning leverages agile asset management programs to prioritize equipment risks and optimize work program timing. Projects are undertaken where they are expected to achieve an appropriate return on investment within the service life of the stations. Where feasible and economic, opportunities are sought to reduce GHG emissions at the combined cycle plants.

<u>Decommissioning of Thermal Generating Stations</u>

OPG has recognized and carries on its balance sheet a liability to cover future expenditures to decommission and dismantle each of its thermal generating stations at the end of their estimated service lives. This provision is not funded and is estimated on the basis of station closure. The estimates for these liabilities are based on a review of required decommissioning, clean-up and restoration activities, underlying economic assumptions and the anticipated timing of these activities in line with current end-of-life assumptions. OPG has a comprehensive program to ensure the safe, secure and environmentally responsible decommissioning of the thermal generating stations.

4.6.4 Nuclear Sustainability Services

Overview

OPG is responsible for the ongoing management of used nuclear fuel and L&ILW generated by its nuclear operations. In addition, OPG has the obligation for decommissioning its nuclear generating stations and nuclear waste management facilities after the end of their useful lives and for managing the L&ILW that arises in connection with the decommissioning. The handling and disposal of used nuclear fuel and L&ILW in Canada is subject to federal legislation.

Intermediate-level irradiated waste is that which has come in close contact with the reactors, but is less radioactive than used fuel, such as ion exchange resins and reactor equipment and components. Low-level irradiated waste is that which is used in connection with station operation and is not highly radioactive, such as tools and protective clothing. OPG has recognized and carries on its balance sheet a liability to cover future expenditures for such nuclear waste management and nuclear fixed asset removal activities for the existing facilities.

The results of the Company's nuclear waste management operations are reported in the Regulated – Nuclear Sustainability Services business segment and consist of the following activities:

- Management of used nuclear fuel and L&ILW;
- Decommissioning of OPG's nuclear generating stations including the stations on lease to Bruce Power and other nuclear facilities;
- Management of the segregated funds established under the Ontario Nuclear Funds Agreement (ONFA) between OPG and the Province to fund OPG's obligation for nuclear facilities decommissioning and the long-term management of nuclear waste in connection with the existing facilities (Nuclear Segregated Funds); and
- Other related activities including the inspection and maintenance of the waste storage facilities.

Accretion expense, which is the increase in the carrying amount of the present value liabilities for nuclear waste management and nuclear facilities decommissioning reported on the balance sheet, due to the passage of time, and the earnings from the Nuclear Segregated Funds are reported under this segment. The Regulated – Nuclear Sustainability Services business segment is considered regulated because OPG's costs associated with nuclear waste management and nuclear facilities decommissioning liabilities are included by the OEB in the determination of regulated prices for production from the Darlington and Pickering nuclear generating stations.

Pursuant to the lease arrangement with DNNP LP, Ontario Power Generation Inc. will be responsible for the nuclear waste management and nuclear decommissioning obligations associated with the DNNP SMRs, once they arise.

Federal Government Policy

In accordance with the requirements of the *Nuclear Fuel Waste Act* (Canada) (NFWA), in 2002, OPG and the other owners of used nuclear fuel in Canada established a separately incorporated Nuclear Waste Management Organization (NWMO), with a mandate to manage and coordinate the full range of activities relating to the long-term management of used nuclear fuel in Canada. This includes the design and implementation of Canada's plan for the long-term management of used nuclear fuel. In 2007, the Government of Canada approved NWMO's submitted option, the Adaptive Phased Management (APM) plan, as the long-term solution for used nuclear fuel.

The NFWA requires the used nuclear fuel owners in Canada to establish and make payments into trust funds for the purpose of funding the implementation of the long-term management plan for used nuclear fuel. Accordingly, OPG has established the Ontario NFWA Trust (the NFWA Trust), which forms part of the Nuclear Segregated Funds under the ONFA. Additional details can be found below under the heading, *Funding Mechanisms.*

In March 2023, Natural Resources Canada released the modernized *Policy for Radioactive Waste and Decommissioning*. The policy sets out the Government of Canada's vision for radioactive waste management and decommissioning of nuclear facilities, with the overall priority of ensuring the protection of the health, safety and security of people and the environment. As part of this vision, the policy calls for key elements of Canada's radioactive waste disposal infrastructure to be in place by 2050. Some of the specific priorities outlined in the policy include the following:

- Ensuring collaboration among waste owners and producers on planning and developing long-term solutions for radioactive waste management and decommissioning approaches, including through an Integrated Strategy for Canada's Radioactive Waste (ISRW), taking into account emerging technologies such as SMRs and international guidance where appropriate;
- Ensuring meaningful engagement, advancing reconciliation and working in partnership with Indigenous peoples on matters relating to radioactive waste management and decommissioning, including through the implementation of the United Nations Declaration on the Rights of Indigenous Peoples;
- Ensuring that adequate funding is made available by waste owners and producers for the long-term management of radioactive waste; and
- Ensuring that radioactive wastes are safely minimized through appropriate operating and decommissioning practices, including recycling and reuse of materials, and that facilities are decommissioned within an appropriate time frame to reduce the burden on future generations.

In June 2023, at the Government of Canada's request, the NWMO submitted an ISRW for consideration by Canada's Minister of Natural Resources. In October 2023, the Minister of Energy and Natural Resources released a public statement signaling the acceptance of this strategy. The strategy focused on recommendations for Canada's waste disposal planning for low-level, intermediate-level, and the small amount of non-fuel high-level waste. It recommended that low-level waste be disposed in near-surface disposal facilities to be implemented by waste generators and waste owners, and that intermediate-level waste and the small amount of non-fuel high-level waste be disposed in a central deep geologic repository (DGR) to be implemented by the NWMO. The strategy set out that the NWMO is to prepare a detailed plan defining a separate consent-based process to select an appropriate site for this DGR, inclusive of engagement strategy and funding approach, taking into account experience and learnings gained from implementing other siting processes for nuclear facilities.

<u>Current Practices and Assumptions</u>

Nuclear Generating Station Decommissioning

OPG's planning assumption for the decommissioning of its nuclear generating stations is a deferred dismantlement strategy. Under this strategy, each reactor will be defueled and de-watered immediately after it has ceased commercial operation and prepared for a period of safe storage and monitoring. Station dismantlement and site restoration will take place over a period of time following an appropriate safe storage period. This strategy has been communicated to the CNSC through regular updates of OPG's preliminary decommissioning plans and liability estimates for the nuclear generating stations. OPG's nuclear operating licences have been issued based on, amongst other considerations, CNSC's understanding of this strategy. In June 2025, the CNSC staff accepted OPG's first detailed decommissioning plan for Units 1 to 4 of the Pickering GS.

OPG has a process in place to periodically review the decommissioning strategy assumptions and plans, considering such factors as regulatory requirements, industry trends, technological advances, site priorities, and public, Indigenous Nations, community and stakeholder expectations.

Used Nuclear Fuel

Used nuclear fuel bundles from OPG's CANDU reactors including leased reactors at the Bruce nuclear generating stations are temporarily stored at the respective nuclear generating stations in water-filled pools, known as fuel bays, for a cooling-off period, during which time their radioactivity is substantially reduced. After the cooling-off period, the used nuclear fuel bundles are transferred from the fuel bays to above-ground dry storage containers. Dry storage containers are currently stored on an interim basis at OPG's licensed waste management facilities at the Darlington, Pickering and Bruce nuclear generation station sites.

OPG's planning assumption for the long-term management of used nuclear fuel is consistent with the APM concept approved by the Government of Canada, whereby Canada's used nuclear fuel would be disposed of in a DGR to be implemented by the NWMO, based on technical and financial information developed by the NWMO. In November 2024, the NWMO announced that it had selected the Wabigoon Lake Ojibway Nation and the Township of Ignace, Ontario as the host communities for the future site of Canada's DGR for used nuclear fuel. The NWMO is advancing the project into the regulatory decision-making phase, with DGR operations planned to begin between 2040 and 2045.

Low and Intermediate Level Waste

The majority of OPG's L&ILW is stored on an interim basis at OPG's Western Waste Management Facility (WWMF). A smaller volume of OPG's ILW is stored at the respective waste management facilities at the Darlington and Pickering nuclear generating station sites.

OPG strives for sustainability in management of nuclear waste, with programs in place and additional initiatives being pursued to minimize volumes of L&ILW requiring interim storage and long-term management through processing, volume reduction and recycling of clean materials. This includes sorting and segregation of waste materials at source, incineration and compaction of suitable low-level waste, maximizing reusable materials and equipment, and investigating options to reduce resin volumes and clean and reduce contaminated metals. In 2023, OPG opened the Western Clean-Energy Sorting & Recycling Facility in the Municipality of Kincardine, increasing the Company's capacity to sort and recycle low-level waste.

OPG's planning assumptions for the long-term management of L&ILW include conceptual long-term disposal strategy assumptions consistent with the ISRW as accepted by the federal Minister of Energy and Natural Resources in 2023. As it relates to the long-term disposal of intermediate-level waste and non-fuel high-level waste, the NWMO is advancing the ISRW through public engagement activities that seek input on the site selection process. In January 2024, the CNSC granted Canadian Nuclear Laboratories a licence authorizing construction of Canada's first near-surface disposal facility, at the Chalk River site in Deep River, Ontario, for the purposes of permanently disposing of solid low-level waste. OPG continues to monitor developments related to the implementation of the ISRW and to explore solutions for the safe long-term management of its low-level waste.

Funding Mechanisms

On April 1, 1999, Ontario Hydro's obligation for nuclear waste management and nuclear facilities decommissioning was transferred to OPG. The responsibility for funding the obligations for nuclear facilities decommissioning and the long-term nuclear waste management for the existing facilities between the Province and OPG is described in the ONFA. The key provisions of the ONFA are:

(i) for OPG to establish two segregated funds, the Used Fuel Segregated Fund to fund the future costs of long-term used nuclear fuel management and certain costs of used nuclear fuel storage incurred after the nuclear generating stations are shut down, and the Decommissioning Segregated Fund to fund the future costs of nuclear facilities decommissioning and long-term L&ILW management, and certain costs of used nuclear fuel storage incurred after the stations are shut down;
(ii) for the OEFC to be responsible for funding approximately $2.4 billion present value as at April 1, 1999 that had been an accumulated liability of Ontario Hydro, which the OEFC has since then fully funded through an initial contribution to the Decommissioning Segregated Fund;
(iii) for the Province to limit OPG's financial exposure in relation to the cost of used nuclear fuel management for the first 2.23 million bundles of used nuclear fuel; and
(iv) for the Province to provide financial guarantees to the CNSC for OPG's nuclear decommissioning and nuclear waste management obligations, as required by the CNSC.

The Used Fuel Segregated Fund and the Decommissioning Segregated Fund are administered by a third-party custodian and held in accounts segregated from OPG's other assets. OPG has granted a security interest in both funds to the Province. As a result, these funds are not available to satisfy the claims of OPG's creditors.

OPG's funding liabilities and required contributions to the Used Fuel Segregated Fund and the Decommissioning Segregated Fund are determined based on reference plans and associated life cycle cost estimates periodically approved by the Province under the ONFA. These reference plans are prepared by OPG with the assistance of external experts and based on external practices and international benchmarks. The cost estimates associated with the APM plan are updated based on information provided by the NWMO. Under the ONFA reference plans, the total present value of OPG's future nuclear waste management and nuclear facilities decommissioning expenditures is determined based on baseline cost estimates and a set of underpinning planning assumptions, including remaining useful lives of the nuclear generating stations, proposed methods and timing of disposal and economic indicators. Given the long-term duration of these life cycle programs, the multiple assumptions involved and the evolving technology to handle nuclear waste, there is a significant degree of inherent uncertainty and judgement surrounding the measurement of the costs, including from factors beyond the Company's control. These costs may increase or decrease materially over time.

The limits to OPG's financial exposure under the ONFA with respect to the life cycle cost of long-term management of the first 2.23 million bundles of used nuclear fuel are as follows (all amounts are expressed in January 1, 1999 present value dollars):

(i) OPG will bear all costs up to $4.6 billion;
(ii) OPG and the Province will share, on an equal basis, costs incurred between $4.6 billion and $6.6 billion;
(iii) OPG will be responsible for 10 percent of the costs incurred between $6.6 billion and $10.0 billion, and the Province will be responsible for the remaining 90 percent; and
(iv) the Province will be wholly responsible for any costs above $10.0 billion.

OPG's funding liability for the long-term management of the first 2.23 million bundles of used nuclear fuel costs under the ONFA is therefore capped at $5.9 billion in January 1, 1999 present value dollars, which is equivalent to approximately $25.3 billion in December 31, 2025 present value dollars. OPG is responsible for all incremental costs relating to the long-term management of used nuclear fuel bundles in excess of the 2.23 million threshold. As at December 31, 2025, approximately 3.2 million bundles of used fuel had been produced. The 2.23 million used nuclear fuel bundles threshold represents the estimated total life cycle bundles based on the initial estimated useful lives of the nuclear generating stations assumed in the ONFA.

Under the ONFA, the Province guarantees OPG's annual return earned in the Used Fuel Segregated Fund at 3.25 percent plus the rate of change in the Ontario Consumer Price Index, as defined in the ONFA, for funding related to the first 2.23 million used nuclear fuel bundles. Upon approval of a new or amended ONFA reference plan, the Province is obligated to make an additional contribution to the Used Fuel Segregated Fund in relation to the first 2.23 million used nuclear fuel bundles if the fund assets earned a rate of return that is less than the guaranteed rate of return. If the return on the fund assets exceeded the Province's guaranteed rate of return, the Province is entitled to withdraw any portion of the excess related to the first 2.23 million used nuclear fuel bundles, upon approval of a new or amended ONFA reference plan. OPG is responsible for cost increases and investment returns for the portion of the fund attributable to the used nuclear fuel bundles in excess of the 2.23 million threshold. OPG also is responsible for cost increases and investment returns for the Decommissioning Segregated Fund.

Investments in the Nuclear Segregated Funds include a diversified portfolio of equity and fixed income securities, pooled funds, infrastructure, real estate and other investments. As the Nuclear Segregated Funds are invested to fund long-term liability requirements, the portfolio asset mix is structured to achieve the required return over a long-term horizon. While the funds are managed to achieve, in the long-term, the target return rate based on the discount rate specified in the ONFA, the rates of return earned in a given period may be subject to various external factors including financial market conditions and changes in the Ontario Consumer Price Index, both of which can be volatile and cause short-term fluctuations in the Company's financial results, subject to the funded position of the funds. Additionally, changes in funding liability estimates upon an ONFA reference plan update can result in adjustments to the values of Nuclear Segregated Funds assets reported on the consolidated balance sheet. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province. Further details on the Nuclear Segregated Funds are discussed in the section, *Significant Accounting Policies and Critical Accounting Estimates* under the heading, *Nuclear Fixed Asset Removal and Nuclear Waste Management Funds* in the MD&A.

Costs for interim management of L&ILW and used nuclear fuel storage incurred during respective station operation are not generally reimbursed from the Nuclear Segregated Funds. Such costs are funded through the Company's operating cash flow or other sources of liquidity.

In accordance with *Ontario Regulation 53/05*, the OEB is required to ensure that OPG recovers the revenue requirement impact of its nuclear waste management and nuclear decommissioning liabilities arising from the current approved ONFA reference plan. The OEB has authorized regulatory accounts to record the impact associated with changes in OPG's nuclear waste management and nuclear facilities decommissioning liabilities for the existing facilities relative to amounts reflected in regulated prices. Under the OEB-approved cost recovery methodologies for these liabilities, OPG's net income is exposed to the rate of return risk for the portion of the Nuclear Segregated Funds related to the Darlington and Pickering nuclear generating stations.

In December 2025, the Province amended *Ontario Regulation 53/05* to require the OEB to ensure that OPG recovers all the costs it incurs in relation to its nuclear waste management and nuclear decommissioning liabilities associated with the DNNP SMRs as they are reflected in OPG's audited consolidated financial statements. The amendments also confirmed that the OEB is required to ensure that OPG recovers all the costs it incurs in relation to its nuclear waste management and nuclear decommissioning obligations associated with the Bruce nuclear generating station as they are reflected in OPG's audited consolidated financial statements. OPG has not yet recognized any liabilities for nuclear waste management or nuclear decommissioning associated with the DNNP SMRs in its consolidated financial statements.

Contributions to the Nuclear Segregated Funds

OPG's contribution requirements under the ONFA are recalculated each time there is an approved new or amended reference plan and under certain other events. Reference plans are required to be prepared at least every five years, or more frequently if there is an underlying change in the assumptions of the reference plan that is determined to be significant enough to trigger a recalculation of the contribution levels during the five-year period.

Prior to 2017, OPG made contributions to the Used Fuel Segregated Fund every quarter, including a one-time special payment in earlier years, as required by the ONFA. These contributions reflected ONFA requirements to fund the majority of the underlying used nuclear fuel obligation by the end of the initial estimated useful lives of the nuclear generating stations assumed in the ONFA, resulting in significantly higher contributions to the Used Fuel Segregated Fund in the earlier years of OPG's existence. These assumed useful lives did not reflect subsequent refurbishment and other life extension decisions for the nuclear generating stations. To date, OPG has not been required to make contributions to the Decommissioning Segregated Fund, which was fully funded at its inception through the initial contribution made by the OEFC, taking into account fund asset performance and changes in underlying funding obligations over time, at the time of every subsequent approved ONFA reference plan.

The current ONFA reference plan, for the years 2022 to 2026, was approved by the Province in March 2022, with an effective date of January 1, 2022 (2022 ONFA Reference Plan). Based on the life cycle funding liability estimates per the 2022 ONFA Reference Plan, both the Decommissioning Segregated Fund and the Used Fuel Segregated Fund continued to be fully funded. Therefore, as approved by the Province, there are currently no overall contribution requirements to either the Decommissioning Segregated Fund or the Used Fuel Segregated Fund based on this update. Contributions to either or both funds may be required in the future should the funds be in an underfunded position when a new ONFA reference plan is prepared. Such may be the case as a result of future variability in fund asset performance due to volatility inherent in financial markets and economic conditions, as well as changes in funding liability estimates or the tax treatment of fund earnings. OPG's required contributions could increase, for example, if cost estimates increased, including as the NWMO progresses the project to construct Canada's DGR for used nuclear fuel, if the operating lives of the nuclear generating stations were revised, if fund assets earned less than the target rate of return, or if the income earned in the funds became subject to income tax. The next ONFA reference plan update is scheduled to be completed at the end of 2026.

OPG is required to make annual contributions to the NFWA Trust based on a funding formula approved by the federal Minister of Natural Resources for OPG and the other used nuclear fuel owners in Canada. Any portion of the Used Fuel Segregated Fund not in the NFWA Trust can be applied to satisfy the trust's annual contribution requirements. The funds in the NFWA Trust will be used for the purposes of long-term management of used nuclear fuel, in accordance with the NFWA. OPG and the Province are beneficiaries of the NFWA Trust.

If there is a surplus in the Decommissioning Segregated Fund such that the underlying liabilities, as defined by the most recently approved ONFA Reference Plan, are at least 120 percent funded, OPG may direct, at the time a new or amended reference plan is approved, up to 50 percent of the surplus over 120 percent to the Used Fuel Segregated Fund, with the OEFC being entitled to a distribution of an equal amount.

If there is a surplus in the Used Fuel Segregated Fund such that the underlying liabilities, as defined by the most recently approved ONFA Reference Plan, are at least 110 percent funded, after taking into account the guaranteed return on the funding related to the first 2.23 million used nuclear fuel bundles, the Province has the right, at any time, to access the excess amount greater than 110 percent. Neither OPG nor the Province have a right to direct any amounts from the Used Fuel Segregated Fund to the Decommissioning Segregated Fund.

Upon termination of the ONFA, the Province has the sole right to any excess funds in the Decommissioning Segregated Fund and the Used Fuel Segregated Fund.

Financial Guarantee Requirements and Provincial Guarantee

In accordance with the NSCA, the CNSC requires OPG to have sufficient funds available to discharge its existing nuclear waste management and nuclear facilities decommissioning obligations. The CNSC process requires the CNSC financial guarantee requirement to be updated once every five years and for OPG to provide an annual report to the CNSC on the assumptions, fund asset values and resulting financial guarantee requirements. The CNSC financial guarantee requirement calculation takes into account used nuclear fuel and L&ILW expected to be generated to the end of each year.

In 2022, the CNSC accepted OPG's proposed CNSC financial guarantee requirement for the 2023-2027 period to be satisfied by the forecast fair market value of the Nuclear Segregated Funds without the requirement of a Provincial guarantee. As provided by the terms of the ONFA, the Province is committed to provide a Provincial guarantee to the CNSC as required, on behalf of OPG, should there be a shortfall between the CNSC financial guarantee requirement and the fair market value of the Nuclear Segregated Funds during the 2023-2027 period, as it has done in the past. OPG pays the Province an annual guarantee fee equal to 0.5 percent of the outstanding amount, if any, of the Provincial guarantee.

4.7 ENVIRONMENTAL, SOCIAL, GOVERNANCE, AND SUSTAINABILITY

Overview of Environmental, Social, Governance and Sustainability

OPG integrates the principles of environmental, social and governance (ESG) as a framework through which it can evaluate and drive improvements in the environmental and social impacts of its operations. The implementation of the framework is supported by a system of organizational controls, procedures and governance. The Board has, as part of its mandate, the responsibility to oversee OPG's approach to ESG work and reporting. This includes issues, risks and opportunities that fall under the three pillars of Environmental, Social and Governance.

OPG recognizes that operating in a manner consistent with ESG principles is directly connected to business success and is expected by the Company's customers, stakeholders, Rightsholders and Shareholder. In addition to its focus on high standards of workplace health and safety and public safety, as Ontario's largest energy provider, the Company strives to be a leader in sustainability, climate change action, and Indigenous relations. This is accomplished through the implementation of operational and growth strategies that minimize the Company's environmental impacts, support reductions in GHG emissions, increase operations' resilience to climate change impacts, and advance Indigenous reconciliation, all while taking into account impacts on electricity consumers. A central part of OPG's ESG and sustainability focus is its goal of becoming a global equity, diversity and inclusion (ED&I) best practice leader by 2030.

In June 2025, OPG released its 2024 ESG Performance Summary, approved by the Board. The report details the Company's ESG performance and practices including climate change initiatives, progress toward becoming a more equitable, inclusive and diverse employer, and actions underway as part of OPG's Reconciliation Action Plan. The report also covers several key topics under the three pillars of Environmental, Social, and Governance.

4.7.1 Environment

OPG has implemented an environmental management system (EMS) in accordance with the Company's Environmental Policy. Within the EMS, OPG sets environmental objectives and maintains planning, operational control and monitoring programs to manage its negative and positive impacts on the environment. The EMS is reviewed annually to ensure that it remains appropriate to the purpose and context of the Company's operations. Environmental performance targets are set as part of the annual business planning process and are based on past performance and external benchmarking to promote continuous improvement. The most significant environmental aspects of OPG's operations include: spills, water flow and level changes, radiological emissions, non-radiological emissions, L&ILW, non-radiological waste, wildlife habitat, and fish impingement, entrainment and spawning disruption. Details regarding OPG's Environmental Policy can be found in the section, *Environmental, Social, Governance and Sustainability* under the heading, *Environmental* in the MD&A.

Environmental Compliance

OPG must comply with a large number of environmental requirements contained in statutes, regulations, by-laws, licences, permits and approvals. Failure to comply with applicable environmental laws may result in enforcement actions, remediation actions or restrictions to operations. OPG reports any incidents of non-compliance to the appropriate government or regulatory authorities as required, with corrective action plans developed and implemented accordingly. Changes in compliance obligations can result in new requirements and increased costs. OPG conducts reviews of its compliance obligations on a regular basis.

In December 2024, the Government of Canada released final *Clean Electricity Regulations* (CER). Beginning in 2035, the CER will set limits on carbon dioxide emissions from fossil fuel-burning electricity generation units with a generating capacity of 25 MW or greater connected to an electricity system that is subject to NERC standards. Lennox GS, Atikokan GS and Atura Power's combined cycle plants were registered under the CER in 2025.

Biodiversity and Habitat Stewardship

The generation of electricity can have an impact on biodiversity, either directly through habitat loss and fragmentation or indirectly through emissions to the environment. OPG is committed to managing its sites in a manner that strives to maintain significant natural areas and associated species of concern. OPG also works with its community and Indigenous partners to support off-site regional ecosystems, biodiversity and climate change adaptation through science-based habitat stewardship. OPG's regional biodiversity grant program strategically funds and promotes efforts to protect and restore biodiversity in areas of Ontario where genetic, species or ecosystem diversity has been most impacted, and substantive threats remain.

Climate Strategy

OPG recognizes the importance of developing and implementing climate change adaptation measures to ensure ongoing safe, reliable and cost-effective operation of its generating fleet over the medium and long-term. Through its business strategies, the Company is also focused on leveraging the decarbonizing potential of its assets and the broader electricity sector as a means of mitigating climate change. This includes embedding climate change adaptation and mitigation as an enterprise-wide priority and a key principle in decision-making. In advancing these strategies, OPG seeks to make prudent investments in viable new technologies and to ensure that planned actions are executable and aligned with strategic, operational and financial objectives.

OPG aims to be a clean energy leader and a driver of efficient, economy-wide energy transition. OPG has identified a range of solutions to help achieve decarbonization while balancing economic and environmental benefits and electricity system needs. OPG intends to adapt its Climate Change Plan to reflect the Company's current climate-related initiatives and any changes to government policy, technology development and electricity supply and demand expectations.

OPG continues to pursue the objectives of achieving sustainable, resilient operations and investing in the generation of low-carbon energy. This includes progressing and completing the Darlington Refurbishment project and the Pickering Refurbishment project, leading the deployment of SMRs, and exploring potential new nuclear generation development at the Company's Wesleyville site. OPG also continues to advance projects to increase the generating capacity of its hydroelectric generating stations and is exploring the potential for new hydroelectric development in northern Ontario. Through its subsidiaries, OPG is supporting the electrification of Ontario's transportation sector, laying the groundwork for low-carbon hydrogen production, and constructing a grid-connected battery energy storage system. For further details on the Company's key projects and initiatives, refer to the section, *General Development of the Business*.

OPG's strategy to guide the Company's adaptation priorities includes integrating considerations of climate-related risks and opportunities into applicable business processes, such as investment decisions and engineering processes, and implementing standardized decision supports to enable this integration. The Company is also continuing to evaluate and prioritize potential physical and transition risks over the near, medium and long term timeframes. As part of this process, OPG continues to increase data collection and develop modelling to better understand the range of potential climate impacts on the business and to identify opportunities for increasing resilience. OPG also participates in practical research studies with external consortiums and industry groups to develop and advance industry specific adaptation strategies and frameworks.

For further details, refer to the section, *Risk Management* under the heading, *Risks to Achieving Operational Excellence* in the MD&A.

<u>Oversight of Climate-related Risks and Opportunities</u>

OPG's Board is responsible for the governance and stewardship of the Company, including the oversight of climate-related risks and opportunities over the near and long term. On at least a quarterly basis, and during the annual strategy session, the Board engages with OPG's senior management on the Company's near-term and long-term business strategies, including climate-related matters. Goals and strategic actions related to climate change are reviewed and approved by the Board as an integral part of the Company's overall business strategy and planning process.

The Board's risk oversight responsibilities are fulfilled through OPG's Enterprise Risk Management (ERM) Framework, with oversight by the Audit and Risk Committee of the Board. The ERM Framework is used to manage the Company's risk profile, as well as its internal audit program. The ERM Framework assists the Board in understanding how risks may affect the Company and how they are being addressed by management. The Audit and Risk Committee receives quarterly reports from OPG's Chief Audit Executive (CAE) on enterprise-wide risks and internal audit findings. Climate-related risks are identified and managed as part of the ERM Framework. Further details on the Company's approach to risk management can be found in the section, *Risk Management* in the MD&A.

OPG's internal governance includes a documented framework to guide the management of climate change and a reporting structure for the Board's oversight of climate-related risks and opportunities. Board oversight of climate-related risks and opportunities is achieved through bi-annual reporting by OPG's Environment, Health and Safety department, with support from OPG's Climate Steering Committee and other departments, as required.

OPG's pension plan and Nuclear Segregated Funds investment strategies in equity markets, and of specific assets in the real estate and infrastructure portfolio, are guided by respective Responsible Investing Policies. OPG continues to build on the existing strategies to formalize a climate change action plan for the OPG pension plan and, in collaboration with the Province, for the Nuclear Segregated Funds that supports the Company's overall climate change goals.

For further details, refer to the section, *Environmental, Social, Governance and Sustainability* under the heading, *Climate* in the MD&A.

Carbon Prices

The Canadian federal *Greenhouse Gas Pollution Pricing Act* provides for a price of carbon through an Output-Based Pricing System for industrial facilities and a fuel charge for non-exempt fossil fuel purchases, with the federal carbon price per tonne of carbon dioxide equivalent (CO_2e) emissions increasing by $15 per year, from $65 in 2023 to $170 in 2030. Ontario's Emissions Performance Standards program aligns with the federal carbon pricing. For OPG, compliance obligations for carbon pricing apply to the Lennox GS and Atura Power's combined cycle plants. OPG has implemented processes to recover carbon costs to the extent possible under the current revenue arrangements for these assets. As a result, the carbon pricing program is not expected to have a material financial impact on the Company.

Radiological Emissions

Small amounts of radioactivity are released to the environment as a result of nuclear reactor operation. OPG maintains an effluent monitoring and control program to ensure radiological emissions are kept well below the release limits specified in the station operating licences. OPG also has environmental monitoring programs in the vicinity of the nuclear generating stations to ensure operations have no adverse impacts on human health and the environment. These programs are designed to assess impacts, demonstrate compliance with regulatory limits, demonstrate the effectiveness of containment and effluent controls and verify predictions made by environmental risk assessments. Results from the environmental monitoring programs confirm OPG's radiological emissions are a small fraction of the regulatory release limits.

Further details are discussed under the heading, *Workplace Health and Safety and Public Safety – Nuclear Radiation Safety.*

4.7.2 Workplace Health and Safety and Public Safety

Workplace health and safety and public safety are core values at OPG. The Company is committed to operating its facilities in a safe, secure and reliable manner. Health and safety are overriding priorities in all activities performed at OPG's generating and other facilities, and employees and contractors are expected to conduct themselves in a manner that ensures workplace health and safety and public safety in line with the Company's health and safety culture, the Employee Health and Safety Policy and the Safe Operations Policy.

Workplace Health and Safety

OPG is committed to achieving excellent performance in the area of workplace health and safety through continuous improvement and a strong health and safety culture. OPG utilizes integrated health and safety management systems, operational risk control procedures and contractor management processes to ensure continued monitoring of health and safety performance across the Company's facilities and to support continuous learning and improvement in this area. To reinforce safety as a foundational element of the Company's culture, OPG is continuously strengthening approaches to safe work planning, learning from events, employee engagement, field observation and coaching, and education and communication. In support of the requirement that contractors must work safely at OPG sites, the Company utilizes an independent contractor pre-qualification process, provides on-site safety support for many of its major projects, and works with contract partners to improve their health and safety programs to meet OPG's requirements. Additionally, employee safety has been identified as a key element of OPG's sustainability-linked credit facilities.

Over the past several years, OPG has stood in the top quartile of its comparator Canadian electrical utilities in various safety performance metrics. In 2023 and 2024, OPG received the Electricity Canada President's Award of Excellence for Employee Safety, in recognition of OPG's top safety performance within the comparator group in the previous year.

OPG continues to promote a health and wellness program aimed at embedding a health culture that supports employees and their families in achieving an optimal level of health and functioning, through health education, health promotion, disease and injury prevention, and crisis intervention. This includes providing resources to support mental health and access to a virtual healthcare platform for employees and their families.

Additional details of OPG's workplace health and safety programs and performance are discussed in the section, *Environmental, Social, Governance and Sustainability* under the heading, *Health and Safety* in the MD&A.

Nuclear Radiation Safety

OPG manages a radiation protection program designed to minimize negative health effects to employees and members of the public. OPG follows developments in the field of radiation protection as documented by the International Commission on Radiological Protection (ICRP), the United Nations Scientific Committee on the Effects of Atomic Radiation, and the US National Council on Radiation Protection and Measurements. Widely recognized as the main source of expert advice regarding protection from the harmful effects of ionizing radiation, the ICRP periodically issues recommendations concerning principles of radiation protection. These recommendations are usually adopted by most countries without significant modification and are incorporated into the applicable laws. The Canadian Radiation Protection Regulations are based on the recommendations of the ICRP, and OPG's nuclear facilities conform to these regulations. The CNSC is the federal agency that regulates radiation protection in Canada.

Radiation exposures to station personnel and the public are limited by station design and adherence to approved operating procedures. Over the years, OPG has been a leader in applying the principles of keeping radiation doses as low as reasonably achievable. OPG's internal operating limits for occupational exposure are set well below the regulatory limits to ensure that the regulatory limits are not exceeded. OPG's operating targets for radiological emissions are set at even more restrictive levels and typically represent fractions of the regulatory limits. For further details of OPG's annual dose exposure to the public, refer to the section, *Environmental, Social, Governance and Sustainability* under the heading, *Health and Safety* in the MD&A.

As a condition of receiving operating licences for its nuclear facilities, OPG has developed comprehensive emergency plans that detail the Company's planned response to reactor accidents, as well as accidents involving the transportation of radioactive materials. These plans dictate how OPG will work with municipal, regional, provincial and federal agencies to safeguard station personnel and members of the public in the unlikely event of a radiation emergency at one of OPG's facilities. Station staff are required to regularly participate in emergency exercises to maintain and continuously improve response capability for such events.

Pursuant to the *Emergency Management and Civil Protection Act*, a provincial agency, Emergency Management Ontario (EMO), is required to periodically update the Provincial Nuclear Emergency Response Plan (PNERP) for cabinet approval. Based on the approved PNERP, EMO prepares Implementing Plans for each major nuclear site in the province, including the Darlington and Pickering nuclear generating stations, in order to provide detailed guidance and direction. The Province approved the latest PNERP in July 2025, which applies to all reactor types including the DNNP SMRs. The 2025 update introduces new requirements in response to potential risks, particularly in the areas of personal protective equipment, stakeholder consultation, and operational responsibilities. OPG is actively assessing impacts and planning necessary updates to ensure compliance and readiness for both the Darlington and Pickering nuclear generating stations.

Dam Safety and Waterways Public Safety

OPG manages dam safety and other risks associated with the production of hydroelectric power through OPG's dam safety program in compliance with the Company's Safe Operations Policy. OPG is one of the first dam owners in Canada to have developed and implemented a dam safety program and is considered an industry leader in many aspects of the program.

In addition to effectively managing the safety of dams against catastrophic failure, OPG has developed a number of technical standards and procedures concerning public safety around dams, and materials to educate the public and increase awareness of the safety risks associated with the operation of the hydroelectric facilities. This includes the implementation of control measures in the form of signage, safety booms, buoys, fencing and audible alerts at the appropriate facilities. These measures are actively managed to maintain their effectiveness. OPG's water safety public education program in Ontario includes educational advertisements on various media platforms and engagement of agencies and stakeholders, such as the MNR, Ontario Provincial Police, Ontario Waterpower Association and others. OPG remains committed to high standards of public safety on waterways around hydroelectric generating stations and dams, and continues to make investments in waterway public safety and dam safety upgrades.

Since 2007, OPG has engaged an independent advisory panel consisting of internationally recognized experts to conduct an annual review of the Company's dam safety program. The Chair of the independent panel reports on the observations of their in-depth review to the Board. The panel provides advice on the extent to which risks associated with the Ontario dams owned and operated by OPG are being managed in alignment with industry best practices and guidelines. The panel has consistently concluded that many aspects of OPG's dam safety program are industry leading, and a strong culture of continuous improvement exists.

Additional details on the regulatory regime related to dams and waterways can be found under the heading, *Water Rights*.

4.7.3 Human Capital

Workforce Resourcing Strategies

A well trained and engaged workforce is fundamental to the achievement of OPG's business imperatives. The Company is focused on having a highly skilled, high-performing, diverse and future ready workforce, while continuing to foster a strong culture of collaboration, accountability and innovation. OPG continues to communicate and implement the values and behaviours expected from its employees in order to maintain a strong focus on safety, performance excellence, continuous improvement and corporate citizenship.

OPG utilizes workforce planning and resourcing strategies to ensure that it has a diverse workforce with the necessary skills and capability for the safe and effective operation of the generating facilities, successful delivery of generation development, refurbishment and other major projects, and advancement of business opportunities and other strategic priorities. These strategies take into account the transition to safe storage activities for Unit 1 and Unit 4 of the Pickering GS following their permanent shutdown in 2024 and the planned transition to refurbishment of the station's Units 5 to 8 after they are taken offline in 2026.

As part of the strategy to develop and engage employees and to continuously build leadership talent in support of the Company's long-term success, OPG has an active succession planning program, including leadership development programs for qualified internal candidates. OPG also has a talent management monitoring process to proactively assess staffing risks, challenges and opportunities.

Electricity generation involves complex technologies that require highly skilled and trained workers. Many positions at OPG have significant educational prerequisites and rigorous requirements for continuous training and periodic requalification. In addition to maintaining an internal training infrastructure, OPG relies on partnerships with government agencies, other electricity industry partners and educational institutions to meet the requirements of various qualifications.

Employees

OPG's average number of regular and term-based employees (Regular Workforce) and average number of seasonal, casual construction and non-regular employees (Other) during the year ended December 31, 2025 were as follows:

Business Segment	Regular Workforce	Other	Total
Regulated – Nuclear Generation [1]	7,830	1,130	8,960
Regulated – Hydroelectric Generation	1,447	102	1,549
Contracted Hydroelectric and Other Generation [2]	830	47	877
Atura Power	192	19	211
Other	443	40	483
Total	**10,742**	**1,338**	**12,080**

[1] Includes employees associated with the Regulated – Nuclear Sustainability Services business segment.

[2] Includes employees associated with Eagle Creek. Effective January 9, 2026, OPG completed the sale of Eagle Creek.

As at December 31, 2025, approximately 83 percent of OPG's Regular Workforce was represented by a union, mainly the PWU and the Society. The PWU membership includes station operators, technicians, skilled trades, clerical staff and security personnel. The Society membership includes supervisors, professional engineers, scientists and other professionals. For further information, refer to the section, *General Development of the Business* under the heading, *General Developments – Collective Agreements.*

Bargaining rights with the craft unions that perform construction work at OPG's generating facilities in Ontario are established either through the Electrical Power Systems Construction Association (EPSCA) or directly with OPG and its subsidiaries. The associated collective agreements are negotiated either directly between the parties or through the EPSCA, as applicable. All such renewal agreements have five-year terms covering the period from May 1, 2025 to April 30, 2030. EPSCA is a voluntary association of owners and contractors who perform work in Ontario's electrical power systems sector.

Protecting a Sustainable Public Sector for Future Generations Act, *2019* (Bill 124), which came into force on November 8, 2019, set limits on compensation increases for unionized and non-unionized employees in the Ontario public sector and applied to OPG. Bill 124 limited the maximum annual increase in both wages and total compensation to one percent for a three-year moderation period that, for unionized employees, commenced upon the start of the respective collective agreement's next renewable period, subject to certain exceptions. A broad range of unions and organizations challenged the constitutionality of Bill 124. In a decision dated November 29, 2022, the Ontario Superior Court found that Bill 124 was unconstitutional and declared it to be void and of no effect (Bill 124 Court Decision). On December 29, 2022, the Government of Ontario filed an appeal of the decision with the Ontario Court of Appeal. On February 12, 2024, the Ontario Court of Appeal upheld the lower court decision and found Bill 124 to be unconstitutional as it pertains to unionized employees but constitutional in its application to non-unionized employees. Following the decision, the Province repealed Bill 124 in its entirety.

4.7.4 Indigenous Relations

OPG owns and operates electricity generation assets within the treaty and traditional territories of Indigenous peoples across Ontario. OPG's Indigenous Relations Policy and Reconciliation Action Plan formalize the Company's commitment to working with Indigenous communities to foster positive and mutually beneficial relationships to create social and economic benefits through partnership and collaboration. This includes, where appropriate, pursuing electricity generation-related development partnerships on the basis of long-term commercial arrangements and other joint projects proximate to the Company's present and future operations. OPG maintains a certified Gold Designation under the Canadian Council for Indigenous Business' Partnership Accreditation in Indigenous Relations program, which recognizes OPG as a national best-practices organization with a demonstrated commitment in the area of Indigenous relations.

The Aboriginal and Treaty rights of Indigenous communities are recognized and affirmed in the *Constitution Act, 1982*. OPG may be subject to claims by Indigenous communities or other Indigenous groups and individuals. These claims may stem from projects or generation development activities, activities related to the operations of OPG including nuclear waste management and historic operations of OPG's predecessor companies, which may have impacted the Aboriginal and/or Treaty rights, or the absence of legal permits, rights-of-way or easements. Legal precedents created by court rulings may impact negotiations and resolution of past grievances. To date, OPG has resolved past grievance claims that resulted in Full Settlement Agreements with 21 First Nation communities.

Building on the Company's long-standing commitment to Indigenous communities, OPG's Reconciliation Action Plan serves as a roadmap for how the Company will work with Indigenous communities, businesses and organizations as well as other key partners in advancing reconciliation, and outlines the Company's overall goals and supporting actions to advance reconciliation in a number of key areas. Since the launch of the Reconciliation Action Plan in 2021, OPG has reached approximately 79 percent of the Company's goal to commit $1 billion in economic impact to Indigenous communities and businesses over a 10-year period through its operations, projects and initiatives. The Company also continues to develop and implement strategic approaches to recruitment with the objective of increasing the representation of Indigenous employees across all levels at OPG. These efforts include OPG's Indigenous Opportunities Network (ION) program, a collaboration between OPG, EPSCA, Kagita Mikam Aboriginal Employment and Training, building trades unions, and vendor and industry partners, which has been placing Indigenous participants into employe roles the energy sector since 2018.

OPG continues to undertake a number of activities and initiatives to maintain ongoing and collaborative relationships with Indigenous Nations and communities proximate to OPG's assets. This includes proactive and ongoing engagement with Indigenous communities in relation to the Company's operations and projects, including early consultation, integration of Indigenous knowledge and perspectives, responsive issue resolution, and long-term relationship building.

Additional details on OPG's Indigenous Relations Policy, engagement and initiatives can be found in the section, *Environmental, Social, Governance and Sustainability* under the heading, *Indigenous Relations* in the MD&A.

Partnerships

OPG currently has four commercial partnerships with Indigenous communities related to generation developments. OPG's first such partnership became operational in 2009 as part of the Obishikokaang Waasiganikewigamig/Lac Seul hydroelectric GS project, with the Lac Seul First Nation becoming a 25 percent equity holder in the project. This first-of-its-kind partnership was subsequently used by OPG as a model for developing other renewable energy projects in partnership with Indigenous communities.

The signing of the "Amisk-oo-Skow" Agreement with the Moose Cree First Nation (MCFN) in 2010 marked OPG's second generation-development partnership with an Indigenous community. Through a wholly-owned corporation, MCFN owns a 25 percent interest in the Lower Mattagami River hydroelectric generation project.

In 2015, OPG and Coral Rapids Power Corporation, a corporation wholly owned by the Taykwa Tagamou Nation (TTN), partnered to develop the Peter Sutherland Sr. hydroelectric GS, through PSS Generating Station LP.

OPG and a subsidiary of the Six Nations of Grand River Development Corporation partnered to develop the Nanticoke solar facility, through NSLP, in 2016. The Six Nations of Grand River Development Corporation, through its subsidiary, and the Mississaugas of the Credit First Nation, through a wholly-owned corporation, own 15 percent and 5 percent interests, respectively, in NSLP.

4.7.5 Equity, Diversity and Inclusion

OPG is committed to workplace equity, diversity and inclusion (ED&I), at the enterprise and site levels of the organization, as part of a culture in which all employees, contractors and business partners are treated with fairness and respect. OPG recognizes that ED&I is integral to having a high-performing, diverse and committed workforce and is fundamental to achieving the Company's strategic goals. With the support of its employees, host communities and business partners, the Company continues to advance its ED&I strategy and priorities with a view to build a workforce that represents its communities and creating a culture of inclusion.

The Company's commitment to ED&I underpins its 10-year ED&I Strategy and is reinforced through the Company's Code of Business Conduct and related governance. The ED&I Strategy provides a roadmap to guide the Company's journey towards ED&I excellence by embedding ED&I principles and measuring outcomes in organizational processes and decision-making. An ED&I Strategy Council provides internal oversight on the implementation and assessment of the ED&I Strategy.

In 2024, OPG received the Government of Canada's Employment Equity Achievement Award for Innovation. This award recognized OPG for achievement in implementing employment equity in the workplace, reflecting OPG's commitment to the Company's values of innovation and inclusion. In 2023, OPG was named one of Canada's Best Diversity Employers for 2023, which recognized employers across Canada that have exceptional workplace diversity and inclusion programs. The award marked the achievement of OPG's short-term ED&I Strategy goal.

Further details on OPG's ED&I commitment and workforce representation are found in the section, *Environmental, Social, Governance and Sustainability* under the heading, *Equity, Diversity and Inclusion* in the MD&A. Additional information related to the Company's commitment to advance diverse representation at the Board and senior management levels can be found in the section, *Corporate Governance* under the heading, *Diversity in Leadership*.

4.8 INSURANCE

The principal types of discretionary insurance carried by OPG include directors' and officers' liability, excess commercial general liability, all risks property, including boiler and machinery breakdown, statutory boiler and pressure vessel inspections and business interruption. In addition to providing coverage for OPG's non-nuclear generating facilities, this insurance applies to the conventional operations at OPG's nuclear generating stations. OPG also maintains nuclear property insurance, including nuclear boiler and machinery breakdown. This coverage complements the conventional property insurance program.

OPG also purchases or requires contractors to purchase discretionary insurance for construction projects. For the Darlington Refurbishment project, the owner-controlled insurance program consists of wrap-up liability, course of construction and marine transit insurance. For the DNNP, the owner-controlled insurance program consists of wrap-up liability, course of construction, contractor's pollution liability insurance and errors and omissions insurance. With respect to the Pickering Refurbishment project, an owner-controlled insurance program that consists of wrap-up liability and course of construction coverage has been put in place to provide coverage for early works.

OPG purchases certain insurance coverage as required by statute, namely owned and leased motor vehicle liability and nuclear liability insurance. The Canadian federal *Nuclear Liability and Compensation Act* (NLCA) imposes absolute liability on a licensed operator of a nuclear generating station for any damage to property of, or injury to, the public arising from a nuclear incident, other than damage resulting from sabotage or acts of war. As such, the legislation protects all other persons from liability, including suppliers of nuclear fuel and components used in nuclear reactors.

The NLCA requires all operators of nuclear generating stations in Canada to maintain specified amounts of nuclear liability insurance purchased from a federal government approved insurer or other equivalent forms of financial security approved by the Government of Canada. Under the NLCA, OPG is currently required to maintain financial security in an amount equal to $1 billion per incident for each of its nuclear installations as defined by the NLCA, for which there is no deductible amount. The Darlington GS site and the Pickering GS site are considered two separate nuclear installations under the NLCA. OPG is also required to maintain $13 million per incident of nuclear liability insurance for the WWMF. OPG is not responsible for purchasing nuclear liability insurance for the Bruce nuclear generating stations as Bruce Power is required to purchase such insurance. OPG continues to maintain nuclear liability insurance or other alternative forms of financial security that have been approved by the Government of Canada equal to the required liability limits.

Under Part I of the NLCA, an operator is liable for all damages resulting from a nuclear incident. If, in the opinion of the Governor in Council, OPG's liability could exceed the specified insured amount in respect of a nuclear incident, or if it would be in the public interest to do so, the Governor in Council shall proclaim Part II of the NLCA as applicable in respect of a nuclear incident. Under Part II of the NLCA, OPG's liability would be effectively limited to the amount of required abovementioned insurance, and the Governor in Council may authorize additional funds to be paid by the Government of Canada as may be specified in an order.

The Government of Canada is undertaking its first five-year review of the nuclear liability limits required under the NLCA and its enabling regulations. The proposed amendments, include increasing the maximum liability limit from $1 billion to $1.2 billion for operators of large Canadian nuclear power plants, are anticipated to come into force on January 1, 2027, subject to Governor in Council approval.

5 GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of key developments in OPG's business since January 2023.

5.1 GENERAL DEVELOPMENTS

Date	Description of Development
Collective Agreements	
Power Workers' Union	
2023	The governing collective agreement between the PWU and OPG expired on March 31, 2022. In April 2023, a two-year renewal collective agreement was ratified by the PWU membership, expiring on March 31, 2024. The governing collective agreement between the PWU and Atura Power covering PWU-represented employees at Atura Power's facilities other than the Brighton Beach GS expired on December 31, 2022. In October 2023, a two-year renewal collective agreement was ratified by the PWU membership, expiring on December 31, 2024. The governing three-year collective agreement between the PWU and LEP expired on February 28, 2023. In August 2023, a two-year renewal collective agreement was ratified by the PWU membership, expiring on February 28, 2025.
2024	The governing two-year collective agreement between the PWU and OPG expired on March 31, 2024. In November 2024, the PWU membership ratified a three-year renewal collective agreement negotiated by the parties, covering the period from April 1, 2024 to March 31, 2027. In July 2024, a two-year renewal collective agreement between the PWU and Atura Power covering PWU-represented employees at the Brighton Beach GS was ratified by the PWU membership, expiring on November 16, 2025.
2025	On May 29, 2025, a three-year renewal collective agreement between the PWU and Atura Power covering PWU-represented employees at Atura Power's facilities other than the Brighton Beach GS was ratified by the PWU membership, expiring on December 31, 2027. On July 7, 2025, a three-year renewal collective agreement between the PWU and LEP was ratified by the PWU membership, expiring on February 29, 2028. On October 28, 2025, a two-year renewal collective agreement between the PWU and Atura Power covering PWU-represented employees at the Brighton Beach GS was ratified by the PWU membership, expiring on November 16, 2027.
Society of United Professionals	
2023	As a result of the Bill 124 Court Decision and as allowed by a previous interest arbitration award, the Society sought increased compensation for the term of the governing collective agreement covering the period January 1, 2022 to December 31, 2023. On May 8, 2023, the arbitrator issued an award that modified the collective agreement to increase compensation in light of the Bill 124 Court Decision. After the parties were unable to reach a full renewal collective agreement during negotiations, they proceeded to mediation and binding interest arbitration in November 2023. In December 2023, the Society and OPG received the final arbitration award for a two-year collective agreement, covering the period from January 1, 2024 to December 31, 2025. In June 2023, the Society filed a related employer application with the Ontario Labour Relations Board. The application identified OPG and Atura Power as responding parties and asserted that they constitute a single employer for purposes of the *Ontario Labour Relations Act, 1995*, or in the alternative that a sale of business has occurred. Both OPG and Atura Power are opposing the application. A mediation occurred in September 2023, and discussions are ongoing between the parties.
2025 - 2026	The governing two-year collective agreement between the Society and OPG expired on December 31, 2025. On January 26, 2026, the Society and OPG received the final arbitration award for a three-year collective agreement, covering the period from January 1, 2026 to December 31, 2028.

Date	Description of Development
Ontario's Integrated Energy Plan and Other Energy Planning Initiatives	
2023	In response to the IESO's *Pathways to Decarbonization Report* released by the IESO in December 2022 and outlining a long-term electrification demand forecast and a decarbonized supply mix scenario for Ontario's electricity system, the Province released the *Powering Ontario's Growth* plan in July 2023. The plan outlined the proposed actions of the Province to meet increasing electricity demand while transitioning to a clean electricity system, involving a number of initiatives with OPG's active participation. Following the release of the plan, the Province issued a letter directing the IESO to work on several initiatives including collaborating with OPG and Bruce Power to develop a feasibility study for future nuclear generation in Ontario.
2024	In October 2024, the Province released *Ontario's Affordable Energy Future: The Pressing Case for More Power* document and subsequently introduced the *Affordable Energy Act, 2024* (Bill 214). Together, these documents outlined the Province's vision for meeting the future demand for energy in Ontario. A feasibility study for future nuclear generation in Ontario developed by OPG and Bruce Power was submitted to the Province in December 2024.
2025	In June 2025, the Ontario Ministry of Energy and Mines released its first-ever integrated energy plan, *Energy for Generations*, which provides a roadmap for addressing the province's future energy needs. The plan highlights that Ontario's demand for energy is projected to grow by up to 75 percent leading up to 2050, driven by anticipated population growth, industrial expansion, and greater electrification across the province. During the same month, the Province introduced the *Protect Ontario by Securing Affordable Energy Act, 2025* (Bill 40) to support the implementation of the integrated energy plan. OPG's major approved and potential investments to develop new or refurbish existing generating assets are in alignment with the Province's integrated energy plan.
Equity Injection from Province	
2025	In December 2025, the Province committed to providing $5 billion in equity injections to OPG over the 2025-2027 period. As part of this arrangement, in December 2025, OPG issued its first 1,000,000 non-voting Class B preferred shares to the Province at $1,000 per share, generating $1 billion in proceeds.
Federal Clean Energy Investment Tax Credits	
2023 - 2024	In March 2023, the Government of Canada announced certain refundable investment tax credits (ITC), including a 15 percent refundable Clean Electricity ITC (CEITC), a 30 percent Clean Technology ITC (CTITC) and a Clean Hydrogen ITC (CHITC) ranging from 15 percent to 40 percent, depending on the carbon intensity of the project, for eligible investments. The CTITC and the CHITC were enacted during the second quarter of 2024 and are available to federally taxable entities. If certain labour conditions are not met, the CTITC and the CHITC are reduced by 10 percent. OPG's federally taxable entities making eligible investments may qualify for the CTIC and the CHITC.
2025 - 2026	Draft legislation for the CEITC, which would be available to both federally taxable entities and federal tax-exempt entities including OPG, was terminated upon prorogation of the Parliament of Canada in January 2025. In November 2025, the Government of Canada reintroduced draft legislation to implement the CEITC. In February 2026, the draft legislation passed the House of Commons of the Parliament of Canada, requiring approval from the Senate of the Parliament of Canada before achieving Royal Assent. For eligible projects commencing after March 2023, the CEITC would provide a 15 percent refundable tax credit on eligible clean electricity investments made after April 16, 2024. If certain labour conditions are not met, these refundable credits would be reduced to five percent. The CEITC would be available for certain clean energy projects for the period up to and including 2034. If the draft legislation is enacted as proposed, eligible investments in new projects including SMRs and large-scale nuclear reactors, hydroelectric electricity generation, certain stationary electricity storage systems including battery and pumped hydroelectric storage projects, and refurbishment of certain existing facilities would qualify for the CEITC. OPG's December 2025 application for new regulated prices to the OEB effective January 1, 2027 proposed regulatory account mechanisms to record the revenue requirement impact of the CEITCs for OPG's regulated facilities for repayment to customers, if the legislation is enacted, which would lower the total amounts ultimately recoverable from customers.

Date	Description of Development
Establishment of New Corporate Headquarters	
2023 - 2024	In February 2023, OPG acquired the building and surrounding lands at 1908 Colonel Sam Drive in Oshawa, Ontario. The building was subsequently being retrofitted prior to occupancy as the Company's new corporate headquarters, superseding previously announced plans to construct a new corporate campus in Clarington, Ontario.
2025	Retrofitting of the building at 1908 Colonel Sam Drive in Oshawa, Ontario was completed and the Company took occupancy of the building as its new corporate headquarters in August 2025.
President and CEO Announcement	
2024 - 2025	In November 2024, OPG's Board announced the retirement of Ken Hartwick from OPG as President and Chief Executive Officer (CEO), effective December 31, 2024. The Company also announced that the Board appointed Nicolle Butcher, then Chief Operations Officer, to the position of President and CEO, effective January 1, 2025.

5.2 RATE APPLICATION DEVELOPMENTS

Date	Description of Development
Ontario Energy Board Decisions on OPG's Regulated Prices and Other Matters	
2023	On March 1, 2023, OPG filed an application with the OEB requesting to establish a variance account to record and therefore offset compensation cost impacts attributable to the nuclear facilities as a result of the Bill 124 Court Decision, subject to future review and disposition by the OEB. On June 27, 2023, the OEB issued a decision and order denying OPG's request. On July 17, 2023, OPG filed a motion asking the OEB to review the June 2023 decision, which was reaffirmed by the OEB in its decision on OPG's motion issued on October 24, 2023. As a result, OPG has been unable to record compensation cost impacts of the Bill 124 Court Decision in the proposed variance account. In December 2023, OPG filed an application with the OEB requesting disposition of regulatory account balances as at December 31, 2022, less amounts previously approved for recovery or repayment of any such balances through existing rate riders, through incremental rate riders on nuclear and regulated hydroelectric electricity generation. The application also addressed the anticipated impacts from the IESO's Market Renewal Program initiative on OPG's regulated facilities.
2024	In the second quarter of 2024, OPG and intervenors in the proceeding reached a complete settlement on OPG's December 2023 application with the OEB requesting disposition of regulatory account balances. In June 2024, the OEB issued a decision and order approving the settlement proposal, providing for the recovery of a net total of $481 million in connection with amounts recorded in OPG's regulatory accounts and associated income tax impacts, which represented a reduction of $22 million from the amounts sought in OPG's application. This included the resolution of the parties' positions with respect to whether any of the net proceeds from OPG sale of certain premises at 800 Kipling Avenue in Toronto, Ontario received in 2022 should be credited to ratepayers. The balances agreed by the parties are being recovered or repaid effective July 1, 2024 over a period of 30 months. The approved settlement proposal also provided for regulatory mechanisms to address the then anticipated impacts from the IESO's Market Renewal Program initiative on OPG's regulated facilities until the effective date of base regulated prices arising from OPG's next application with the OEB, as part of which any of the parties may take a different position on such mechanisms on a prospective basis.
2025	In March 2025, the OEB issued a decision following the OEB-initiated generic cost of capital review proceeding that took place in 2024. As part of the decision, the OEB updated the cost of capital parameters including the prescribed rate of return on the deemed equity (ROE) portion of the capital structures applicable to all electricity transmitters, electricity distributors, natural gas utilities, and rate-regulated electricity generators. As a result, the prescribed ROE decreased by 0.25 percent. On October 31, 2025, the OEB published a prescribed ROE of 9.11 percent applicable to 2026 cost-based rate applications, effective January 1, 2026. The prescribed ROE will continue to be updated annually through the OEB's ROE adjustment formula. The above changes did not affect the prescribed ROE or other cost of capital parameters reflected in OPG's previously authorized regulated prices for the period through December 31, 2026. In April 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* to allow for the creation of a new variance account to record pre-development expenses for proposed hydroelectric projects by OPG for future recovery, subject to review by the OEB. The comment period for the proposal ended on June 13, 2025. In December 2025, the Province amended *Ontario Regulation 53/05* to prescribe DNNP LP as a new OEB-regulated electricity generator, subject to the OEB's satisfaction that DNNP LP has met certain conditions, and to set out certain additional requirements the OEB must follow in setting regulated prices for the DNNP SMR facilities and OPG's existing nuclear facilities. The amendments also require that, with respect to any period until the effective date of the OEB's first order setting regulated prices for the DNNP SMR facilities after the DNNP has been completed, blended nuclear base regulated prices must apply for OPG's existing nuclear facilities and the DNNP SMR facilities, as determined by combining the respective annual revenue requirements and production forecasts determined by the OEB.

Date	Description of Development
2025	The December 2025 amendments to *Ontario Regulation 53/05* also established a mechanism for regulated prices to recover interest amounts in respect of the capital expenditures on the Pickering Refurbishment project and the capital expenditures on the DNNP prior to such assets being placed in service, effective January 1, 2026. Under the mechanism, the OEB-approved revenue requirement for each of OPG's existing nuclear facilities and the DNNP SMR facilities must include an amount equal to the product of the forecast cumulative capital expenditures incurred in respect of the Pickering Refurbishment project and the DNNP, respectively, other than any such amounts that have been placed in service, and OPG's cost of long-term borrowing approved by the OEB. The amendments also established variance accounts for OPG to record, as applicable and including in respect of DNNP LP, the differences between these forecast interest amounts included in the respective revenue requirement and the amounts determined by multiplying such actual cumulative capital expenditures by OPG's cost of long-term debt, effective January 1, 2026. The regulation requires the OEB to authorize disposition of the balances in these accounts, together with interest at a long-term debt rate reflecting OPG's cost of long-term borrowing approved by the OEB, on an annual basis in the year following the year in which the amounts are recorded in the account. As a consequence of the above mechanism providing for recovery of interest amounts concurrent with the associated capital expenditures, OPG expects that no interest will be capitalized to the Pickering Refurbishment project and the DNNP effective January 1, 2026. As a result, in addition to helping support the Company's financing requirements, the mechanism will reduce the corresponding rate base values, all of which is expected to ultimately lower the total amounts recoverable from customers over the life of authorized these assets. The December 2025 amendments to *Ontario Regulation 53/05* also established a variance account for DNNP LP to record, for future disposition and until the effective date of the OEB's first order setting regulated prices for the DNNP SMR facilities after the DNNP has been completed, the revenue requirement impacts of the differences between DNNP LP's actual capital structure and cost of debt, and the capital structure and cost of debt parameters approved by the OEB in setting regulated prices for the DNNP SMRs. The disposition of the balance in the account is subject to the OEB's review of the borrowing costs incurred by DNNP LP. In December 2025, OPG filed a five-year application with the OEB for new regulated prices for electricity generated from OPG's regulated hydroelectric and nuclear facilities, including for the DNNP SMR facilities on behalf of DNNP LP, with a proposed effective date of January 1, 2027. The application reflects the December 2025 amendments to *Ontario Regulation 53/05*. For the nuclear facilities, the application proposes base regulated prices determined under a custom incentive regulation framework consistent with prior OPG applications for regulated prices, based on a revenue requirement and production forecast for each of the five years. For the regulated hydroelectric facilities, the application proposes regulated prices determined under a custom incentive regulation framework that would rebase the base regulated price using a forecast cost-of-service approach for the 2027 year, based on a corresponding revenue requirement and production forecast, and, for the four subsequent years, and escalate the price annually using a formula that includes an inflation factor based on indices published annually by the OEB, as increased by an incremental capital funding adjustment to support forecasted investment levels and as reduced by a stretch factor adjustment. Among others, the application seeks approval of forecast in-service capital additions to rate base over the 2027-2031 period in respect of the Pickering Refurbishment project and the DNNP. The application also includes a proposal to increase the equity component of the deemed capital structure applicable to the Company's rate base. The application also requests new rate riders, effective January 1, 2027, to recover or repay the December 31, 2024 balances in most of the Company's regulatory accounts, including the Rate Smoothing Deferral Account, less amounts previously approved for recovery or repayment of any such balances through existing rate riders in effect to December 31, 2026. The application also requests continuation of most existing deferral and variance accounts and proposes certain new deferral and variance accounts, including in respect of DNNP LP. The proposed regulated prices would enable OPG's investments in its nuclear and hydroelectric assets that will help meet Ontario's growing electricity demand in alignment with Ontario's Integrated Energy Plan. The OEB has processed OPG's application and the public proceeding is underway.

5.3 NUCLEAR BUSINESS DEVELOPMENTS

Date	Description of Development
Darlington Refurbishment Project	
	The Darlington Refurbishment project is expected to extend the operating life of the four units of the Darlington GS by at least 30 years, continuing to provide approximately 3,500 MW of cost effective, reliable and clean baseload electricity generation capacity for Ontario. The refurbishment of the first unit, Unit 2, was completed in June 2020. The refurbishment of the second unit, Unit 3, was completed in July 2023 and the refurbishment of the third unit, Unit 1, was completed in November 2024, both ahead of their original schedule. The refurbishment of the last unit, Unit 4, commenced in July 2023, after Unit 3 was returned to service, and is currently in the fourth and final major segment, Power Up. On March 7, 2026, Unit 4 was synchronized to the electricity grid, with high power operation achieved during final commissioning, and is now in the final stages of a full and safe return to service in March 2026, over four months ahead of its original schedule. The Darlington Refurbishment project is a multi-phase program comprising five major sub-projects that are executed across four major segments for each unit. Descriptions of each major segment can be found in the section, *Core Business and Outlook* under the heading, *Project Excellence – Darlington Refurbishment* in the MD&A. The total project completion costs for the four units, including the impacts of the COVID-19 pandemic, are expected to be approximately $150 million below the $12.8 billion budget, upon completion of project closure activities. The revenue requirement impact of differences between the OEB-approved forecast capital and non-capital costs incurred by OPG to increase the output of, refurbish or add generating capacity to one or more of its nuclear or regulated hydroelectric facilities, including the Darlington Refurbishment project and the Pickering Refurbishment Project, and such actual costs is recorded in a variance account authorized by the OEB pursuant to *Ontario Regulation 53/05*, with disposition subject to the OEB's review.
Continued Operation Plan for Pickering Nuclear Generating Station and Pickering Refurbishment Project	
	OPG's plan to maximize the safe and reliable operating life of the Pickering GS includes operating Units 5 to 8 until the end of September 2026, prior to taking them offline for refurbishment. The plan also included operating Unit 1 and Unit 4 of the Pickering GS to the end of September 2024 and December 2024, respectively. The existing power reactor operating licence for the Pickering GS is valid until August 31, 2028. As approved by the Province, OPG is preparing to proceed with the refurbishment of Units 5 to 8 of the Pickering GS. As planned, OPG expects to remove the units from service in September 2026, followed by the defueling of the reactors, with the execution phase of the project commencing in January 2027. The total budget for refurbishing the four units, including interest, cost escalation, and contingency, is $26.8 billion, which represents the release-quality estimate approved by the Board. The first unit scheduled to complete refurbishment, Unit 5, is expected to return to service in 2031, with the overall refurbishment anticipated to be completed by 2034. Once refurbished, the Pickering GS will continue to provide over 2,000 MW of baseload generating capacity, helping to meet Ontario's demand for electricity for over 30 years. The approved base nuclear regulated prices for the 2022-2026 period were set on the assumption of the continued operation of Units 5 to 8 of the Pickering GS until the end of 2025. Following the announcement of its support in 2022 for the continued safe operation of these units until the end of September 2026, the Province amended *Ontario Regulation 53/05* to require OPG to establish a variance account to record the additional revenues and costs associated with operating Units 5 to 8 of the Pickering GS between January 1, 2026 and September 30, 2026 (Pickering B Variance Account).
2023	In support of the CNSC's approval required for post-2024 commercial operation of the Pickering GS, OPG submitted the Periodic Safety Review's (PSR) Global Issues Assessment Report to the CNSC in May 2023 to reflect the end of planned operation of Units 5 to 8 in September 2026 at the time. The associated Integrated Implementation Plan documented new actions to support operation of the units through 2026. In June 2023, OPG submitted an application to the CNSC to continue operations of Units 5 to 8 through 2026. OPG completed an updated feasibility assessment for refurbishing Units 5 to 8 of the Pickering GS as requested by the Province. As approved by the Board, OPG submitted the feasibility assessment to the Province in August 2023.

Date	Description of Development
2024	In January 2024, the Province announced its support for OPG proceeding with next steps toward refurbishing Units 5 to 8 of the Pickering GS. As approved by the Board, OPG subsequently completed the project initiation phase, including certain preliminary engineering and securing long-lead components, in 2024. Following a public hearing in June 2024, the CNSC announced in October 2024 its decision to amend the existing operating licence for the Pickering GS, authorizing the operation of Units 5 to 8 until the end of 2026. As planned, Unit 1 and Unit 4 of the Pickering GS ceased commercial operation and were permanently taken offline on October 1, 2024 and December 31, 2024, respectively, after over 50 years of service. Following the end of commercial operation, Unit 1 and Unit 4 transitioned to being placed in a safe storage state under the existing operating licence for the Pickering GS. This involves defueling the reactors, removing all heavy water, and reconfiguring the station to isolate the units from the operating units.
2025	In January 2025, the Province announced its approval of OPG's plan to proceed with the project definition phase as the next step toward refurbishing Units 5 to 8 of the Pickering GS. During the fourth quarter of 2025, OPG completed the development of the release-quality estimate and schedule for the project, and associated project execution plan and project scope optimization. The project continues to progress prerequisite facilities and infrastructure scope, detailed engineering, and procurement and contracting work. The definition phase is expected to last through 2026. In June 2025, OPG submitted an application to the CNSC to renew the power reactor operating licence for the Pickering GS for a period of 10 years, inclusive of the planned refurbishment activities for Units 5 to 8. The two-part public hearing on the application is scheduled to be held by the CNSC in June 2026 and October 2026. Effective July 1, 2025, the Province amended *Ontario Regulation 53/05* to clarify the scope of the Pickering B Variance Account such that OPG can record costs, incurred on or after January 1, 2024, to preserve the ability to operate Units 5 to 8 of the Pickering GS upon refurbishment, for future recovery. These costs can be recorded in the account until the effective date of the OEB's first order setting nuclear base regulated prices that comes into effect on or after January 1, 2027. The disposition of the account balance will be subject to the OEB's review in a future proceeding. On November 26, 2025, the Province announced its approval of OPG's plan to proceed with the refurbishment of Units 5 to 8 of the Pickering GS. The defueling of Unit 1 and Unit 4 of the Pickering GS was completed safely in February 2025 and June 2025, respectively, and the de-watering of Unit 1 and Unit 4 was completed safely in March 2025 and December 2025, respectively. Work is progressing on isolating the units and placing various sub-systems in a safe state.

Date	Description of Development
Darlington New Nuclear Project	
As approved by the Province, through its DNNP LP subsidiary, OPG is advancing the DNNP and plans to complete the construction of Canada's first grid-scale SMR (Unit 1) by the end of the decade and connect it to the electricity grid by the end of 2030, using the BWRX-300 reactor plant technology. Unit 1 is expected to cost $6.1 billion along with systems and services that would be common to all four SMRs planned as part of the project of $1.6 billion. This total budget of $7.7 billion represents the release-quality estimate for the first unit SMR and such shared infrastructure, inclusive of interest, cost escalation and contingency, and was approved by the Board. The total cost of the four-unit DNNP, including interest, cost escalation, and contingency, has been currently estimated at approximately $20.9 billion. OPG and its project partners will continue to refine the total estimated project cost during the definition phase of the remaining three units, incorporating lessons learned from the construction of Unit 1 and the Darlington Refurbishment project. Pending the Province and regulatory approvals for the construction of the three additional SMRs, the DNNP's total generating capacity is expected to reach approximately 1,200 MW.	
2023	In January 2023, OPG announced that it has partnered with GE Hitachi Nuclear Energy, SNC-Lavalin Group Inc. (now known as AtkinsRéalis) and Aecon Group Inc. as part of an integrated project delivery model to develop, engineer and construct a BWRX-300 SMR at the DNNP site. The parties are managing the project as an integrated team. OPG, as the licence holder, maintains overall responsibility and oversight for the project, and specific responsibility for Indigenous engagement, stakeholder outreach, commissioning and operator training. In March 2023, OPG, GE Hitachi Nuclear Energy, Tennessee Valley Authority and Synthos Green Energy S.A (SGE) announced a technical collaboration agreement between the parties to fund the development of the BWRX-300 reactor plant technology and detailed design for key components, including reactor pressure vessel (RPV) and associated internal components. The RPV is the core of a nuclear generating station design, acting as the primary pressure vessel and integrated steam generator providing natural circulation for safe and efficient electricity generation. As announced by the Province in July 2023, OPG initiated planning and licensing for three additional SMRs at the DNNP site, bringing the total number of planned SMRs at the site to four. In November 2023, OPG announced that it has partnered with Cameco, Urenco USA (UUSA), Global Nuclear Fuel-Americas LLC and the Orano Group (Orano) to secure the fuel supply for the first SMR at the DNNP site. Under the arrangements, Cameco is to supply natural UF6, Orano is to supply a part of the enriched uranium, UUSA is to provide uranium enrichment services required, and Global Nuclear Fuel-Americas LLC is to provide fuel fabrication and related technical services and fuel assemblies.
2024	The first CNSC public hearing on OPG's Licence to Construct application for the first SMR at the DNNP site, submitted in 2022, took place in January 2024, with the focus on the applicability of the DNNP environmental assessment (EA) to the BWRX-300 technology. In April 2024, the CNSC announced its decision that the existing EA for the DNNP is applicable to the BWRX-300 technology. In June 2024 and November 2024, respectively, the project completed the tunnel boring machine launch shaft retaining wall for the condenser cooling water system and the reactor building shaft retaining wall. Site preparation activities necessary for the start of construction for Unit 1 were substantially completed.
2025	In April 2025, following the two-part, second public hearing held on OPG's Licence to Construct application, the CNSC announced its decision to issue a power reactor construction licence to OPG, authorizing the construction of one SMR at the DNNP site. The licence is valid until March 31, 2035 and includes standard licence conditions as well as three Regulatory Hold Points (RHPs) at key project milestones during the licence to construct phase. The removal of the RHPs is tied to completion of design and safety analysis and will allow for the progression of the detailed design and phased construction. Overall, the licence conditions and hold points will enable effective regulatory oversight of the licensed activities. In May 2025, the Province announced its approval of OPG's plan to proceed with the execution phase of the first SMR at the DNNP site.

Date	Description of Development
2025	In October 2025, it was announced that OPG secured up to $3 billion in equity financing for the four-SMR DNNP, comprised of up to $1 billion from the provincial Building Ontario Fund (BOF) and up to $2 billion through the federal Canada Growth Fund (CGF), subject to the satisfaction of certain conditions. OPG will remain the majority owner, project manager and operator of the DNNP, with the CGF and BOF acquiring minority equity interests of up to 15 percent and 7.5 percent ownership, respectively, in DNNP LP. The CGF and BOF's capital will be made available to OPG as required by the project, in two tranches – capital funding for Unit 1 and additional capital for the construction of three additional SMRs once the project meets certain milestones. The initial equity investment from CGF and BOF to DNNP LP is expected to be completed by the second quarter of 2026. In December 2025, the Province amended *Ontario Regulation 53/05* to authorize a variance account for DNNP LP to record, for future recovery, the revenue requirement impact of differences between the OEB-approved forecast capital and non-capital costs incurred by DNNP LP for the DNNP and such actual costs, as well as differences in net revenue earned by DNNP LP as a result of any difference between the OEB-approved forecast in-service date of a DNNP SMR and such actual date. The disposition of the balances recorded in the account is subject to the OEB's review. During 2025, the project completed the baseline detailed design milestone as well as the construction of the pre-assembly building, which will support the final assembly of reactor building structural components. The project is progressing towards the construction of the basemat, which represents the foundation of the Unit 1 reactor building. As supported by the Province, OPG continues to advance planning and licensing activities for the three additional SMRs, with site grading activities completed in 2025.
Exploring New Nuclear Electricity Generation Opportunities at OPG's Sites	
OPG is preparing for possible development of new large nuclear reactors in Ontario and pursuing other business development opportunities related to nuclear generation technologies as a source of safe, clean, reliable and cost-effective energy to help meet future electricity needs.	
2024	In November 2024, the Province requested OPG to proceed with discussions with Indigenous and municipal leaders on its existing Ontario sites in Port Hope (Wesleyville site), Haldimand County (Nanticoke site) and St. Clair Township (Lambton site) to determine interest in exploring new electricity generation opportunities, including nuclear energy generation. The Wesleyville site had previously undergone partial development for an electricity generation facility. The Nanticoke and Lambton sites formerly hosted OPG's coal-fired generating stations that have now been decommissioned. All three sites are zoned for electricity generation and have proximity to transmission infrastructure.
2025	In January 2025, with First Nations' willingness to enter discussions and following a formal expression of interest from the Municipality of Port Hope, the Province requested OPG to explore opportunities for new nuclear energy generation at the Wesleyville site. Based on OPG's early assessment, the Wesleyville site could host up to 10,000 MW of new nuclear energy generation, which could power the equivalent of approximately ten million homes. In October 2025, OPG announced the opening of the Port Hope Nuclear Discovery Centre, a new hub that aims to provide learning opportunities, foster community engagement, and serve as a venue for residents, stakeholders, and Indigenous Nations to access information, participate in activities, and share feedback related to a potential new nuclear development project at the Wesleyville site. In December 2025, OPG submitted the *New Nuclear at Wesleyville in Port Hope* Initial Project Description (IPD) to the Impact Assessment Agency of Canada. The IPD is a preliminary document that provides an overview of the proposed new nuclear generation project at the Wesleyville site. OPG developed the IPD based on a range of potential nuclear technologies that could be deployed at the site. The IPD submission begins a multi-year federal Impact Assessment process to assess the impact of a project and to apply to the CNSC for a Licence to Prepare Site. The Impact Assessment will include an assessment of potential impacts on the environment, health, social and economic conditions, and Indigenous rights and explore how adverse effects could be mitigated. Participation of Indigenous and local communities is essential to this process. In recognition of this, OPG has received

Date	Description of Development
	substantial input from the Alderville, Curve Lake, Hiawatha, and Mississaugas of Scugog Island First Nations of the Williams Treaties First Nations in preparing the IPD. The costs for the above activities are recorded, for future recovery, in an existing regulatory account established pursuant to *Ontario Regulation 53/05*, with disposition subject to review by the OEB.
Primary Moisture Separators Replacements at Darlington Nuclear Generating Station	
Based on the results of planned inspections of the units of the Darlington GS, OPG identified that the primary moisture separators, a component of SGs, require replacement on all units to ensure ongoing safe, reliable and efficient operations throughout the station's extended lifespan. The function of the primary moisture separators is to provide high quality dry steam to the downstream turbine equipment. There are four SGs in each Darlington GS unit and each SG has 104 primary moisture separators. The overall budget for the project to replace the primary moisture separators in the first two SGs in Unit 3, the four SGs in Unit 1 and the four SGs in Unit 4 is $380 million, while the budget to replace the primary moisture separators in Unit 2 and the remaining two SGs in Unit 3 of $253 million.	
2023	The replacement of the primary moisture separators in the first two SGs in Unit 3 was completed in the third quarter of 2023.
2024	The replacement of the primary moisture separators in the four SGs in Unit 1 and the four SGs in Unit 4 was completed during 2024.
2025	The replacement of the primary moisture separators in the four SGs in Unit 2 and the remaining two SGs in Unit 3 progressed with ongoing execution planning activities. The post-replacement inspection work on Unit 4 is expected to be completed in the first half of 2026, marking the completion of that project.

5.4 RENEWABLE GENERATION BUSINESS DEVELOPMENTS

Date	Description of Development
Redevelopment of Hydroelectric Generating Stations	
OPG is redeveloping several existing hydroelectric generating stations that are approaching the end of their operational lives. The redevelopments generally involve construction of new powerhouses or powerhouse extensions, replacement of turbine and generator units and supporting systems, and replacement or rehabilitation of other structures at the stations. The redevelopments are expected to ensure continued safe and reliable operations of the assets for an additional 80 to 90 years. The facilities currently undergoing redevelopment are reported in the Regulated – Hydroelectric Generation business segment.	
2023	Following the completion of installation and commissioning activities, Unit 1 and Unit 2 at the Calabogie GS were placed in service. The installed capacity of the new station doubled to approximately 11 MW. Calabogie GS is located along the Madawaska River in eastern Ontario. The project was completed within the previously established revised budget of $168 million.
2024	A project to redevelop the Kakabeka Falls GS, located along the Kaministiquia River in northwestern Ontario, entered the execution phase in November 2024, with an expected in service date in 2028 and an approved budget of $519 million. The redeveloped station is expected to have a generating capacity of approximately 27 MW. A project to redevelop the Coniston and Stinson hydroelectric generating stations, located along the Wanapitei River east of Sudbury, Ontario, entered the execution phase in November 2024, with a combined approved budget of $178 million. The redeveloped stations are expected to have a combined generating capacity of approximately 12 MW.
2025	The project to redevelop Kakabeka Falls GS completed site demolition work, and the mud slab was poured for the new surge building. The project is tracking within the approved budget and schedule. The project to redevelop Coniston GS and Stinson GS demolished both powerhouses and completed the primary concrete for the Coniston GS intake structure. The project is tracking within the approved budget and schedule. A project to redevelop the Matabitchuan GS, located along the Matabitchuan River in northeastern Ontario, entered the execution phase in March 2025, with an expected in-service date of 2028 and an approved budget of $190 million. The redeveloped station is expected to have a generating capacity of approximately 12 MW. During 2025, the construction team mobilized to site, demolished the existing powerhouse superstructure, and began excavation in support of the new powerhouse construction. The project is tracking within the approved budget and schedule.
Little Long Dam Safety Project	
OPG has completed a project to increase the discharge capacity and make other improvements at the Little Long Main Dam on the Lower Mattagami River in northeastern Ontario, enabling OPG to align with dam safety requirements established by the Province. The Little Long Dam supports OPG's hydroelectric generating stations on the Lower Mattagami River. The project was placed in service in 2023. With site rehabilitation and project closure activities completed in 2025, the final project costs are within the previously established revised budget of $700 million. The project costs are expected to be recovered under the ESA for the Lower Mattagami generating stations.	
Smoky Falls Dam Safety Project	
OPG has substantially completed a project to improve dam safety at the Smoky Falls hydroelectric GS, located along the Lower Mattagami River. The project rehabilitated the 100-year-old spillway and sluiceway structures to align with dam safety requirements established by the Province. The project is expected to be completed within its budget of $390 million, including site rehabilitation and project closure activities. The project costs are expected to be recovered under the ESA for the Lower Mattagami generating stations.	

Date	Description of Development
Refurbishment of Hydroelectric Generating Stations	
OPG is progressing the execution of turbine-generator refurbishment projects across multiple hydroelectric generating stations, ensuring their continued reliable operations to deliver decades of renewable electricity and help meet the province's energy needs.	
2024	• Initiated the execution of the refurbishment of Unit 4 at the Sir Adam Beck I GS, the first of the 19 units planned to undergo refurbishment at the Sir Adam Beck I and II generating stations, located in Niagara Falls, Ontario. • Initiated the execution of the refurbishment of Unit 12 at the R.H. Saunders GS, located on the St. Lawrence River in eastern Ontario, and continued the execution of the refurbishment of Unit 9, the first two of the station's 16 units planned to undergo refurbishment. • Completed the refurbishment of Unit 1 at the Barrett Chute GS, located on the Madawaska River in eastern Ontario, and continued the execution of the refurbishment on the station's Unit 2. • Initiated the execution of the refurbishment of Unit 1 at the Otter Rapids GS, located on the Abitibi River in northeastern Ontario, and continued the execution of the refurbishment on the station's Unit 2.
2025	• Initiated the execution of refurbishment for Unit 19 and Unit 20 at the Sir Adam Beck II GS and Unit 6 and Unit 8 at the Sir Adam Beck I GS, and continued the execution of the refurbishment of Unit 4 at the Sir Adam Beck I GS. • Completed the refurbishment of Unit 9 and continued execution of the refurbishment of Unit 12 at the R.H. Saunders GS. • Completed the refurbishment of Unit 2 at the Barrett Chute GS, marking the completion of the refurbishment of all four units at the generating station. • Completed the refurbishment of Unit 2 and continued execution of the refurbishment of Unit 1 at the Otter Rapids GS.
Northern Ontario Hydroelectric Development Opportunities	
OPG is exploring opportunities for possible new hydroelectric development in northern Ontario, which holds significant hydroelectric potential, including the proposed Moose River Basin projects.	
2023	In February 2023, OPG released the *Northern Ontario Hydroelectric Opportunities Report* in response to the Province's request to evaluate Ontario's potential for new hydroelectric development in northern Ontario. The report was the culmination of industry engagement in collaboration with the Ontario Waterpower Association, Hydro One Limited (Hydro One) and the IESO, in addition to preliminary discussions and engagement with potentially impacted Indigenous communities. The report highlighted significant hydroelectric potential across the region, ranging from 3,000 to 4,000 MW of additional capacity available for development, along with the associated transmission network reinforcements.
2025	In April 2025, the Province announced that it is working in partnership with the TTN and MCFN to explore and advance opportunities for two new hydroelectric generating stations in northeast Ontario, which, if approved, would have a combined generating capacity of up to 430 MW. This includes the proposed Nine Mile Rapids generating station on the Abitibi River and the proposed Grand Rapids generating station on the Mattagami River. The TTN and MCFN, having named OPG as the partner-in-principle, have signed letters of intent with OPG and are jointly leading a co-planning process to determine a potential path forward for the development of these sites, contingent on community support. To support the co-planning process and the Indigenous communities' ratification vote for these proposed projects, OPG has undertaken a series of early-stage studies at the Abitibi and Mattagami Rivers and engaged an Owner's Engineer to develop conceptual design options. The Indigenous communities' ratification vote is planned for the fourth quarter of 2026.

5.5 THERMAL BUSINESS DEVLEOPMENTS

Date	Description of Development
Capacity Upgrades and Contract Extensions for Atura Power's Combined Cycle Plants	
In May 2023, the IESO announced the results of its procurement of generating capacity upgrades from existing contracted facilities and the finalization of a new 10-year agreement for Atura Power's Brighton Beach GS, including capacity upgrades. Atura Power was awarded capacity upgrades and contract extensions for the Portlands Energy Centre and the Halton Hills GS. The upgrades at the Portlands Energy Centre facilities are expected to be in service in 2026, with the upgrade totaling 28 MW at the Halton Hills GS completed in 2025 and the upgrade totaling 42.5 MW at the Brighton Beach GS placed in service in January 2026.	
Napanee Combined Cycle Generating Station Expansion	
In June 2024, Atura Power entered a long-term agreement with the IESO for the expansion of the combined cycle plant at the Napanee GS. The project will add an additional combustion turbine generator unit at the Napanee GS site, providing up to 405 MW of generating capacity to Ontario's electricity grid. The project was selected through the IESO's long-term procurement process.	
2024	Engineering, design and permitting activities progressed on schedule, with procurement of critical equipment completed.
2025	Engineering and design activities were completed, with permitting activities progressing on schedule. Construction commenced during 2025. The facility is expected to be in service in 2028 and will operate under a 12-year capacity agreement with the IESO. The project is tracking within the approved budget and schedule.
New Energy Supply Agreement for Lennox Generating Station	
In May 2025, OPG secured a new five-year ESA for the Lennox GS under the IESO's Medium-Term 2 Request for Proposal process. Together with its existing ESA, this will support ongoing operation of the Lennox GS until 2034, enabling it to continue providing 2,100 MW of generating capacity to Ontario's electricity system. The existing ESA will remain in place until April 2029, at which time the new ESA will take effect.	

5.6 NEW BUSINESS DEVELOPMENTS

Date	Description of Development
Nuclear Services Collaboration	
2024	In June 2024, Canadian Nuclear Partners S.A. (CNPSA), a subsidiary of LEP, entered into a long-term framework agreement with S.N. Nuclearelectrica S.A., a Romania-based nuclear energy company. Pursuant to the agreement, CNPSA is to provide project management organization services necessary for the preparation and implementation of the Unit 1 refurbishment project at the Cernavoda Nuclear Power Plant in Romania, including project management, technical assistance and staff training.
2025	In December 2025, LEP, together with CNPSA and BWXT Canada Ltd, a subsidiary of BWX Technologies, Inc, entered into a long-term owner's engineer contract with Kozloduy NPP-New Builds PLC, a Bulgaria-based nuclear energy company. Pursuant to the contract, the consortium will support the construction of two Westinghouse AP1000® reactor units at Bulgaria's Kozloduy Nuclear Power Plant, including project planning, specialized engineering and project management services.
Low-carbon Hydrogen Development	
Through Atura Power, OPG is laying the groundwork for low-carbon hydrogen production hubs in Ontario as part of a new hydrogen-related business. Low-carbon hydrogen has the potential to reduce or offset carbon emissions in a range of applications, including powering fuel cells in vehicles used in the heavy-duty and long-haul trucking industry, as an energy substitute for high-emitting industrial applications, and by blending hydrogen with natural gas to reduce the carbon intensity of natural gas.	
2023	The IESO and OPG executed an agreement to support the development of the NHC in Niagara Falls, Ontario. This agreement allows OPG to supply electricity from the Sir Adam Beck II GS to Atura Power for producing low-carbon hydrogen. Atura Power initiated the execution phase of the NHC project and substantially completed the design and engineering activities, along with the procurement of critical equipment. Permitting activities were advanced.
2024	Engineering and design activities were completed. The project advanced further groundwork, with most substation foundations and cable trenches installed.
2025	The project substantially completed construction activities and has entered the system integration and commissioning phase. The NHC is expected to be completed in 2026. The project is tracking within the approved budget.
Energy Storage and Electrification	
OPG seeks to expand beyond its core generation business, either directly or through its subsidiaries and partnerships, with investments in innovative technologies and new lines of business in the electricity sector, such as battery energy storage, transport electrification, hydroelectric pumped storage, and other opportunities.	
Battery Energy Storage System	
2023	In partnership with a subsidiary of Ameresco Inc., Atura Power entered into a long-term agreement with the IESO to build a 250 MW four-hour Napanee BESS. The project was selected through the IESO's expedited long-term procurement process. The facility will support Ontario's energy grid by drawing and storing electricity off-peak when power demand is low and returning it to the system at times of higher electricity demand. During 2023, the project entered the execution phase, with the procurement of critical materials, and progressed engineering and permitting activities.
2024	Following the completion of design work and procurement of critical equipment, on-site construction activities commenced, with critical equipment foundation work underway.
2025	The project substantially completed construction activities and has advanced into the early stages of commissioning. The project is expected to be completed in 2026 and will operate under a 21-year capacity agreement with the IESO. The project is tracking within the approved budget and schedule.

Date	Description of Development
PowerON Energy Solutions	
2023	In June 2023, PowerON Energy Solutions (PowerON), a subsidiary of OPG, entered into a 20-year agreement with Oakville Transit to design, build, finance, own, operate and maintain the charging infrastructure for its electric bus fleet in Oakville, Ontario. PowerON also expanded Oakville Transit's garage facility to accommodate additional electric buses.
2025	PowerON entered into an agreement with the City of Regina to perform construction management and maintenance services for its charging infrastructure for the electric bus fleet in Regina, Saskatchewan.

5.7 ACQUISITION AND DIVESTITURE DEVELOPMENTS

Date	Description of Development
Eagle Creek	
2024	On January 31, 2024, OPG, through Eagle Creek, acquired 100 percent of the equity in Lightstar Renewables LLC and Lightstar Operations One LLC, a developer, constructor and operator of community solar assets in the United States, for a total of purchase price of USD $121 million (C$163 million).
2025 - 2026	In October 2025, OPG entered into an agreement to sell Eagle Creek. On January 9, 2026, OPG completed the sale of Eagle Creek for consideration of USD $1.48 billion (C$2.05 billion) inclusive of debt to be assumed by the buyer and other closing adjustments. The sale resulted in OPG ceasing to have electricity generation operations or facilities in the United States.
Ivy Charging Network	
2025	In the first quarter of 2025, OPG entered into an agreement to divest its interest in a partnership operated under the Ivy Charging Network brand, which had previously been formed with a subsidiary of Hydro One to own and operate electric vehicle charging stations across Ontario, to Hydro One. The transaction was completed during the same quarter.

6 RISK FACTORS

Details on risks faced by OPG are found in the section, *Risk Management* in the MD&A.

7 DIVIDENDS

The declaration and payment of dividends on common shares, Class A shares, and Class B preferred shares is at the sole discretion of the Board and is dependent on the results of OPG's operations, the Company's financial condition and cash requirements, securities legislation requirements and other factors considered relevant by the Board in exercising its discretion and judgment on an ongoing basis. OPG did not declare or pay any dividends in 2023, 2024 or 2025.

The Class B preferred shares rank, with regard to dividends, in priority to the common shares and the Class A shares.

There are no restrictions in the articles of the Company that could prevent the Company from paying dividends on common and preferred shares. However, the declaration and payment of dividends are subject to financial tests set forth in the OBCA.

8 DESCRIPTION OF CAPITAL STRUCTURE

8.1 GENERAL DESCRIPTION

The authorized share capital of OPG consists of an unlimited number of common shares, the voting shares of the Company, an unlimited number of non-voting Class A shares, and an unlimited number of non-voting Class B preferred shares. As at December 31, 2025, OPG had 256,300,010 common shares, 18,343,815 Class A shares, and 1,000,000 Class B preferred shares, series 1 issued and outstanding, all of which are owned directly by the Province, at a stated value of $5,126 million, $787 million, and $1,002 million respectively. OPG is authorized to issue an unlimited number of common shares and Class A shares without nominal or par value, and an unlimited number of Class B preferred shares, issuable in series, of which an unlimited number of Class B preferred shares, series 1, has been authorized. Holders of common shares are entitled to one vote per share at meetings of the shareholders of the Company.

The Company's Articles of Amalgamation were amended effective December 1, 2017 to allow for the creation and issuance of non-voting Class A shares to the Province in exchange for its equity injections in OPG. The Class A and common shares rank equally as to entitlement to dividends, and all dividends declared by OPG must be declared in equal amounts per share on all outstanding shares without preference or distinction. Upon the liquidation, dissolution or wind-up of OPG, whether voluntary or involuntary, the holders of Class A shares and common shares are entitled to share equally, on a share for share basis, in all distributions of property and assets without preferences or distinction. OPG is entitled to redeem outstanding Class A shares as may be approved by the Board.

The Company's Articles of Amalgamation were further amended effective November 26, 2025 to allow for the creation and issuance of Class B non-voting preferred shares, issuable in one or more series, to the Province. Each series of Class B preferred shares ranks on parity with every other series of Class B preferred shares, and is entitled to a preference over the common shares and the Class A shares, with respect to dividends and the return of capital in the event of the liquidation, dissolution or winding up of OPG.

Any issue of new shares is subject to the consent of OPG's shareholder, the Province.

As all of the Company's voting securities are held by the Province, the Company is controlled by the Province.

8.2 MARKET FOR SECURITIES

The Company does not have any securities listed on any exchange or similar market for securities.

8.3 MEDIUM TERM NOTE PROGRAM

In June 2024, OPG released its Sustainable Finance Framework, which replaced OPG's Green Bond framework and includes a broader array of eligible projects and programs such as SMRs, large new nuclear projects, low-carbon hydrogen, battery energy storage and social projects, in recognition of the demand for clean electricity and OPG's commitment to advancing economic reconciliation with Indigenous Nations and communities.

On June 28, 2024, OPG issued $1 billion of green bonds under its Sustainable Finance Framework, through its Medium Term Note Program. The issuance consisted of $500 million of senior notes maturing in June 2034, with a coupon interest rate of 4.83 percent, and $500 million of senior notes maturing in June 2054, with a coupon interest rate of 4.99 percent.

On September 11, 2024, OPG re-opened the June 28, 2024 dual tranche bond issuances under its Medium Term Note Program for an additional $300 million. The additional green bond issuance consisted of $200 million of senior notes maturing in June 2034, with a coupon interest rate of 4.83 percent, and $100 million of senior notes maturing in June 2054, with a coupon interest rate of 4.99 percent.

On March 13, 2025, OPG issued $1 billion of green bonds under its Sustainable Finance Framework, through its Medium Term Note Program. The issuance consisted of $500 million of senior notes maturing in March 2035, with a coupon interest rate of 4.32 percent, and $500 million of senior notes maturing in March 2055, with a coupon interest rate of 4.87 percent.

The net proceeds from the above June 2024, September 2024 and March 2025 issuances were used to finance or re-finance Eligible Green Projects as defined under the Sustainable Finance Framework.

8.4 CREDIT RATINGS

OPG has credit ratings from DBRS Limited (DBRS), S&P Global Ratings (S&P) and Moody's Investors Service (Moody's), which provide credit ratings for commercial entities. A credit rating generally provides investors with an independent measure of credit quality of an issue of securities. Maintaining an investment grade credit rating supports OPG's ability to access cost effective financing. Credit rating categories for long-term debt instruments range from highest credit quality (generally 'AAA') to default in payment (generally 'D').

There can be no assurance that a credit rating will remain in effect for any given period of time or that a credit rating will not be lowered, withdrawn or revised by a rating agency if, in their judgment, circumstances so warrant. The rating of any securities is not a recommendation to buy, sell or hold such securities, and such ratings do not comment as to market price or suitability for a particular investor.

During the past three years, OPG has made payments to DBRS, S&P and Moody's for their credit rating services and for other services. OPG reasonably expects such payments will continue in the future for the services acquired.

This section describes OPG's credit ratings, as of the date of this AIF:

	DBRS	S&P	Moody's
Issuer rating	A (low)	BBB+	A3
Senior unsecured debt	A (low)	BBB+	A3
Trend/Outlook	Stable	Stable	Stable
Commercial paper program – Canada	R-1 (low)	A-1 (low)	NR [1]
Commercial paper program – US	NR [1]	A-2	P-2

[1] NR indicates no rating assigned.

Credit Rating Agency	Rating Descriptions
DBRS	Long-term debt instruments that are rated in the 'A' category by DBRS are considered to be of good credit quality. The capacity for the payment of financial obligations by the obligor of such instruments is considered to be substantial, but of lesser credit quality than higher-rated entities. Entities in the 'A' category may be vulnerable to future events, but qualifying negative factors are considered manageable. The addition of a 'high' or 'low' modifier indicates relative standing within the rating category. DBRS's commercial paper credit rating scale ranges from 'R-1(high)' to 'D', which represents the highest to lowest quality of such securities rated. The rating of 'R-1(low)' is the third highest and is considered to be of good credit quality.
S&P	A 'BBB' rating category by S&P for long-term debt instruments means that the obligor has adequate capacity to meet its financial commitments, but is considered more subject to adverse economic conditions than higher-rated entities. The addition of a plus '+' or minus '-' designation after a rating indicates the relative standing within a particular rating category. S&P's Canadian commercial paper rating scale ranges from 'A-1 (high)' to 'D', which represents the highest to lowest quality of such securities rated. The rating of 'A-1 (low)' is the third highest and is considered to be satisfactory.
Moody's	Long-term debt instruments rated 'A' by Moody's are considered upper-medium-grade and are subject to low credit risk. Moody's appends numerical modifier 1, 2 and 3 to each generic rating category. The modifier '1' indicates that the obligation ranks in the higher end of the generic rating category; the modifier '3' indicates a ranking in the lower end of that generic rating category. Moody's commercial paper credit rating scale includes P-1, P-2, P-3 and NP, with P-1 representing the highest and NP representing the lowest quality of such securities rated. The rating of P-2 is the second highest and an issuer rated P-2 is considered to have a strong ability to repay short-term obligations.

9 DIRECTORS AND OFFICERS

9.1 DIRECTORS

The following tables set forth the name, age, municipality of residence, position with the Company and principal occupation of each of the Directors of the Company as of the date of this AIF.

Wendy Kei
Age: 58
Toronto, Ontario, Canada

Wendy Kei was appointed Board Chair for OPG effective June 27, 2019 and was initially appointed to the OPG Board effective March 31, 2017.

Ms. Kei is currently the Audit Committee Chair for Centerra Gold Inc. (TSX: CG.TO & NYSE: CGAU) and a board member for the Institute of Corporate Directors (ICD), where she also serves on its audit committee.

Ms. Kei is an accomplished finance executive with more than 30 years of senior business experience across multiple industries. For most of her career, she has worked in the mining industry and brings a strong focus on board leadership, corporate governance, financial expertise, audit financial expert, corporate strategy, ESG, and risk management as well as significant expertise in executing complex mergers and acquisitions. Ms. Kei has past experience chairing publicly traded companies' boards of directors, audit committees, human resources & corporate governance committees and special committees.

Ms. Kei previously served as Chief Financial Officer (CFO) of Dominion Diamond Corporation (formerly Harry Winston Diamond Corporation and Aber Diamond Corporation).

Ms. Kei is a Fellow Chartered Professional Accountants (FCPA, FCA), holds a Fellow designation from the Institute of Corporate Directors (F.ICD), holds an ESG designation (GCB.D) from Competent Boards and holds a Bachelor of Mathematics degree from the University of Waterloo. Ms. Kei has been widely recognized for her contributions, including being named BMO Celebrating Women On Boards – Lifetime Achievement Honouree in 2025, was the recipient of the Visionary Strategy Leadership Award from Women Corporate Directors in 2024, was recognized as BMO Celebrate Women on Boards 2022 Honouree, was named one of Canada's Top 100 Most Powerful Women in 2020 and was selected as a Diversity 50 2016 Candidate by the Canadian Board Diversity Council.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since March 2017, Board Chair)	8 of 8	100%
The Board Chair attends all Committee meetings.	18 of 18	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: Centerra Gold Inc. *(TSX/NYSE)*

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Nicolle Butcher
Age: 56
Toronto, Ontario, Canada

Nicolle Butcher was appointed OPG's President and CEO effective January 1, 2025.

Among her priorities as President and CEO, Ms. Butcher is focused on ensuring the safe, on-time, on-budget completion of the Darlington Refurbishment project, executing the development of the continent's first fleet of SMRs, advancing the Pickering Refurbishment project and a fleet-wide program of hydroelectric refurbishments, and advancing opportunities for new generation development to meet Ontario's growing demand for electricity. Ms. Butcher is a champion for Indigenous economic reconciliation and working with Indigenous communities, companies, and businesses to achieve OPG's Reconciliation Action Plan commitments.

Previously, as OPG's Chief Operations Officer, Ms. Butcher was responsible for overseeing one of the largest, most diverse electricity generating portfolios in North America. Over her 25-plus years with OPG, she has held a range of roles throughout the Company including senior level positions in Corporate Business Development and Strategy, Renewable Generation, and the energy-related commercial business functions such as energy trading, commercial contracting, and market affairs.

Ms. Butcher specializes in creating an inclusive business culture – one that embraces safety, performance, and operational excellence, while fostering innovation. Under her leadership, OPG successfully delivered a strategic plan that included executing $5 billion worth of acquisitions and building an electrification strategy.

In 2021, Ms. Butcher was named one of Canada's Top 100 Most Powerful Women and Women of the Year by WIRE (Women in Renewable Energy) and APPRO (Association of Power Producers of Ontario). She serves on the board of directors of Interfor Corporation (TSX: IFP). Ms. Butcher holds a Masters of Business Administration (MBA) degree from McGill University, is a Chartered Business Valuator, and holds the ICD.D designation from the Institute of Corporate Directors.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since January 2025)	8 of 8	100%
The President and CEO attends all Committee meetings, excluding independent Director in-camera meetings/sessions.	18 of 18	100%

Principal Occupation: President & Chief Executive Officer, Ontario Power Generation Inc.

Board Memberships for other Reporting Issuers: Interfor Corporation *(TSX)*

Independence from OPG: Not Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Anthony Haines
Age: 66
Newcastle, Ontario, Canada

Anthony Haines is an experienced director and veteran CEO in the energy sector. In Canada, in addition to serving as a Director of OPG, Mr. Haines serves as the Chair of the board of directors of Elexicon Corporation. In addition to these boards, he also serves in the USA as a Director of Alpha Generation LLC and AP Company Group (Advanced Power) and is an advisor to Arclight Capital.

From 2009 to 2024, Mr. Haines was President and CEO at Toronto Hydro Corporation and from 2005 to 2009, he served as the company's Chief Administrative Officer and President of the utility. From 2003 to 2005, Mr. Haines served as Chief Operating Officer at Hydro Ottawa Limited, and prior to that was President and CEO at Enlogix Inc. (a subsidiary of Westcoast Energy Inc.).

At Toronto Hydro Corporation, Mr. Haines oversaw the commercial transformation of the company, exponentially growing its profitability and taking it to high investment-grade credit ratings. At the same time, he oversaw the company's largest capital buildout in history, dramatically improving customer service and grid performance at a time when Toronto was the fastest growing city in North America.

Mr. Haines served as past Chair of both Electricity Canada and the Ontario Energy Association. He has won numerous awards including Canadian Energy Person of the Year (Energy Council of Canada), Leader of the Year (Ontario Energy Association), the first Canadian to win the North American Sustainability Leader of the Year (Corporate Responsibility Association), Leadership on Sustainability (Electricity Canada), and recently Lifetime Achievement (Ontario Energy Association).

In addition to his commitment to the energy sector, Mr. Haines has been actively involved in philanthropic activities. He is most proud of his fundraising efforts for the Ross Tilley Burn Center at Sunnybrook Hospital, overseeing fundraising of millions of dollars for electrical injury rehabilitation research.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since September 2024)	8 of 8	100%
Audit and Risk Committee	4 of 4	100%
Human Resources and Governance Committee	6 of 6	100%
Major Projects Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Selma Lussenburg
Age: 70
Toronto, Ontario, Canada

Selma Lussenburg currently serves as a director of Muskoka Airport Inc. She is also a member of the Executive Committee of the Canada-US Law Institute, a Canadian private sector representative on the CUSMA 31.22 Advisory Committee (previously NAFTA 2022 Committee) on the resolution of private international commercial disputes and was the Chair of the Ontario Government's Justice Sector Audit Committee from October 2019 to December 2025. Most recently, Ms. Lussenburg served on the board of directors of MAG Silver Corp. (TSX/NYSE: MAG) from February 2020 to September 2025.

From 2013 to 2018, Ms. Lussenburg was Vice President Governance, Corporate Safety and Security, General Counsel and Corporate Secretary at the Greater Toronto Airports Authority (Toronto Pearson International Airport/GTAA). Prior to that, Ms. Lussenburg served as General Counsel and Corporate Secretary for two other large and complex businesses in highly regulated industries: the Ontario Municipal Retirement System (OMERS) (investment and pension administration) and AT&T Enterprises Canada (AT&T) (telecommunications). Prior to assuming these senior executive roles, Ms. Lussenburg was in private practice and advised on corporate, commercial, mining and trade law matters at top tier law firms in Canada and Australia.

At Toronto Pearson International Airport, Ms. Lussenburg was the senior executive responsible for corporate safety and security and the senior executive diversity and inclusion champion; while at OMERS, she established the legal and compliance department. In addition to her other responsibilities at AT&T, she served as the Chief Privacy Officer for AT&T's Canadian operations.

Ms. Lussenburg served as the Chair of the IATA/ACI World Smart Security Committee (focused on enhancing passenger security and other security screening efficiency and effectiveness) and the Chair of the Aeropole Board of Governors. She has also served as the Chair of the board of directors of Ontario Capital Growth Corporation and as a member of the board of directors of Oxford Properties.

Ms. Lussenburg has been appointed King's Counsel (KC), and holds an ESG designation (GCB.D) from Competent Boards, a Chartered Director (C. Dir.) designation from the Directors College, a Masters of International Law degree from the Australian National University as well as other degrees.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since November 2019)	8 of 8	100%
Audit and Risk Committee	4 of 4	100%
Human Resources and Governance Committee	6 of 6	100%
Major Projects Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: MAG Silver Corporation *(TSX/NYSE)*

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Scott McDonald
Age: 70
Toronto, Ontario, Canada

Scott McDonald is an experienced corporate director and former senior executive. In addition to presently serving as a Director and Human Resources & Governance Committee Chair of OPG, Mr. McDonald has previously served as a Director, Human Resources Committee Chair, and Governance Committee Chair on the boards of directors of Purolator, SCI Logistics, and Michael Garron Hospital.

Mr. McDonald's career as a senior business executive was with large complex Canadian and North American companies in both the private and public sectors. With extensive C-suite experience in Human Resources, his background also includes general management, strategy, operations, sales, and distribution across several industries: consumer packaged goods, food, logistics and distribution, and forest products. His career provided him with the opportunity to have worked in both official languages, and also to work and live in Toronto, Sudbury, Montreal, and Ottawa.

Mr. McDonald holds the ICD.D designation from the Institute of Corporate Directors and is a member of the Human Resources Professionals Association, holding a Certified Human Resources Executive (CHRE) designation. He is a graduate of the University of Toronto and executive programs at McGill University, Massachusetts Institute of Technology (MIT), and the Rotman School of Management at the University of Toronto.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since January 2020)	8 of 8	100%
Human Resources and Governance Committee (Chair)	6 of 6	100%
Major Projects Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Jill Pepall
Age: 74
Toronto, Ontario, Canada

Jill Pepall is a senior investment executive with a successful career in the banking, insurance, and public sector pension industries. Most recently, she was Executive Vice President and Chief Investment Officer (CIO) of Investment Management Corporation of Ontario, with $70 billion of assets under management, and its predecessor organization, Ontario Pension Board. Prior to that, she was Managing Director and CIO at Scotia Asset Management and Head of Investments at Empire Life Insurance.

Ms. Pepall currently serves on several boards of directors and board committees. She is a board member and Chair of the investment committee of the CAMH Foundation (Centre for Addiction and Mental Health). She is a member of the investment committee of the board of CMA Impact Inc. (Canadian Medical Association) and a non-trustee member of the investment committee of the board of the Municipal Pension Plan of British Columbia. She is a member of the Investment Review Board at Nicola Wealth, is an investment advisor for the Toronto Transit Commission (TTC) Pension Plan and serves on the investment committee of the board for the Leukemia and Lymphoma Society.

Ms. Pepall received her Masters of Business Administration degree from the Schulich School of Business. She is a Chartered Financial Analyst (CFA) and holds the ICD.D designation from the Institute of Corporate Directors.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since June 2020)	8 of 8	100%
Audit and Risk Committee (Chair)	4 of 4	100%
Generation Oversight Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Bill Pitesa
Age: 68
Charlotte, North Carolina, USA

Bill Pitesa is a nuclear industry veteran with 46 years of experience.

Mr. Pitesa retired after working at the Nuclear Energy Institute (NEI) as chief nuclear officer and joined NEI as a loaned executive from Duke Energy. Previously, Mr. Pitesa served as chief nuclear officer for Duke Energy. He was responsible for the safe operation of 11 nuclear power reactors in North Carolina and South Carolina. Mr. Pitesa joined Duke Energy in 1980 and became a senior reactor operator in 1986, and in 1992, served two years as a loaned employee to the Institute of Nuclear Power Operations. He also supported the International Atomic Energy Agency and the World Association of Nuclear Operators by serving on nuclear plant review teams in the United States, South Korea, France, South Africa and Ukraine.

Mr. Pitesa serves on the boards of directors of TerraPower, LLC, Energy Northwest, and Vistra Corp. (NYSE: VST).

Mr. Pitesa earned a Bachelor of Science degree in electrical engineering from Auburn University. He is a registered professional engineer in North Carolina and a graduate of Harvard's Advanced Management Program.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since September 2024)	8 of 8	100%
Audit and Risk Committee	4 of 4	100%
Major Projects Committee	4 of 4	100%
Generation Oversight Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: Vistra Corp. *(NYSE)*

Independence from OPG: Not Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Tracy Primeau
Age: 58
Kincardine, Ontario, Canada

Tracy Primeau has more than 30 years experience in the energy sector, having retired from Bruce Power as a shift manager in the operations division. Ms. Primeau began her career in the nuclear industry, where she was one of the few women to become a CNSC licensed Authorized Nuclear Operator and the only female shift manager to work her way up from the shop floor.

Throughout her career, Ms. Primeau has been a tireless communicator, having been an active member of Women in Nuclear (WiN) Canada since its inception. She also serves on the Ingenium Board of Trustees, the United College Board of Governors, and the boards of the University of Waterloo and Canadian Nuclear Laboratories.

As a proud member of the Nipissing First Nation, Ms. Primeau strives to use the Seven Grandfather Teachings in her leadership every day. She was a founding member of the Ontario Hydro Native Circle in 1992 and was the first Chair of the Bruce Power Native Circle, a position she held for many years.

Raising her two boys with her husband, Ms. Primeau has always been active in her community of Kincardine, Ontario. She works across Canada as an advisor to many companies and communities on building relationships specifically in the energy and mining field.

Ms. Primeau holds a Bachelor of Arts degree from University of Waterloo, where she is an active alumna member of both the university and United College, and serves on the University of Waterloo’s Indigenous Advisory Council.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since July 2021)	8 of 8	100%
Generation Oversight Committee (Chair)	4 of 4	100%
Major Projects Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Jim Reinsch
Age: 82
Frederick, Maryland, USA

Jim Reinsch retired from the Bechtel Group where he was Senior Vice President and Partner, and past President of Bechtel Nuclear. In this role, he was responsible for the global profit/loss, customer relations, operations, project management, marketing, and business development of Bechtel's three nuclear business segments: nuclear operating plant services, steam generator replacement, and operations of Bechtel's global nuclear activities. During his 40 years with Bechtel, he also presided over Bechtel Canada, and managed large regions in the United States and Asia. He served as the President of the American Nuclear Society organization and was a member of the Nuclear Energy Institute as well as a member of their Executive Committee.

Mr. Reinsch is a member of several international nuclear energy organizations, including the World Association of Nuclear Operators and the World Nuclear Association. Mr. Reinsch holds a Bachelor of Science degree from the University of Maryland.

Mr. Reinsch is a past board member of Frederick Memorial Hospital, Hood College Board of Trustees, Duke Energy, the Smithsonian National Portrait Gallery, Terrestrial Energy, and the Emirate Nuclear Energy Corporation's Committee on Nuclear Power which reports to the board of directors.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since August 2015)	8 of 8	100%
Major Projects Committee (Chair)	4 of 4	100%
Generation Oversight Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

James (Joe) Sheppard
Age: 77
League City, Texas, USA

Joe Sheppard was appointed to OPG's Board on March 31, 2017. Mr. Sheppard's principal occupation is an independent consultant. Mr. Sheppard was Interim Senior Vice President for Southern California Edison Company and served as its Interim Chief Nuclear Officer from September 2010 to December 2010.

From 1993 to 2009, Mr. Sheppard held several senior positions associated with the South Texas Project (STP) nuclear power plant, including Chairman, President and Chief Executive Officer of STP Nuclear Operating Company, which operated the facility for its three owners. He served as Executive Officer of STP Electric Generating Station. He served as an executive at STP for ten years, holding positions of Vice President and Assistant to the President and Chief Executive Officer; Vice President of Engineering and Technical Services; Vice President of Business Systems; Assistant to the executive vice president; and General Manager of Licensing. He was an independent Director at Xcel Energy Inc. from March 2011 until March 2021.

Mr. Sheppard holds a Bachelor of Science degree in aerospace engineering from the United States Naval Academy and a Masters of Business Administration degree from Duke University. He also was licensed as a Senior Reactor Operator by the US Nuclear Regulatory Commission.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since March 2017)	8 of 8	100%
Generation Oversight Committee	4 of 4	100%
Human Resources and Governance Committee	6 of 6	100%
Major Projects Committee	4 of 4	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Anju Virmani
Age: 71
Toronto, Ontario, Canada

Dr. Anju Virmani is a seasoned leader in governance with a distinguished career spanning public, private, and not-for-profit sectors. Recently retired as Chief Information Officer of Cargojet Inc. (TSX: CJT), she joined the Board of Governors of Toronto Metropolitan University in January 2025, where she contributes her expertise in governance, risk management, and organizational transformation. She was previously a board member of Payments Canada and of Ontario Health, where she served on the Finance, Risk, and Audit Committee and the Innovation and Transformation Committee.

Dr. Virmani's governance experience extends to advisory roles on the Advisory Council for National Security and the Cross-Cultural Roundtable on National Security, as well as board memberships with the Toronto Central Local Health Integration Network and the Toronto Transit Commission as a citizen board member.

With over 30 years of executive leadership experience, Dr. Virmani has led organizations through complex transformations, focusing on strategic risk management, innovation, and technology governance. She has a keen interest in ESG, ED&I, as well as sustainability and climate change. Dr. Virmani is passionate about promoting diversity in governance and technology, supporting initiatives that empower women in science, technology, engineering and mathematics fields through mentorship and scholarships.

Dr. Virmani holds a Bachelor of Science and Bachelor of Education degrees from the University of Delhi, a Masters of Business Administration degree from the City University of New York, and advanced governance credentials, including an ESG designation (GCB.D) from Competent Boards and a Chartered Director (C. Dir.) designation from the Directors College. Dr. Virmani also holds an Honorary Doctorate of Engineering from the Toronto Metropolitan University.

2025 Board/Committee Membership:	**2025 Attendance:**	
Board (Director since February 2021)	8 of 8	100%
Audit and Risk Committee	4 of 4	100%
Generation Oversight Committee	4 of 4	100%
Human Resources and Governance Committee	6 of 6	100%

Principal Occupation: Corporate Director

Board Memberships for other Reporting Issuers: None

Independence from OPG: Independent

Interlocking Directorships on Boards of other Reporting Issuers: None

Past Occupation

All of the Company's directors have held the positions listed above or other executive positions within the same or associated firms or organizations during the past five years or longer, except for the directors listed below.

Director	Past Occupation
Tracy Primeau	Shift Manager at Bruce Power from 1990 to 2021.
Anju Virmani	Chief Information Officer at Cargojet Inc. from 2001 to 2021.
Anthony Haines	President and CEO at Toronto Hydro Corporation from 2009 to 2024.

Composition of the Committees of the Board of Directors

There are four committees of the Board: the Audit and Risk Committee, the Human Resources and Governance Committee, the Major Projects Committee and the Generation Oversight Committee. As President and CEO of OPG, Ms. Butcher is not a member of any Board committees but attends all committee meetings. The Board Chair is typically not a member of any committees but attends all committee meetings.

The voting members of the committees, as of the date of this AIF (unless otherwise indicated), are identified below. The table below lists the committees of the Board and their members as of the date of this AIF.

Director	Audit and Risk Committee	Human Resources and Governance Committee	Major Projects Committee	Generation Oversight Committee
Anthony Haines	✓	✓	✓	
Selma Lussenburg	✓	✓	✓	
Scott McDonald		Chair	✓	
Jill Pepall	Chair			✓
Bill Pitesa	✓		✓	✓
Tracy Primeau			✓	Chair
Jim Reinsch			Chair	✓
Joe Sheppard		✓	✓	✓
Anju Virmani	✓	✓		✓

9.2 OFFICERS

The following table sets forth the name, city/town of residence, position with the Company and the date of commencement for each of the officers of the Company as of the date of this AIF:

Name	City/Town of Residence	Current Position Held	Officer Since
Wendy Kei	Toronto, Ontario	Board Chair	June 2019
Nicolle Butcher	Toronto, Ontario	President and Chief Executive Officer	July 2019
Shelley Babin	Toronto, Ontario	Chief Operations Officer	January 2025
Aida Cipolla	Thornhill, Ontario	Chief Financial Officer and Chief Administrative Officer	March 2022
Heather Ferguson	Toronto, Ontario	Senior Vice President, Business Development and Corporate Affairs	July 2019
Steve Gregoris	Whitby, Ontario	Chief Nuclear Officer	September 2020
Arthur Kwok	Pickering, Ontario	Senior Vice President and Treasurer	March 2023
Carlton Mathias	Toronto, Ontario	Chief Legal, ESG, and Governance Officer	August 2018
Ali Naqvi	Toronto, Ontario	Chief Investment Officer	April 2025
Subo Sinnathamby	Markham, Ontario	Chief Projects Officer	September 2020

Past Occupation

All of the executive officers of the Company have held the positions listed above or other positions within the Company during the past five years or longer, except for the officers listed below.

Executive Officer	Past Occupation
Aida Cipolla	Executive Vice President and Chief Financial Officer at Toronto Hydro Corporation from August 2018 to March 2022.
Arthur Kwok	Associate Vice President, Treasury and Enterprise Strategy, TD Bank Group from July 2022 to March 2023 and various other positions at TD Bank Group since March 2010.
Ali Naqvi	Managing Director at CPP Investments from June 2020 to October 2024 and various other positions at CPP Investments since September 2014.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of OPG, no director or executive officer is, at the date of the AIF, or was within ten years before the date of the AIF, a director, chief executive officer or chief financial officer of any company, that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of OPG, no director or executive officer of OPG, or a shareholder holding a sufficient number of securities of OPG to affect materially the control of OPG (a) is, as at the date of the AIF, or has been within the ten years before the date of the AIF, a director or executive officer of any company (including OPG) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer or shareholder, except for:

- Shelley Babin served as a director of Global First Power Ltd. (GFP), a corporation jointly held by OPG and USNC-Power Ltd. (USNC-Power), from June 2, 2020 to August 30, 2024. On August 30, 2024, OPG signed a separation agreement pursuant to which OPG transferred all of its interest in GFP and Global First Power Limited Partnership to USNC-Power, and OPG's nominees to the board of directors of GFP resigned. Subsequently, on October 29, 2024, USNC-Power and its subsidiary, GFP, filed for bankruptcy under Chapter 11 of the US Bankruptcy Code. The preceding event occurred after Ms. Babin resigned from the board of directors of GFP in August 2024.

Conflicts of Interest

Directors and officers of OPG are required to disclose any existing or potential conflicts in accordance with OPG policies governing directors and officers and in accordance with the OBCA. The Board of Directors Conflict of Interest Policy and the Company's Code of Business Conduct cover potential conflicts of interest for Directors and all OPG employees, respectively.

Indebtedness of Directors and Executive Officers

As of the date of this AIF, no director or executive officer of the Company or any of its subsidiaries had any outstanding indebtedness to the Company or any of its subsidiaries except routine indebtedness or had any indebtedness that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

10 CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) was implemented by Canadian securities regulatory authorities to provide greater transparency for the marketplace regarding issuers' corporate governance practices. OPG's corporate governance practices align with NI 58-101 and National Policy 58-201 *Corporate Governance Guidelines.* In addition, OPG continuously reviews its governance practices against the principles discussed in the 2025 *Report on Building High Performance Boards*, being the most current such report issued by the Canadian Coalition for Good Governance, and has concluded that OPG compares favourably to those principles that apply to OPG.

Board of Directors

OPG's Board of Directors is comprised of individuals with the following capabilities:

- commercial leadership;
- managing and operating nuclear generator operations;
- understanding of the Canadian nuclear environment;
- engineering and/or project management, including large infrastructure project management;
- managing large capital intensive industrial operations;
- knowledge and expertise in business growth strategy and transformation, including mergers and acquisitions;
- overseeing regulatory, government and public relations;
- executive compensation, labour relations and human capital management;
- accounting and financial expertise;
- risk management, investment, health and safety, supply chain and corporate governance expertise;
- sustainability and ESG experience;
- expertise in information technology/cybersecurity;
- knowledge of and experience with Indigenous communities; and
- stakeholder management.

The Board exercises its independent supervision over management as follows: all of the members of the Board are independent of the Company except for the Company President and CEO and Bill Pitesa; meetings of the Board are held at least five times a year; the Board conducts at least an annual site visit at OPG's facilities; a formal Charter for the Board and for each Board committee have been adopted and the charters are reviewed annually; and a portion of each Board and Board committee meeting is reserved for Directors to meet without management, including the President and CEO, present. Further information of the Board's role and responsibilities are included in OPG's Charter of the Board of Directors which can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website is incorporated by reference herein.***

Position Descriptions

The Board and each Board committee is chaired by an independent Director and each have a written position description. The detailed written position descriptions of the Board Chair and each Board committee Chair can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website is incorporated by reference herein.***

OPG has a written position description for the CEO. This position is accountable to the Board for: ensuring a culture of integrity and ethical conduct; increasing Shareholder value; defining and executing a corporate strategy, including a sustainable business model that will service the long-term power generation needs of the province; and providing a standard of leadership that will achieve operational excellence with respect to matters of safety, stakeholder relationships, financial performance, asset reliability and health, and environmental and regulatory compliance. In addition, OPG and the Board delineate the President and CEO role and responsibilities through the By-laws, the Board

Charter, the Board policies and the corporate and CEO annual goals and objectives. The Board sets and monitors performance against annual corporate and CEO targets and objectives.

Director Independence

On an annual basis, the Human Resources and Governance Committee of the Board reviews the disclosures made by Directors in the annual Director Questionnaire and reviews each disclosed affiliation's relationship with OPG in order to determine whether the Director is (or remains) independent. The Human Resources and Governance Committee reports on its review to the Board.

Based on the meaning of Independence in Section 1.4 of National Instrument 52-110 *Audit Committees* (NI 52-110) and a review of the applicable factual circumstances against this standard, the Human Resources and Governance Committee has determined that all Directors listed are independent, except for Nicolle Butcher, who is considered to have a material relationship with OPG by virtue of her position as President and CEO of OPG, and Bill Pitesa. Mr. Pitesa is not regarded as independent in that he was paid for services rendered for having previously been the Chair of the Nuclear Safety Review Board for OPG, which was a review board independent of management.

The Board has a Board of Directors Conflict of Interest Policy and Procedure that governs the disclosure and mitigation of Director conflicts or potential conflicts of interest, which requires the immediate written disclosure of actual or potential conflicts of interest to the Board Chair. The Board has also adopted an annual process of written disclosure by Directors in order to:

(i) identify potential conflicts of interest for the purposes of complying with the Board of Directors Conflict of Interest Policy and the OBCA;
(ii) validate the Directors' independence and financial literacy for the purposes of complying with securities regulations related to boards of directors and audit committees; and
(iii) satisfy other disclosures and regulatory filings.

To further minimize potential conflicts of interest, the Board has a policy on interlocking directorships. This policy states that no more than two OPG Directors may sit on a board of directors of another reporting issuer at the same time. Directors must confirm that they are in compliance with OPG's policy on interlocking directorships when disclosing to the Board Chair appointments to other boards of directors. OPG Board members do not have any interlocking directorships.

A copy of the Board of Directors Conflict of Interest Policy and Procedure can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website is incorporated by reference herein.***

Strategic Planning

OPG's Board holds an annual strategy session and devotes a significant portion of each regular Board meeting to discussion of corporate strategic matters. Management is responsible for developing the strategy and presenting it to the Board for discussion. Integrated into the strategy and business of the Company is OPG's work on ESG matters, which the Board oversees in accordance with the provisions of the OPG Board Charter.

In 2025, the Board received reports on key strategic issues, risks, competitive developments and corporate opportunities related to the Company. Management ensures that the key strategic elements are incorporated into OPG's annual budget and business plan, which are reviewed and approved by the Board. The Board also periodically receives briefings from external advisors on broad energy industry developments and/or special strategic matters.

Overseeing the Management of Risks

The Board oversees OPG's approach to identifying, reporting and mitigating the risks that could significantly impact the Company's capacity to achieve its long-term strategic objectives, as well as specific business plan objectives. To fulfill its risk oversight responsibilities, the Board approves the ERM Framework with oversight by the Audit and Risk Committee. The ERM Framework assists the Board in understanding how risks may affect the Company and how they are being addressed by management. The Audit and Risk Committee receives quarterly reports from OPG's Vice President, Risk & Audit and CAE on enterprise-wide risks and internal audit findings, and meets with the CAE *in camera* at each meeting. The Board also oversees Company risk through meetings of each of the standing Board committees and at the Board's annual strategy session, as risk considerations are integrated into management's reports and requests for Board approval.

Through the Human Resources and Governance Committee, the Board monitors the risks associated with the Executive Compensation Program, to ensure an appropriate level of risk and reward is maintained while minimizing opportunities for excessive risk taking. On an annual basis, the CAE reviews the executive compensation framework to identify any potential for excessive risk-taking that may reasonably have a material adverse effect on OPG and provides an annual report to the Human Resources and Governance Committee on the results of the review.

Orientation and Continuing Education

The Human Resources and Governance Committee is responsible for reviewing and recommending appropriate orientation programs for new Directors. New Directors are provided a robust orientation program, which includes briefings by OPG senior executives covering all aspects of the Company's business. New Directors are also briefed and provided relevant documentation relating to OPG's governance practices and policies. New Directors participate in plant visits of OPG's generating facilities, where they also receive comprehensive introductory briefings from OPG's senior executives on the Company's operations and related business activities.

The Board supports and sponsors the continuing education of OPG Directors, both in the business of OPG and in their duties as Directors. This includes plant visits of OPG's major facilities, site visits to projects with OPG's Indigenous business partners and special presentations by internal and external experts on topical business-related issues or on specific aspects of OPG's operations. Directors are also provided with articles and publications on current topics of interest. Board members have full access to all Board and Board committee materials and records. OPG has developed a Director Governance Handbook which provides Directors with information necessary to fulfill their roles, including director duties and obligations under the OBCA, and relevant corporate policies and procedures. OPG also co-sponsors Director attendance at the Institute of Corporate Directors' Director Education Program, or equivalent, and sponsors attendance at the Goizueta Director program for members of Board committees responsible for oversight of nuclear operations. In addition, given the importance of ESG to OPG's corporate strategy and decision making, at the Board's request, OPG's Chief Legal, ESG and Governance Officer, the primary advisor to the Board on corporate governance matters, and three of OPG's Directors have received the Competent Boards' ESG designation.

Ethical Business Conduct

The Board has established a policy for ethical business behaviour and a Code of Business Conduct. The mandate of the Audit and Risk Committee requires that it receive reporting throughout the year on the Code of Business Conduct in order to satisfy itself that appropriate code of conduct and compliance programs are in place and are being enforced and that remedial action is being taken. The Audit and Risk Committee receives quarterly reports from management on the Code of Business Conduct (including reports on any substantiated cases of fraud) and the disposition of cases including disciplinary action, as well as an annual report on the Code of Business Conduct and a report on the annual review of this Board policy. The Audit and Risk Committee has procedures for the receipt, retention and treatment of complaints received pertaining to accounting, internal controls or auditing matters and for the confidential anonymous submission by employees concerning such matters. The Human Resources and Governance Committee reviews reports from the Chief Ethics Officer on independent reviews and investigations of matters that involve Code of Business Conduction violations and compliance which are primarily personnel related.

OPG's Code of Business Conduct is applicable to all OPG employees and equally applicable to directors, agents, representatives, consultants, contractors, and business partners acting on OPG's behalf. The OPG Board of Directors mandate explicitly acknowledges the Board's role in creating a culture of integrity throughout the organization. The Board has statutory obligations regarding conflict of interest as well as a separate procedure for disclosure. The Board is required to follow both provincial legislative requirements and guidance regarding specific types of conflict and disclosure in their role as Directors in the OPG Board of Directors Conflict of Interest Policy and Procedure. A copy of the Code of Business Conduct can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website is incorporated by reference herein.***

Nomination of Directors

The Human Resources and Governance Committee is responsible for conducting an annual review of the OPG Board's principles and systems of governance and oversight of annual Board, Board committee and Director evaluations. The Human Resources and Governance Committee maintains a robust Succession Plan for the orderly rotation of Directors to ensure that the Board has the skills, experience and diversity required. The Succession Plan includes the following components:

(i) core requirements for a high performing board;
(ii) skill sets required by the Board as a whole;
(iii) skills profile for the current Board;
(iv) tenure map of the current Board;
(v) Board diversity target and implementation;
(vi) "evergreen list" of potential Board candidates; and
(vii) Board succession priorities.

The Human Resources and Governance Committee recommends candidates to the Shareholder. Nominations of Directors by the Shareholder may also be considered by the committee.

When considering a potential candidate, the Human Resources and Governance Committee considers the qualities, experience and skills that the Board, as a whole, should have in light of the business opportunities and risks facing OPG. The attributes that the Human Resources and Governance Committee considers in a candidate include integrity, business judgment and experience, diversity, professional expertise, independence from management, financial literacy and communication skills, as well as sufficient time available to fulfill their obligations as a Board member. Further, the Board ensures that a diverse candidate (which includes candidates who self-identify as belonging to an equity-seeking group, including but not limited to women, Indigenous Peoples, racialized people, persons with disabilities, and members of the 2SLGBTQ+ community) is interviewed for every vacancy on the Board. The Board's diversity targets are set out below under the heading, *Diversity in Leadership.*

From time to time, the Human Resources and Governance Committee may engage outside advisors to assist in identifying potential candidates.

Performance Assessments

The Human Resources and Governance Committee is responsible for the annual process for evaluating the performance of the Board, its committees and individual Directors. The Human Resources and Governance Committee makes recommendations to the Board for enhancing the Board's governance and effectiveness. In past years, the Board and committee evaluations were based solely upon the completion of confidential questionnaires regarding self-assessments of performance areas and adherence to the Board and Committee Charters. Consistent with good corporate governance practices, in 2021, the Human Resources and Governance Committee, with the support of the full Board, determined that the performance of the Board would be assessed with the assistance of an independent expert consultant. A competitive process was employed to retain an independent consultant. A report was prepared in accordance with best practices and its content was discussed at an *in camera* meeting of the Board. As a result of the discussion, the Board committed to actions to enhance performance and have an independent expert consultant facilitate Board performance assessments at regular intervals going forward. In 2025, an independent expert consultant was once again retained to facilitate the performance assessment of the Board. The resulting report was discussed by the Board during an *in camera* session, with appropriate actions taken to continue enhancing performance. The Board continues with annual evaluation questionnaires in years where an externally facilitated review is not performed, with the questionnaires being updated to be responsive to corporate governance leading practices and the needs of the business.

Director Tenure/Board Renewal

The OPG Board Charter sets out the Board's policy on tenure, being that Directors may serve on the Board for up to ten years from the date that they were first appointed to the Board, with the possibility of an extension to a Director's tenure for one further term in exceptional circumstances. The Board has specifically considered whether to impose an age limit for directors and has decided it is not in the best interest of the Board and the Company to do so. When considering Board renewal, the Human Resources and Governance Committee regularly reviews the Board skills profile and the Board Diversity and Inclusion Policy. From time to time, the committee makes recommendations to add skills to the Board that reflect OPG's business opportunities and risks.

Overseeing Succession Planning for Chief Executive Officer

Chief Executive Officer succession planning is reviewed with the Board and the Human Resources and Governance Committee at least twice a year. A report on CEO succession planning is delivered to the full Board at the annual May meeting and to the Human Resources and Governance Committee at the annual November meeting. The report includes the identity of candidates and their readiness stages. The report is discussed with the CEO at an *in camera* session and then again in an *in camera* session of the independent directors. Candidates are aware of their placement on a CEO succession plan and have regular discussions with their supervisors about readiness preparation. Candidates also attend before the Board or committees from time to time to present on their areas of accountability as appropriate.

Compensation

Executive Compensation Framework

The Human Resources and Governance Committee is comprised of independent members who oversee OPG's compensation programs and the compensation of the CEO and the CEO's direct reports. Additional details regarding the committee's responsibilities can be found below under the heading, *Committees of the Board of Directors*.

In August 2018, the Government of Ontario introduced the *Compensation Framework Regulation 406/18* under the *Broader Public Sector Executive Compensation Act, 2014*. This regulation applies to designated executives, which predominately includes OPG employees at the Vice President level and higher, imposing a freeze on base salary on a role by role basis and restricting pay-for-performance payments to the pay-for-performance envelope disbursed in the 2017 pay year. The Government of Ontario performs reviews of executive compensation programs throughout the broader public sector. Currently, the regulation remains in force.

CEO Compensation

Among its other responsibilities, the Human Resources and Governance Committee oversees, on behalf of the Board, the setting of the CEO's annual goals and objectives and the annual review of CEO performance and makes recommendations to the Board with respect to CEO compensation. The committee may seek input from an independent advisor with regard to monitoring and benchmarking compensation trends.

The CEO's base pay and incentive compensation are compliant with the *Compensation Framework Regulation 406/18*.

For details regarding compensation paid to Directors and executive officers during the financial year ended December 31, 2025, refer to OPG's Statement of Executive Compensation, which is attached to this AIF as Appendix C.

Director Compensation

The OPG Director compensation framework was updated in 2023 in accordance with the provisions of the Company's By-Laws and the MOA between OPG and the Shareholder. The Compensation framework provides that for 2025 and beyond, other than the Chair of the Board, each Director who is not an employee of OPG will continue to receive an annual retainer of $100,000. Directors receive an additional annual retainer of $10,000 for serving as committee chairs.

For 2025 and beyond, the Chair of the Board, in the role as non-executive Chair, received an annual retainer of $180,000. All Directors' out-of-pocket expenses, including travel and other expenses, are reimbursed and must be in compliance with Ontario's *Travel, Meal and Hospitality Directive* and be approved by the Integrity Commissioner of Ontario.

In addition to the above, Directors are compensated for attending extraordinary Board and Committee meetings and receive a fee of $2,000. Meetings are deemed extraordinary meetings from and including the sixth meeting attended by a Board member beyond regularly scheduled Board and Committee meetings in any given year. The Board Chair may also determine that no fee is warranted.

In order to retain national and international expertise, non-resident Directors are compensated in US dollars and Directors who travel over certain distances receive a travel time fee to cover travel related to Board and Board committee meetings they attend.

Committees of the Board of Directors

The following are the current standing Board committees as of the date of this AIF:

Audit and Risk Committee

This committee is responsible for the integrity, quality and transparency of OPG's financial information, the adequacy of the financial reporting process, the systems of internal controls and related principles, policies and procedures established by management. The committee is responsible for the oversight of the Company's regulatory filings, financial statements, MD&A, AIF and press releases prior to their disclosures to the public, including approval of quarterly financial statements and recommending approval of the annual financial statements and various other annual disclosures to the Board. The committee is also responsible for recommending the appointment and compensation of the external auditor to the Board and for oversight of the external auditor.

The committee also provides oversight of OPG's corporate financing strategies including:

- policies related to financial exposure management;
- processes for identifying major financial risks;
- performance of the OPG Pension Fund, the Used Fuel Segregated Fund and the Decommissioning Segregated Fund;
- review and approval of the audited financial statements of the OPG Pension Fund, the Used Fuel Segregated Fund and the Decommissioning Segregated Fund; and
- review and approval of the statements of investment policies and procedures for the OPG Pension Fund and the Decommissioning Segregated Fund.

The Audit and Risk Committee oversees an independent internal audit function and management's ERM Framework, which includes the review of management's assessment of significant risks to achieving OPG's business plan objectives. The committee is also responsible for ensuring that an effective Code of Business Conduct is in place at OPG and monitors compliance with this code. Additionally, the committee provides oversight of OPG's management cyber security governance committee and program.

For further details regarding the Audit and Risk Committee, refer to *Appendix A - Audit and Risk Committee Information*.

Generation Oversight Committee

This committee is responsible for the oversight of safe, secure and efficient operations of OPG's generating facilities. Additionally, the committee is responsible for the development, risk management, financing and execution of the Company's generation projects (greater than $100 million), with certain exclusions, including those related to nuclear waste management, security, industrial and occupational health and safety, environment and outage management. This committee is also responsible for providing oversight for matters relating to business development and business acquisitions and divestures. The committee is also responsible for the oversight of OPG's environmental and dam safety management systems and OPG's Indigenous relations. The committee reviews reports of internal and external advisors/assessors in respect of OPG's generation operations and management's response to the findings from such assessments. The committee provides oversight to ensure that OPG's generating facilities are in compliance with nuclear safety, industrial and occupational health and safety and environmental laws and regulations.

Human Resources and Governance Committee

This committee provides oversight of OPG's human resources and compensation policies and practices, including CEO objectives and compensation, disclosure on compensation and human resources matters, organizational culture, leadership talent review, succession planning and collective bargaining. The committee also provides oversight of the design of OPG's benefit and pension plans and reviews reports from the Chief Ethics Officer on matters that involve Code of Business Conduct violations and compliance which are primarily personnel related.

The Human Resources and Governance Committee oversees the Board's governance program and practices to ensure that they are consistent with high standards of corporate governance, including annually reviewing and assessing the Board's system of corporate governance, with a view to maintaining these high standards. The committee is also responsible for overseeing OPG's corporate communications strategy in support of the Company's corporate strategy and business plan objectives, and for identifying and recommending to the Board candidates for nomination to the Shareholder in consideration of the Board's Succession Plan and Board Diversity and Inclusion Policy. Finally, the committee oversees processes for Board, Board committee and Director assessments, as well as Director compensation and new Director orientation.

Major Projects Committee

The Major Projects Committee is responsible for oversight of matters relating to the planning and execution of major projects (greater than $500 million), including the Darlington and Pickering Refurbishment projects (the "Refurbishment Projects") and the DNNP, that are undertaken by the Company through the internal Enterprise Projects Office organization as may be determined from time to time. The committee is also responsible for reviewing and approving the retention and compensation of qualified advisors, independent of OPG management, to monitor and report to the committee on the progress and performance of such major projects against approved execution plans, including scopes, budgets and schedules. The committee monitors and reports to the Board on the progress of the major projects including the Refurbishment Projects and the DNNP against the Board approved budgets and schedules, reviews reports from OPG's CAE and reviews results of internal assessments and management's response to the findings of such assessments.

<u>Diversity in Leadership</u>

Diversity is an integral part of OPG's business practices and the constituency of the Board. The Board considers diversity essential in attracting qualified directors and maintaining a highly effective board of directors. The Board maintains a Board of Directors Diversity and Inclusion Policy.

Board of Directors

In 2019, OPG became a member of the 30% Club Canada, a campaign with the aim of having 30 percent of Board seats and senior management positions in the Canadian business community be held by women by 2022. In 2019, the Board set a target, for 2022, of 50 percent of Board positions to be held by members of designated groups and 30 percent of Board positions to be held by women. As at December 31, 2025, the Board exceeded these targets.

Senior Management

OPG applies ED&I principles to succession planning metrics to ensure an effective pool of diverse candidates for management positions. As at December 31, 2025, women filled 60.0 percent of Corporate Officer roles, 63.6 percent of enterprise leadership positions and 34.2 percent of senior leadership positions. In total, there were 6 women in Corporate Officer roles and 34 women in enterprise and senior leadership positions. Additional details can be found in the section, *Environmental, Social Governance and Sustainability* under the heading, *Equity, Diversity and Inclusion* in the MD&A.

Further Information on OPG Governance

OPG provides additional information on the Company's governance on its website (www.opg.com) including:

- Memorandum of Agreement with the Shareholder
- Shareholder Directives
- Board and Committee Charters
- Board and Committee Chair Position Descriptions
- Board of Directors Conflict of Interest Policy and Procedure
- Board Diversity and Inclusion Policy
- Indigenous Relations Policy
- Code of Business Conduct
- Disclosure Policy
- Environmental Policy
- Employee Health and Safety Policy
- Nuclear Safety Policy
- Safe Operations Policy
- Cyber Security Policy
- Executive Compensation Program
- Enterprise Risk Management Policy
- Delegation and Exercise of Authority Policy

Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website nor any of the contents of the aforementioned additional information on OPG's governance are incorporated by reference herein.

11 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

11.1 RELATIONSHIP WITH THE PROVINCE, THE OEFC, AND THE OFA

Relationship with the Shareholder

As a corporation created under and governed by the OBCA, OPG's management is supervised by its Board, which is obligated by law to act in the best interests of the Company. The Company's sole shareholder, the Province, owns all of the Company's issued and outstanding common shares and thereby has the power to determine the composition of the Company's Board.

As one of several wholly-owned government business enterprises of the Province, OPG has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

Memorandum of Agreement

In September 2021, OPG and the Shareholder entered into a renewed MOA regarding OPG's roles and responsibilities as an owner and operator of a diversified portfolio of electricity and generation assets and provider of related services, both inside and outside of Ontario. The MOA was renewed by the Ontario Minister of Energy and the OPG Board Chair and reaffirmed in 2025. The MOA serves as the basis of agreement between OPG and the Shareholder regarding OPG's mandate, governance, performance, reporting and communications and establishes the accountabilities between OPG and the Province. OPG's business imperatives are based on the Company's mandate as set out in the MOA.

A copy of the MOA can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website nor any of the contents of the MOA are incorporated by reference herein.***

Shareholder Directives

The Shareholder may at times direct OPG to undertake special initiatives. A Shareholder directive is issued when the Shareholder finds it necessary to assume decision-making power and authority over certain aspects of the business operations of the Corporation. Under a Shareholder directive, the Shareholder assumes all the rights, powers, duties and liabilities of the Directors to manage or supervise the management of the business and the Directors are relieved of their duties and liabilities. Shareholder directives are communicated as written pursuant to section 108 of the OBCA. Copies of each Shareholder directive can be found on the Company's website at www.opg.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to the Company's website nor any of the contents of the Shareholder directives are incorporated by reference herein.***

Ontario Nuclear Funds Agreement

The ONFA between OPG and the Province sets out the responsibility for funding the obligations for the decommissioning of OPG's nuclear facilities and the long-term management of OPG's used nuclear fuel and L&ILW, in connection with the existing facilities. Pursuant to the ONFA, the Company has established a Used Fuel Segregated Fund and a Decommissioning Segregated Fund to fund the future costs of these activities. Additional details can be found in the section, *Description of the Business* under the heading, *Nuclear Sustainability Services – Funding Mechanisms*.

OPG Debt Held by the OEFC

A portion of OPG's long-term debt has been financed by the OEFC. As at December 31, 2025, the OEFC held $2,100 million of OPG's long-term debt with maturity dates ranging from 2026 to 2048. OPG also maintains a $750 million credit facility with the OEFC. The maturity of the facility is December 2026. As at December 31, 2025, there were no borrowings under the facility. For additional details, see Note 9 of the Company's audited consolidated financial statements as at and for the year ended December 31, 2025.

Credit Facility with the OFA

OPG maintains a $1,250 million revolving credit facility with the Ontario Financing Authority (OFA). The maturity of the facility is December 2029. As at December 31, 2025, there were no borrowings under the facility.

Fair Hydro Trust Loan Receivable to OPG

The Company's interest in the Fair Hydro Trust (Trust) includes subordinated debt issued by the Trust as part of its financing for the acquisition, in 2017 and 2018, of an irrevocable right to recover Global Adjustment costs deferred by the IESO and associated financing and other costs from specified consumers under the *Ontario Fair Hydro Plan Act, 2017*. OPG recognizes this interest as a loan receivable on the consolidated balance sheet following the deconsolidation of the Trust effective May 9, 2019 as a result of the *Fixing he Hydro Mess Act, 2019* receiving Royal Assent. Under this legislation, there will be no new Global Adjustment refinancing and the Province is responsible for paying existing funding obligations administered by the Trust. The Trust is prohibited from issuing any new funding obligations. As at December 31, 2025, the loan receivable balance was $899 million. The majority unitholder and beneficiary of the trust is a wholly-owned subsidiary of OPG.

Payments-In-Lieu of Corporate Income Taxes and Property Taxes

OPG, with the exception of certain consolidated entities, is exempt from income taxes on its operations under the *Income Tax Act* (Canada). However, under the *Electricity Act, 1998*, OPG is required to make payments in lieu of corporate income taxes to the OEFC. These payments are calculated in accordance with the *Income Tax Act* (Canada) and the *Taxation Act, 2007* (Ontario), as modified by the *Electricity Act, 1998* and related regulations. This results in OPG paying taxes similar to those imposed under the federal and Ontario tax acts.

OPG is subject to income tax audits by the Ontario Ministry of Finance. As of the date of this AIF, income tax audits up to and including the 2020 taxation year have been completed. OPG remains subject to income tax examination by the Ontario Ministry of Finance for years after 2020.

The *Electricity Act, 1998* provides that OPG is required to make payments in lieu of property tax to the OEFC on non-hydroelectric generating station buildings and structures. These payments generally equal the difference between property taxes that would be otherwise payable if these assets were privately owned, and the amount payable to municipalities in respect of these assets as determined under the *Assessment Act, 1990* (Ontario). As with other hydroelectric generators in Ontario, OPG's hydroelectric generation operations are not subject to payments in lieu of property taxes because they are subject to the GRC regime. Additional details on the GRC regime can be found in the section, *Description of the Business* under the heading, *Business Operations – Renewable Generation*.

12 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

12.1 LEGAL PROCEEDINGS

OPG is potentially the subject of various legal proceedings and claims that arise in the ordinary course of business. The outcome of these proceedings and claims is uncertain. Based on information available as of the date of this AIF, management believes that none of the proceedings and claims, individually and in the aggregate, are expected to have a material impact on OPG.

12.2 REGULATORY ACTIONS

OPG is not aware of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or other similar regulatory body against the Company, nor has the Company entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority. Penalties or sanctions imposed by a court or regulatory body other than a securities regulatory authority and where not related to securities legislation are disclosed when considered important to a reasonable investor in making an investment decision.

13 MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business (which are not otherwise required by applicable securities laws to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

14 INTERESTS OF EXPERTS

The external auditor of the Company is Ernst & Young LLP, Chartered Professional Accountants, located at 100 Adelaide Street West, P.O. Box 1, Toronto, Ontario M5H 0B3. Ernst & Young LLP has been the Company's auditor since OPG was formed in 1999, and is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

15 GLOSSARY

Term	Definition
Adaptive Phased Management or APM	Canada's plan for the long-term management for used nuclear fuel, whereby used nuclear fuel would be permanently placed in a deep geological repository at a suitable geological site.
ancillary service	a service necessary to maintain the reliability of the electricity grid.
availability	when used in reference to a generating unit, a measure of mechanical reliability represented by the percentage of time a generating unit is capable of providing service, whether or not it is actually providing the service, relative to the total time for the period.
baseload generating facilities	electricity generating facilities that produce a constant supply of energy.
bilateral contract	an agreement covering the generation of electricity and/or electricity services, including capacity and ancillary services, entered into between an electricity generator and an end-user, or between an electricity generator or end-user and a market intermediary such as a local electric utility.
biomass	plant material from agricultural and forest sources that can be used to produce energy, including beneficiated biomass, which includes torrefied, carbonized and steam exploded biomass.
black start capability	generator's ability to help restore the power system without relying on an external supply of electricity.
CANDU	an acronym for Canada Deuterium Uranium, a family of nuclear fission reactors developed in Canada which use pressurized heavy water coolant (deuterium oxide) as a moderating agent and natural uranium (uranium dioxide) as fuel.
capacity factor	the ratio (usually specified as a percentage) of the amount of energy that a generating asset actually generated over a period of time divided by the amount of energy that the generating asset would have produced over the same period of time had it operated continuously at full capacity.
CNSC	an acronym for Canadian Nuclear Safety Commission, the federal body that regulates the use of nuclear energy and materials in Canada.
Cobalt-60 (Co-60)	a radioactive isotope of cobalt produced by neutron irradiation of Cobalt-59 in a nuclear reactor. Cobalt-60 emits gamma radiation and is used in medical sterilization, cancer treatment, industrial radiography, and other applications.
decommissioning	actions taken in the interest of health, safety, security and protection of the environment to retire a facility permanently from service and render it to a predetermined end-state condition.
deep geological repository (DGR)	network of underground tunnels and placement rooms designed to safely contain and isolate used nuclear fuel and L&ILW containers over the long term.
detritiation	the removal of tritium from heavy water.
deuterium oxide	see heavy water.
distributed generation	production of electricity closer to end users and away from larger scale production facilities that require more transmission.
electrification	the process of making a machine or system operate using electricity when it did not before. In the context of decarbonization, this includes replacing technologies that use fossil fuels with technologies that use electricity as a source of energy.

Term	Definition
electrolyzer	a system that uses electricity to separate water into hydrogen and oxygen molecules.
equivalent forced outage rate	the hours of generating unit failure given as a percentage of the total hours of the availability of that unit.
Energy Supply Agreement or ESA	a bilateral contract between the IESO and an electricity generator covering the generation of electricity and/or electricity services in Ontario, including capacity and ancillary services.
Global Adjustment	a portion of total cost of electricity in Ontario, which includes the difference between the electricity market clearing price used to dispatch generation and the prices paid to contracted and regulated generators in the province, and the cost of conservation and demand management programs.
government business enterprises	government organizations that are separate legal entities with the power to contract in their own name, have the financial and operating authority to carry on a business, are principally focused on the selling of goods and services to individuals and non-government organizations, and are able to maintain their operations and meet their obligations through revenues generated outside the government reporting entity.
greenhouse gas or GHG	gaseous constituents of the atmosphere, both natural and human-caused, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect.
gross revenue charge	taxes and charges levied on hydroelectric generating stations in Ontario as prescribed by *Ontario Regulation 124/02* under the *Electricity Act, 1998.*
Helium-3	a rare, non-radioactive isotope of helium used in nuclear research, neutron detection, cryogenics, and potential future fusion energy applications. It is produced through the decay of tritium or extracted from natural sources.
heavy water (deuterium oxide)	water containing significantly more than the natural proportion of heavy hydrogen (deuterium) atoms to ordinary hydrogen atoms, used as a moderator in CANDU reactors.
IESO	an acronym for the Independent Electricity System Operator, a non-profit entity responsible for operating the electricity market and directing the operation of the bulk electrical system in Ontario.
in-service generating capacity	the portion of installed capacity (the highest level of MW output which a generating unit can maintain indefinitely under reference conditions, without damage to the unit) that has not been removed from service.
interconnection	a transmission line which carries power across the service area boundary of geographically adjacent jurisdictions.
intermediate facilities	electricity generating facilitates that are needed for intermediate load requirements to meet demand during peak hours of the day, adjusting output as consumer demand moves up and down.
intervenor	individuals or groups who have the OEB’s permission to actively participate in a public hearing about a utility’s application or other proceedings.
isotope	an atom in a chemical element that differs in the number of neutrons than protons and electrons.
kWh	a kilowatt hour, the commercial unit of electric energy (the amount of electricity consumed by ten 100 watt light bulbs burning for one hour).

Term	Definition
load	the quantity of electricity consumption measured as either the energy consumed over a given period of time or the rate of energy consumption at a given time by a particular customer or group of customers.
memorandum of understanding (MOU)	an agreement between two or more parties outlining the terms and details of an understanding, including each parties' requirements and responsibilities.
Molybdenum-99 (Mo-99)	a radioactive isotope of molybdenum used as a precursor for Technetium-99m, a widely used medical imaging isotope. It is produced in nuclear reactors through uranium fission or neutron activation of Molybdenum-98.
MW	a megawatt, equal to 1,000,000 watts or 1,000 kilowatts.
MWh	a megawatt-hour, equal to 1,000 kWh.
OEB	an acronym for the Ontario Energy Board, an independent, quasi-judicial tribunal that regulates market participants in Ontario's natural gas and electricity industries.
OEFC	an acronym for the Ontario Electricity Financial Corporation, an agency of the Province and the legal continuation of the former Ontario Hydro. The OEFC is responsible for managing the debt and certain other obligations not transferred to other successor companies of Ontario Hydro. The transfer orders made by Order-in-Council under the *Electricity Act, 1998* provide that if they fail for any reason to fully and effectively in law transfer an asset, right, liability or obligation to OPG or that if such transfer would constitute a breach of the terms of the asset, right, liability or obligation or of any applicable law, such assets, rights, liabilities or obligations are not transferred, but are held by the OEFC for the benefit of OPG.
OFA	an acronym for the Ontario Financing Authority, an agency of the Province that manages the Province's debt portfolio and borrowing program and provides centralized treasury, risk management and related financial services on behalf of the Province.
ONFA	an acronym for the Ontario Nuclear Funds Agreement between OPG and the Province that sets out the responsibility for funding the liabilities for the decommissioning of OPG's nuclear facilities and the long-term management of OPG's used nuclear fuel and L&ILW.
Ontario NFWA Trust	a trust established by OPG pursuant to the *Nuclear Fuel Waste Act* (Canada) for the purpose of funding the implementation of Canada's long-term used nuclear fuel management plan.
operating reserve	the capacity that can be called upon on short notice to replace scheduled energy supply that is unavailable as a result of an unexpected outage or to augment scheduled energy as a result of unexpected demand or other contingencies.
peaking facilities	electricity generating facilities that generally run only when there is a high demand for electricity.
prescribed facilities	OPG's electricity generating stations the output of which receives regulated prices determined by the OEB. OPG's prescribed facilities are the Darlington and Pickering nuclear generating stations, the 54 hydroelectric generating stations located across a number of major river systems in the Ontario, and an SMR at the DNNP site.
rate rider	an amount which is added to or subtracted from the base regulated price to recover or refund a specific amount of money for a temporary period.
reactive support	the control and maintenance of prescribed voltages on the electricity grid.
refurbishment	the work needed to extend the life of a generating asset by replacing the major life-limiting components.
regulated facilities	see prescribed facilities.

Term	Definition
regulation service	a service acting to balance total electricity system generation with total electricity system load demand (plus transmission losses) on a minute-by-minute or second-by-second basis, and to help correct variations in power system frequency. This service corrects for short-term changes in electricity use that might affect the stability of the power system.
Shareholder	the sole shareholder of OPG, the Province of Ontario.
small modular reactors or SMRs	a new class of nuclear reactors that are smaller in size and power output than conventional nuclear power reactors and are designed with the intent to simplify construction by using modular engineered components, which can shorten construction times and reduce costs, and to promote simplified safe operational processes. Small modular reactor technology has the potential for a range of applications, from grid-scale units that can provide non-emitting reliable electricity, to units suitable for heavy industry and powering remote communities.
surplus baseload generation or SBG	a condition that occurs when electricity generation from baseload generating facilities is greater than the electricity market demand.
Technetium-99	a radioactive isotope produced from Molybdenum-99, commonly used in medical imaging and as a byproduct of nuclear reactor operations.
tritium	a radioactive substance that is created within CANDU reactors as a result of heavy water in the reactor moderator and heat transport systems. It is used in radioluminescent products, pharmaceutical research and fusion research.
TWh	a terawatt hour, equal to 1,000,000 MWh.
unit	an electrical generator, together with its driving turbine and auxiliary equipment.
Unit Capability Rate	amount of energy a generating unit is capable of producing as a percentage of its maximum output assuming no external constraints such as transmission limitations, adjusted for planned energy losses.
uranium hexafluoride or UF6	a compound used in the process of uranium enrichment as part of SMR fuel manufacturing.
watt	a scientific unit of electric power representing the rate of work of one joule per second.
Yttrium-90 (Y-90)	a radioactive isotope of yttrium used primarily in medical applications, including targeted cancer therapies such as radioembolization. It emits beta radiation and is commonly produced as a decay product of Strontium-90 or through neutron activation.

APPENDIX A

ONTARIO POWER GENERATION INC.

AUDIT AND RISK COMMITTEE INFORMATION

AUDIT AND RISK COMMITTEE INFORMATION

NI 52-110 has been implemented by Canadian securities regulatory authorities to encourage reporting issuers to establish and maintain strong, effective and independent audit committees, to enhance the quality of financial disclosure and to foster increased investor confidence in Canada's capital markets. The Audit and Risk Committee's Charter is attached to this AIF as Appendix B.

Composition of the Audit and Risk Committee

All members of the Audit and Risk Committee are qualified to be members of the Committee within the meaning of NI 52-110, including being financially literate. Each member has an understanding of internal controls and procedures for financial reporting. As part of OPG's Continuing Education Program for Directors, Audit and Risk Committee members are provided with access to both internal and external educational resources, including seminars and courses, in order to maintain or enhance their financial literacy.

As at March 12, 2026, members of the Audit and Risk Committee were:

Director	Relevant Education and Experience
Jill Pepall (Chair)	Ms. Pepall holds a Master's degree in Business Administration (MBA) from the Schulich School of Business at York University and is a Chartered Financial Analyst (CFA). She also holds the Institute of Corporate Director (ICD.D) designation. With a career focused on finance and asset management, Ms. Pepall has extensive experience in the analysis of financial statements and a strong understanding of accounting principles. She has led investment divisions at a major bank, insurance company, and pension plan, and has significant experience supervising financial teams and overseeing internal controls and procedures for financial reporting. Ms. Pepall currently serves as a board member and Chair of the Investment Committee at the CAMH Foundation (Centre for Addiction and Mental Health). She is also on the Investment Committee of the Board of CMA Impact Inc. and the Municipal Pension Plan of British Columbia. Ms. Pepall has previously served as Executive Vice President and Chief Investment Officer at Investment Management Corporation of Ontario and its predecessor organization, Ontario Pension Board. She was also Managing Director and Chief Investment Officer at Scotia Asset Management.
Anthony Haines	Mr. Haines currently serves as a board member of Alpha Generation LLC, where he is Chair of the Human Resources Committee, AP Company Group (Advanced Power), and is an advisor to Arclight Capital. He also serves as Board Chair of Elexicon Corporation. Previously, he served as Chair of PULSE (Panel for Utility Leadership Service Excellence), which engagement concluded as of February 1, 2026. Mr. Haines brings several years of experience overseeing commercial transactions. From 2009 to 2024, Mr. Haines was the President and CEO of Toronto Hydro Corporation, where he led a significant commercial transformation, achieving exponential profitability growth, attaining high investment-grade credit ratings, and overseeing the company's largest capital build-out in its history. Prior to this, he served as Chief Operating Officer at Hydro Ottawa Ltd. from 2003 to 2005 and as President and CEO of Enlogix Inc., a subsidiary of Westcoast Energy, from 1998 to 2003.
Selma Lussenburg	Ms. Lussenburg holds a Bachelor of Social Sciences and a Bachelor of Law (LLB) from the University of Ottawa and a Masters of Law from the Australian National University. Ms. Lussenburg currently serves on the board of directors of Muskoka Airport Inc. as an independent director. Most recently, Ms. Lussenburg served as an independent director on the Board of MAG Silver (TSX: MAG) from February 2020 to September 2025. Ms. Lussenburg has served as General Counsel for several large and complex companies and organizations including the Greater Toronto Airports Authority (Toronto Pearson) a non venture reporting issuer, the Ontario Municipal Employees Retirement System (OMERS) and AT&T's operations in Canada; in these roles her responsibilities included advising on complex financings, bond issuances, acquisitions and divestitures and related disclosures. From 2019 to 2025, Ms. Lussenburg served as Chair of the Ontario Government's Justice Sector Audit Committee (Ministries of the Attorney General and Solicitor General) which Committee provides recommendations and advice on audit matters including financial and other controls in respect of these large and complex Ministries. She also holds a Chartered Director (C.Dir.) designation from the Directors College and has completed of the Directors College Financial Literacy module. Ms. Lussenburg has previously served as Chair and Audit Committee member of Ontario Capital Growth Corporation.
Bill Pitesa	Mr. Pitesa is a graduate of Harvard's Advanced Management Program. He currently serves as a board member of TerraPower, LLC, Energy Northwest, and Vistra Corp. (NYSE: VST), a Fortune 500 electricity and power generation company. He previously served on the board of directors for Energy Harbor, where he chaired the nuclear committee until Vistra's acquisition of Energy Harbor. From March 2013 to November 2017, Mr. Pitesa held the position of Chief Nuclear Officer at Duke Energy. He has also served as an advisor to SK Inc. for several years. Mr. Pitesa brings extensive board oversight experience, including involvement in consideration of financial matters, and has held numerous management positions

	throughout his career. His experience spans Canadian and U.S. operations in both the private and public sectors.
Anju Virmani	Dr. Virmani holds a Bachelor of Science degree and Bachelor of Education degree from the University of Delhi and a Master's degree in Business Administration (MBA) from the City University of New York. She also holds a Chartered Director (C.Dir.) designation from the Directors College and completion of the Directors College Financial Literacy module. Dr. Virmani brings significant board oversight experience, as well as extensive audit and finance committee experience. She currently serves on the Board of Governors of Toronto Metropolitan University, where she is a member of its Audit Committee. Dr. Virmani is a former board member of Payments Canada, where she served as Chair of the Risk Committee, and of Ontario Health, where she served on the Finance, Risk and Audit Committee, and has previously been a member of the Finance and Audit Committee for Toronto Central Local Health Integration Network.

Pre-Approval Policies and Procedures

The Audit and Risk Committee Charter contains provisions governing the Company's relationship with the external auditors, including but not limited to annual performance reviews and a comprehensive review of the external auditors at least once every five years and pre-approval of all services to be provided by the external auditors. The Board reappointed Ernst & Young LLP as the Company's auditor for the 2025 fiscal year in November 2024.

External Auditor Service Fees

The following fees were accrued by OPG in connection with services rendered by Ernst & Young LLP:

(thousands of dollars)	**2025**	**2024**
Audit Fees [1]	**2,148**	2,412
Audit-Related Fees [2]	**366**	377
All Other Fees [3]	**31**	30

[1] "Audit Fees" refer to fees for audit services.

[2] "Audit-Related Fees" refer to fees for assurance and related services that reasonably relate to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".

[3] "All Other Fees" refer to fees for services not included in the categories of "Audit Fees", "Audit-Related Fees". "Tax Fees" were nil in both 2025 and 2024.

APPENDIX B

ONTARIO POWER GENERATION INC.

AUDIT AND RISK COMMITTEE CHARTER

Ontario Power Generation Inc.

Audit and Risk Committee of the Board

<u>CHARTER</u>

<u>Purpose</u>

The function and purpose of the Audit and Risk Committee is to assist the Board of Directors in their responsibility for oversight of matters relating to:

1. the integrity of OPG's financial statements and reporting, including with respect to OPG's role as Financial Services Manager of the Fair Hydro Trust;
2. the integrity and adequacy of internal controls and standards of Codes of Conduct and ethics;
3. the performance of OPG's internal audit function;
4. the performance and independence of OPG's external auditors;
5. business and financial planning;
6. the performance of OPG's pension, nuclear decommissioning, and used fuel investment funds;
7. OPG's Enterprise Risk Management;
8. assessment of committee performance and board policies; and
9. OPG's cyber security program.

Management is responsible for the preparation, presentation and integrity of OPG's interim and annual financial statements and related disclosure documents. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of internal and disclosure controls and procedures to comply with accounting standards and applicable laws and regulations which provide reasonable assurance that the assets of the Company are safeguarded and transactions are authorized, executed, recorded and properly reported.

Management is also responsible for the identification, assessment, monitoring, and management of the risks to achieving OPG's strategic and business plan objectives and the development and implementation of policies and procedures to respond to such risks.

The Committee's role is to provide oversight that ensures the Company's assets are protected and safeguarded within reasonable business limits and report such to the Board.

<u>Committee Responsibilities and Duties</u>

The Committee shall perform the duties set out in this Charter and shall perform such other duties as may be necessary or appropriate under applicable law or securities rules, or as may be delegated to the Committee by the Board from time to time.

1. <u>Integrity of OPG's Financial Statements and Reporting</u>

The Committee reviews and makes recommendations to the Board with respect to:

a) appointment or replacement of the Chief Financial Officer;

b) OPG's annual financial statements and external audit report, including financial statements, Management Discussion and Analysis (MD&A), related footnotes and any documentation required by the *Securities Act* to be prepared and filed by OPG or that OPG otherwise files with securities regulators; and

c) OPG's Annual Information Form, if required, prior to filing with securities regulators.

The Committee reviews and approves:

d) OPG's quarterly financial statements and interim financial information and disclosures in the MD&A and earnings press release, prior to filing.

In carrying out its responsibilities for oversight of the integrity of OPG's financial statements and reporting, the Committee will include in its review:

e) adequacy of procedures in place for the review of OPG's public disclosure of financial information extracted or derived from OPG's financial statements;

f) the adequacy of OPG's role as Financial Services Manager of the Fair Hydro Trust, including in relation to the Management Oversight Committee (MOC) Charter and the continuing sufficiency of the MOC Charter as reviewed by the Committee from time to time;

g) significant accounting principles and reporting issues and impact on the financial statements, including complex or unusual transactions, highly judgmental areas, major issues regarding or changes to OPG's selection/application of accounting principles, financial presentations, the effect of regulatory and accounting initiatives, as well as off-balance sheet arrangements on OPG's financial statements;

h) analysis prepared by Management and/or the external auditor detailing financial reporting issues and judgments made in connection with the preparation of financial information, including analysis of the effects of alternative generally accepted accounting principles methods; and

i) whether any other matters related to conduct have come to the Committee's attention that causes it to believe that the financial statements contain an untrue statement of material fact or omit to state a necessary material fact.

2. Integrity and Adequacy of Internal Controls and Standards of Codes of Conduct and Ethics

In carrying out its responsibilities for the integrity and adequacy of internal controls, including compliance with legal and regulatory requirements and standards of codes of conduct and ethics, the Committee reviews:

a) legal, tax, or regulatory matters that may have a material impact on OPG's operations and the financial statements, including, but not limited to, violations of securities law or breaches of fiduciary duty;

b) the scope of review of internal control over financial reporting, significant findings, recommendations and Management's responses for implementation of actions to correct weaknesses in internal controls;

c) disclosures made by the Chief Executive Officer and Chief Financial Officer during the certification process regarding significant deficiencies in the design or operation of internal controls or any fraud that involves Management or other employees who have a significant role in OPG's internal controls;

d) procedures for the receipt, recording and treatment of complaints received by OPG regarding accounting, internal accounting controls, or auditing matters, and procedures for the confidential and anonymous submission by OPG employees of concerns regarding accounting or auditing matters;

e) expenses of the Board Chair, Board of Directors, President/CEO and the President/CEO's direct reports on an annual basis, and of any other senior officers and employees the Committee considers appropriate; and

f) reports from the Chief Ethics Officer on independent reviews and investigations of fraud allegations, matters that may involve fraud and/or Codes of Conduct violations and compliance, including anonymous "whistleblower" complaints, except that investigations of matters that involve Code of Business Conduct violations and compliance which are primarily personnel related shall be reviewed by the Human Resources and Governance Committee.

3. Performance of OPG's Internal Audit Function

The Committee reviews and makes recommendations to the Board with respect to:

a) appointment or replacement of the Chief Audit Executive.

The Committee reviews and approves:

b) the annual internal audit plan and all major changes to the plan, including the organizational structure, budget and the adequacy of resources; and

c) the charter of the internal audit function triennially.

In carrying out its responsibilities for the performance of OPG's internal audit function, the Committee reviews:

d) results of Internal Audit reports including significant findings, the adequacy of control processes, Management's response and the timetable for implementation of Management actions to correct weaknesses, and any difficulties encountered in the course of their work (such as restrictions on the scope of their work or access to information);

e) Internal Audit's confirmation of organizational independence and disclosure of any conflict of interest; and

f) Internal Audit performance relative to the annual internal audit plan.

4. <u>Performance and Independence of External Auditor</u>

The Committee reviews and makes recommendations to the Board with respect to:

a) the external auditor to be annually appointed on behalf of the Shareholder and related compensation, including results of a cyclical performance review, and a comprehensive review of the external audit firm at least once every five years.

The Committee reviews and approves:

b) pre-approval of additional audit services and fees to be provided by the external auditors if such services are required further to the annual compensation approved by the Board. The Committee may delegate such pre-approval authority to the Committee Chair up to a limit of $250,000. Any decisions of the Committee Chair to whom pre-approval authority is delegated must be presented to the full Audit and Risk Committee at its next scheduled meeting.

In carrying out its responsibilities for the performance and independence of OPG's external audit function, the Committee reviews:

c) the work and report of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for OPG, including the resolution of disagreements between Management and the external auditor regarding financial reporting;

d) the independence and qualifications of the external auditor;

e) the annual report by the external auditor describing the auditing firm's internal quality control procedures, any material issues raised by the most recent internal quality-control review or peer review of the auditing firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditor and any steps taken to deal with any such issues and all relationships between the external auditors and OPG;

f) scope and approach of the annual audit plan with the external auditors;

g) quality and acceptability of OPG's accounting principles including all critical accounting policies and practices used, any alternative treatments that have been discussed with Management as well as any other material communications with Management;

h) external auditor's process for identifying and responding to key audit and internal control risks;

i) rotation of the lead audit partner and other audit partners every seven years, and consider regular rotation of the audit firm;

j) all related-party transactions; and

k) OPG's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of OPG.

5. **Business and Financial Planning**

The Committee reviews and makes recommendations to the Board on:

a) OPG's business plan, including overall financing plan in support of the Company's capital expenditures and medium – long term forecast;

b) OPG's rate applications to the Ontario Energy Board, including proposed payment amounts and any agreement arising from a Settlement Conference with intervenors; and

c) corporate financing vehicles, credit facilities, including any plans to access capital debt markets and other related financing activities. The Board may delegate to an officer of the Company authority to enter into such financing activities in such a manner as the Board shall determine at the time of such delegation. Any decisions of the officer to whom authority is delegated must be presented to the full Audit and Risk Committee at its next scheduled meeting.

6. **Pension, Nuclear Decommissioning and Used Fuel Investment Funds**

The Committee reviews and makes recommendations to the Board on:

a) the appointment or replacement of the Chief Investment Officer;

b) the appointment of the auditor for the OPG Pension Fund and the Used Fuel Segregated Fund and Decommissioning Segregated Fund;

c) the broad objectives, governance frameworks and risk posture for the OPG Pension Fund and the Used Fuel Segregated Fund and Decommissioning Segregated Fund and annual status report on these Funds; and

d) the tri-ennial valuation of the Pension Fund and annual valuation of the Supplementary Employee Retirement Pension Plans. *(The Committee provides advice to the Human Resources and Governance Committee on the affordability of proposed pension benefit changes.)*

The Committee reviews and approves:

e) the appointment of the members of OPG's Pension Committee. In addition, the Committee may, at any time, remove or replace any member of the Pension Committee or fill a vacancy on the Pension Committee. The Pension Committee Chair may temporarily appoint a senior management employee to fill a vacancy on the Pension Committee until the next regularly scheduled Audit and Risk Committee meeting;

f) the annual audited financial statements for the OPG Pension Fund, the Used Fuel Segregated Fund and the Decommissioning Segregated Fund;

g) the investment policies and procedures, including the design of modifications, for the OPG Pension Fund, as required by the *Pension Benefits Act* (Ontario) and its regulations, and for the Decommissioning Segregated Funds, as required by the Ontario Nuclear Funds Agreement; and

h) the appointment of the Pension Plan actuary.

In carrying out its responsibilities for the oversight of financial planning and investment funds, the Committee reviews:

i) reports on a quarterly, annual or by exception basis, on compliance with and appropriateness of the asset mix policy; total fund and asset class returns relative to benchmarks; material compliance with breaches of policies or procedures; and work conducted by the plan actuary; and

j) periodic reports on the calculation of OPG's nuclear waste liability.

7. **OPG's Enterprise Risk Management**

The Committee reviews and makes recommendations to the Board on:

a) the appointment or replacement of the Chief Audit Executive; and

b) the Company's enterprise risk policy, framework, overall risk appetite and targets, including risk appetite statements and tolerance limits defined by management (Enterprise Risk Committee). Approved risk appetite statements will set the tone for policies governing the appropriate risk areas.

In carrying out its responsibilities for oversight of OPG's Enterprise Risk Management, the Committee reviews:

c) the processes employed by Management for identifying and assessing the Company's principal risks;

d) periodic reports on Management's assessment of the principal risks to achieving the Company's strategic and business plan objectives, and the strategies for monitoring, managing and responding to those risks;

e) periodic reports on significant emerging and evolving risks and relevant external events that could potentially impact OPG's risk profile;

f) compliance metrics related to OPG's commercial operations trading, treasury, and fuels management;

g) regular reports on OPG's cyber security position and programs; and

h) periodic reports on OPG's Insurance Program.

8. **Assessment of Committee Performance and Board Policies**

In carrying out its responsibilities for assessment of Committee performance and Board policies, the Committee shall:

a) review and assess Committee performance, including a review of the adequacy of and its compliance with this Charter, in accordance with the evaluation process approved by the Board and taking into account all legislative and regulatory requirements applicable to the Committee as well as any best practice guidelines recommended by regulators with whom OPG has a reporting relationship;

b) provide oversight of the implementation of the following Board policies, and review these policies at least annually (or as otherwise noted below) to ensure their continuing adequacy:

   i. Delegation and Exercise of Authority Policy;
   ii. Disclosure Policy;
   iii. Code of Business Conduct and Supplier Code of Conduct, including anti-bribery and corruption;
   iv. Enterprise Risk Management Policy *(reviewed every three years)*; and
   v. Cyber Security Policy; and

c) provide oversight of the development of any new policies deemed necessary by the Committee.

9. **Oversight of OPG's Cyber Security Program**

In carrying out its responsibilities for oversight of OPG's cyber security program, the Committee shall:

a) review reports provided by Management's Cyber security Governance Committee on the overall status of OPG's cyber security program at least annually;

b) oversee designation of members of the Cyber security Governance Committee, with appropriate expertise, that are accountable for implementing and managing an appropriate cyber security program that includes compliance with applicable regulatory standards, maintaining policies and procedures devoted to the management of cyber security risk and developing an incident response plan;

c) confirm that sufficient resources are devoted to the management of cyber security risks;

d) engage Management in discussions to identify OPG's most critical data assets, where they reside, how they can be accessed, and how often the systems are tested to ensure the data is adequately protected;

e) discuss with Management whether specific cyber security insurance is required;

f) encourage a culture where all employees understand cyber security as an enterprise-wide risk management issue and receive training on how to manage risk; and

g) approve cyber risk appetite statements and risk tolerance targets recommended by the Cyber security Governance Committee.

Organization

Members

The Audit and Risk Committee shall consist of three or more Directors as determined by the Board of Directors. All members of the Committee shall be independent as defined by the Ontario Securities Commission, and not "affiliated" with OPG.

The Board shall appoint the members of the Committee and the Chair of the Committee annually. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. Any member of the Committee may be removed or replaced at any time by the Board.

If a member of the Committee becomes "affiliated" with OPG, the member may continue as a member of the Committee with the approval of the Board Chair, in consultation with the Corporate Secretary.

As a venture issuer, OPG is exempt from the statutory requirements of National Instrument 52-110 requiring members of Audit Committees be independent and financially literate. However, OPG considers such independence and financial literacy to be "best practice" and therefore each of the members of the Audit and Risk Committee shall satisfy the applicable independence and financial literacy requirements of the laws and regulations governing Audit Committees.

The Board of Directors shall confirm that each member of the Audit and Risk Committee is financially literate; as such qualification is interpreted by the Board of Directors in its business judgment, and in compliance with National Instrument 52-110 and its Companion Policy.

Meetings

The Committee shall meet as frequently as it determines but not less than quarterly. During quarterly meetings, the Committee will hold separate *in camera* sessions with the external auditors, the Chief Audit Executive and Management to discuss any matters that the Committee believes should be discussed and to provide a forum for any relevant issues to be raised.

Notice of the time and place of each meeting of the Committee must be given to each member of the Committee not less than 48 hours before the time of the meeting.

A quorum of the Committee shall be a majority of its members, but not less than two. The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means, or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each member is entitled to one vote in Committee proceedings.

The Chair shall preside at all meetings of the Committee at which he or she is present (or if not able to be present designate another member of the Committee to chair the meeting) and shall develop the agenda for each Committee meeting. The agenda for each meeting of the Committee shall be delivered to each member of the Committee at least 48 hours prior to any meeting of the Committee, together with such other materials as the Chair determines necessary.

Minutes shall be kept of all meetings of the Committee and shall be maintained by OPG's Corporate Secretary. The procedure at meetings is to be determined by the Committee unless otherwise determined by the by-laws of OPG, by a resolution of the Board or by this Charter.

The Committee may meet *in camera* (without management present) at any time during the meeting consistent with the Board guideline on the conduct of *in camera* sessions and the keeping of minutes from *in camera* sessions.

The Committee may invite any Director, officer or employee of OPG or OPG's counsel or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

Reports

The Committee will report its activities and actions to the Board of Directors with recommendations, as the Committee deems appropriate.

The Committee will provide for inclusion in OPG's financial information or regulatory filings any report from the Audit and Risk Committee required by applicable laws and regulations and stating among other things whether the Committee has:

(i) reviewed and discussed the audited financial statements with Management;
(ii) discussed pertinent matters with the internal and external auditors;
(iii) received disclosures from the external auditors regarding the auditors' independence and discussed with the auditors their independence; and
(iv) recommended to the Board of Directors that the audited financial statements be included in OPG's Annual Report.

Authority

The Audit and Risk Committee shall have the authority to:

a) conduct or authorize investigations into any matters within the Committee's scope of responsibilities;

b) set and pay the compensation for any advisors employed by the Committee; and

c) communicate directly with the internal and external auditors.

While the Audit and Risk Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit and Risk Committee to plan or conduct audits or risk assessments, or to determine that OPG's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibility of Management and, as appropriate, the external auditor.

Delegation of Authority

The Committee may not delegate its oversight responsibilities. The Committee may delegate to a sub-committee, the Chief Executive Officer or any employee of OPG the authority to exercise any right, power or responsibility that the Committee may have on such terms and conditions and within such limits as the Committee deems appropriate provided that the sub-committee, Chief Executive Officer or employee subsequently advises the Committee of any right, power or responsibility so exercised.

Access to Management and Outside Advisors

The Audit and Risk Committee shall have unrestricted access to members of Management and relevant information.

The Audit and Risk Committee has the authority to retain legal counsel, accountants or other advisors to assist it in the conduct of any investigation, as it determines necessary to carry out its duties.

Effective: May 13, 2016

Revised: February 12, 2025

Last Reviewed: November 11, 2025

APPENDIX C

ONTARIO POWER GENERATION INC.

STATEMENT OF EXECUTIVE COMPENATION

Form 51-102F6V
Statement of Executive Compensation – Venture Issuers
(with respect to the financial year ended on December 31, 2025)
Ontario Power Generation Inc.

Compensation Discussion and Analysis

Executive Summary

This Compensation Discussion and Analysis describes the material elements of the compensation paid to the named executive officers (“NEOs”) of Ontario Power Generation Inc. (“OPG” or the “Company”) and the members of the OPG Board of Directors (“Board”) (“Directors”) with respect to the financial year ended December 31, 2025.

When referring to the NEOs in this Compensation Discussion and Analysis, the following individuals are referred to as a group:

Position	Name	OPG Title
Chief Executive Officer	Nicolle Butcher	President & Chief Executive Officer (CEO)
Chief Financial Officer	Aida Cipolla	Chief Financial Officer (CFO) & Chief Administrative Officer[1]
Named Executive Officer	Steve Gregoris	Chief Nuclear Officer (CNO)

[1] Title change effective July 17, 2025

OPG’s Executive Compensation Program (the “Program”) applicable to the NEOs includes both fixed and variable (i.e. pay for performance) elements of compensation. The Program’s design targets total compensation at the 50th percentile of the labour market within which OPG competes for talent (the “Comparator Group”). This Compensation Discussion and Analysis describes the fixed and variable elements of the Program and provides the resulting compensation earned by each NEO in 2025.

OPG’s Program is subject to the *Broader Public Sector Executive Compensation Act, 2014*, SO 2014, c 13, Sch 1 (“*BPSECA*”) and its regulations enacted by the Province of Ontario, which is OPG’s sole shareholder. This legislation establishes compensation restraints and controls that affect compensation for the NEOs and other executive-level OPG employees.

OPG’s compensation program for Directors is based on a Board-approved compensation framework. This Compensation Discussion and Analysis describes the compensation framework and provides the resulting compensation earned by each Director in 2025.

Compensation Governance

The Board follows compensation best practices and government requirements. The five-member Human Resources and Governance Committee (“HRGC”) assists the Board in its oversight of matters related to compensation and benefits, among other things. As of December 31, 2025, the members of the HRGC were Scott McDonald (Chair), James (Joe) Sheppard, Selma Lussenburg, Anju Virmani and Anthony Haines, all of whom are independent Directors.

The HRGC is responsible for overseeing all significant compensation matters, including:

- Reviewing compensation structures, decisions and payouts (base salary, pay for performance incentive, etc.), and ensuring a strong link between pay and performance.
- Reviewing annually and approving any changes, as appropriate, to OPG compensation, including compensation principles and objectives for total compensation, desired competitive positioning and comparator groups.
- Ensuring that compensation programs and performance measures in the Corporate Balanced Scorecard (as described below) appropriately reflect OPG's approach to risk management.
- Ensuring that executive compensation levels and performance targets are consistent with the Board's compensation philosophy, aligned with, and designed to achieve OPG's strategic and operating objectives.
- Overseeing senior executive pay, as it relates to corporate governance and legislation, including total compensation, and key contract provisions in senior executive employment offers.
- Overseeing succession planning for the CEO and other senior executives.

The Board approves CEO compensation, as well as the Director compensation framework, on the recommendation of the HRGC. The HRGC approves compensation for the direct reports to the CEO, including the other NEOs. Variable pay-for-performance elements of the NEOs' 2025 compensation were determined by the Board/HRGC in Q1 2026. HRGC decisions are either reported to the Board if the decision was within the authority delegated to the HRGC under its Charter, or for matters beyond the HRGC's authority, recommended to the full Board for approval.

Objectives of Executive Compensation

OPG's compensation philosophy guides the development of all compensation elements and is a key consideration in the development of the Program. The philosophy is intended to enable OPG to attract, retain and motivate key talent in a manner that complies with applicable regulations, is competitive and affordable, and aligns with OPG's business strategy. OPG's compensation philosophy is comprised of five key principles:

- Drive results with a performance orientation that aligns with OPG's business strategy and risk tolerance, while taking into consideration affordability, market competitiveness as well as the context and environment in which OPG operates.
- Demonstrate fiscal conservatism through sustainability and sound financial management while supporting the attraction and retention of top talent.
- Have a strong performance orientation linked to OPG's value creation and results while allowing individual compensation to be meaningfully differentiated based on performance, where appropriate.
- Recognize OPG's role as a significant Ontario employer and encourage employee development, a culture of trust and respect and a seamless integration with talent and succession management objectives.
- Be simple to understand and administer, sustainable and scalable; enabling it to be communicated in a way that is integrated with messages about non-monetary recognition such that the perceived value of all programs meets or exceeds Program costs.

Comparator Group

The Company undertakes compensation benchmarking to ensure compensation is competitive and aligns with its business strategy and operating environment. OPG periodically reviews and benchmarks total compensation against the 50th percentile compensation of the appropriate comparator groups. Comparator groups are established based on a mix of private and public sector organizations that are similar in size, scope and complexity, reflecting organizations from which OPG competes for talent.

OPG benchmarks its executive positions based on the following selection criteria:

- The scope of responsibilities of the organization's executives
- The type of operations the organization engages in
- The industries within which the organization competes for executives
- The size of the organization
- The location of the organization

OPG reviews its peer comparator groups for purposes of benchmarking to ensure continued alignment with its business objectives. OPG most recently reviewed its peer comparator groups in 2025.

Elements of the Program

This section describes the significant elements of the Program contributing to the NEOs' 2025 total compensation. Pension-related compensation is described below in the Pension Benefits section.

Within applicable regulatory and legislative requirements, the Program is designed to attract, motivate and retain qualified individuals and to compensate the NEOs for achieving strategic objectives aligned with OPG's strategic imperatives. In September 2016, the Ontario government introduced the *BPSECA* and *Executive Compensation Framework,* O Reg 304/16. This regulation required all employers designated under the *BPSECA*, including OPG, to have a written Executive Compensation Program that described the compensation they may provide to their executives. The program description was required to include the compensation philosophy, salary and performance-related pay caps, comparative analysis details and a description of other elements of compensation. OPG met the requirements of O Reg 304/16 and, effective January 1, 2017, implemented its Executive Compensation Program (defined above as the "Program"). OPG's Program applies to employees at the Vice President level and higher.

On August 13, 2018, the Ontario government introduced a new *BPSECA* regulation, *Compensation Framework,* O Reg 406/18, which replaced O Reg 304/16. O Reg 406/18 imposes base salary caps for OPG designated executives which includes the NEOs and all employees at the Vice President level or higher. O Reg 406/18 also caps the Stakeholder Return Program (SRP) pay envelope for OPG's designated executives.

Summary of Program Elements		
Element	**Type**	**Brief Description**
Base Salary	Fixed	The base salary targets a competitive level of fixed compensation that reflects the market value of the position and recognizes the skills and experience each NEO brings to OPG.
Short-Term Incentive (pay for performance)	Variable	All NEOs participate in a short-term pay for performance incentive plan called the Stakeholder Return Program (SRP). The NEOs are eligible to earn a cash payment under the SRP based on achieving individual performance goals and OPG corporate performance goals as assessed against an annual scorecard.
Medium-Term Incentive (pay for performance)	Variable	All NEOs participate in the Medium-Term Incentive Plan (MTIP). The NEOs are eligible to earn a cash payment under the MTIP based on achieving medium-term OPG corporate performance goals over a three-year period which align with OPG's financial and operational objectives.
Pension	Fixed	The pension plans in place are designed to provide retirement income to the NEOs based on their income and length of service to OPG.
Benefits	Fixed	The NEOs participate in health, dental and group life insurance benefit programs available to other management employees.
Post-Employment Benefits and Retirement Bonus	Fixed	The NEOs are eligible to receive post-employment health, dental and life insurance benefits, depending on the number of years of continuous service (minimum 10 years) and the pension options elected. The eligibility requirements and post-employment benefits provided to NEOs are the same as those available to other eligible management employees. The NEOs are also eligible to receive Retirement Bonuses, which are also available to other management employees and are dependent on minimum years of continuous service and pension eligibility.

Base Salary

The HRGC approves base salary ranges for all non-unionized (Management Group) employees, including the NEOs. OPG's base salary structure is very detailed and rigorously maintained with base salaries defined by job responsibilities and salary ranges defined for each job level.

Short-Term Incentive (pay for performance)

OPG's short-term pay for performance incentive program is called the Stakeholder Return Program (SRP). The SRP is intended to motivate and reward eligible employees, including the NEOs, to achieve results on an annual basis that will benefit the company and the people of Ontario, OPG's largest stakeholder. The SRP provides compensation based on the achievement of annual individual performance objectives and annual OPG objectives in the areas of social license, financial strength, operational excellence and project excellence.

OPG's annual performance objectives are established before the beginning of each calendar year by the CEO and OPG leadership team in the form of a Corporate Balanced Scorecard. The Corporate Balanced Scorecard is reviewed by the HRGC and approved by the Board. The scorecard contains Key Performance Indicators ("KPIs") measured based on threshold, target and stretch goals, with a score for each KPI ranging from 0 to 1.5. Generally, the target goals align with the recent business plan forecasts and threshold and stretch goals are scaled symmetrically to motivate strong performance. Individual performance objectives are set in alignment with OPG's corporate objectives.

Performance measures for the 2025 Corporate Balanced Scorecard were organized into the following four groupings and corresponding KPIs:

1. Social License (20%)
    a. Safety: Serious Injury Incidence Rate (10%)
    b. Supply Chain Diversity Program ($M) (5%)
    c. Indigenous Economic Empowerment ($M) (5%)
2. Financial Strength (35%)
    a. Earnings Before Tax ($M) (20%)
    b. OM&A Expenses from Ongoing Operations ($M) (15%)
3. Operational Excellence (20%)
    a. Production (TWh) (20%)
4. Project Excellence (25%)
    a. Darlington Refurbishment – Unit 3, 1 & 4 Costs ($M) (7.5%)
    b. Darlington Refurbishment – Unit 4 Schedule (% complete/return to service) (7.5%)
    c. Total In-Service Capital (not including Darlington Refurbishment) ($M) (10%)

The final SRP payout for the NEOs (and all other eligible employees) reflects the results of the Corporate Balanced Scorecard and individual performance ratings for the relevant year. The target level of performance incentive payout (% of base salary) is set according to position and level and is subject to funding and legislative limitations. The 2025 Corporate Balanced Scorecard result was 1.218, which is above the target of 1.00 and consequently increased the SRP payout to NEOs, compared to a result at target, subject to the BPSECA compensation limits.

The CEO's individual performance and SRP payout are approved by the Board; 70% of the payout is based on the achievement of Corporate Balanced Scorecard results and 30% of the payout is based on the achievement of three equally weighted strategic objectives. The remaining NEOs' performance and SRP payout is determined by individual performance ratings (based on the CEO's assessment of NEO individual results and performance) and the final score for the Corporate Balanced Scorecard. The HRGC and the Board have the discretion to adjust the final score for the Corporate Balance Scorecard as well as available payout envelopes under the SRP (no such adjustments were made in 2025). SRP awards are paid (if earned) following assessment of performance at the end of each year.

Medium-Term Incentive (pay for performance)

OPG's medium-term pay for performance incentive program is called the Medium-Term Incentive Plan ("MTIP"). The MTIP is intended to motivate eligible OPG employees, including the NEOs, to achieve medium-term performance objectives designed to encourage long-term value creation. As a cornerstone of the Program, the MTIP helps OPG maintain a market-competitive and sustainable compensation program to attract and retain top talent at the executive level.
Whereas the SRP is a short-term incentive plan focused on annual corporate and individual performance, the MTIP ensures an appropriate emphasis on longer term individual contributions to collective OPG performance.

MTIP awards are based on OPG's results against set targets over a three-year performance cycle. MTIP performance objectives are established before the beginning of each cycle by the CEO and leadership team in the form of a scorecard. The MTIP scorecard is reviewed by the HRGC and approved by the Board. The MTIP scorecard KPIs are measured based on threshold, target and stretch goals, with a score for each KPI ranging from 0 to 1.5. The NEOs' 2025 total compensation includes MTIP awards for the 2023-2025 MTIP cycle. Similar to the SRP scorecard, MTIP target goals generally align with the business plan forecasts and threshold and stretch goals are scaled symmetrically to motivate strong performance.

KPIs and weightings for the 2023-2025 MTIP cycle were as follows:

1. Return on Equity (%) (45%)
    a. 2023 (9%)
    b. 2024 (9%)
    c. 2025 (9%)
    d. 3-year Average (18%)
2. Environmental, Social and Governance performance (20%)
    a. Equity, Diversity and Inclusion (ED&I) (10%)
    b. Climate Change Leadership (10%)
3. Darlington Refurbishment Program (35%)
    a. Unit 4 Schedule (% complete/return-to-service) (17.5%)
    b. Unit 3, 1 & 4 Program Cost ($M) (17.5%)

The final MTIP award is calculated and paid at the end of the three-year performance cycle based on each NEO's target (% of base salary) and results on the MTIP scorecard. MTIP scorecard results and any associated MTIP awards are subject to Board discretion and approval. Each NEO's targets may be adjusted during the three-year cycle in the event that the Board determines that such adjustment is warranted, including based on position and responsibility changes. The 2023 to 2025 performance cycle for the MTIP closed at the end of 2025 and incorporates an assessment of results for 2023, 2024 and 2025. The 2023-2025 MTIP scorecard result was 1.260, which is above the target of 1.00 and consequently increased the MTIP award to the NEOs compared to a result at target. The Board did not make adjustments to the 2023-2025 MTIP scorecard result or awards.

The table below provides the NEOs' SRP and MTIP pay for performance target opportunities as a percentage of base salary for 2025 (including the 2023-2025 MTIP cycle):

Name	**SRP Pay for Performance Target Opportunity (% of base salary)**	**MTIP Pay for Performance Target Opportunity (% of base salary)**
N. Butcher	60%	70%
A. Cipolla	45%	50%
S. Gregoris	45%	60%

Material Terms of Employment Agreements and Arrangements

The following is a summary of the material terms of the employment agreements for the NEOs and arrangements under which compensation is provided to the Directors. For further information regarding the NEOs' pension benefits and other post-employment compensation, see the Termination, Severance and Change in Control Payments and Pension Benefits sections below.

Ms. Butcher

Ms. Butcher joined OPG on September 20, 1999, and has held a range of senior level positions and was appointed the President and CEO on January 1, 2025. Ms. Butcher participates in the SRP, MTIP and OPG registered and supplemental pension plans.

Ms. Cipolla

Ms. Cipolla joined OPG as CFO and Senior Vice President Finance effective March 7, 2022. Effective March 11, 2024, Ms. Cipolla has held the position of CFO and Chief Administrative Officer. Ms. Cipolla participates in the SRP, MTIP and OPG registered and supplemental pension plans.

Mr. Gregoris

Mr. Gregoris joined OPG on September 30, 1991, and has held a range of senior level positions and was appointed the Chief Nuclear Officer on January 1, 2022. Mr. Gregoris participates in the SRP, MTIP and OPG registered and supplemental pension plans.

Termination, Severance and Change in Control Payments

Based on the terms and conditions of the employment agreements of each NEO, the following is a summary of entitlements upon certain termination scenarios, and the potential or actual payments which each NEO would be eligible to receive in the event that his or her employment ended as at December 31, 2025.

Executive Name & Job Title	**Employment Agreements**	**Total Payment ($)[1]**
Nicolle Butcher President & CEO	Provides that upon termination without cause, severance shall be equivalent to 18 months' base salary, less applicable deductions. Such payment shall be made on a salary continuance basis. Eligibility to participate in both the SRP and MTIP continues during the applicable statutory notice period. Benefits continue during the salary continuance period, other than short term and long term disability benefits which cease at the end of the applicable statutory notice period.	$1,087,500
A. Cipolla CFO & Chief Administrative Officer	Provides that upon termination without cause after the completion of 3 years of employment, severance shall be equivalent to 18 months' base salary, less applicable deductions. Such payment shall be made on a salary continuance basis. Eligibility to participate in both the SRP and MTIP continues during the applicable statutory notice period. Benefits continue during the salary continuance period, other than short term and long term disability benefits which cease at the end of the applicable statutory notice period.	$686,205
S Gregoris CNO	Provides that upon termination without cause, severance shall be equivalent to 18 months' base salary, less applicable deductions. Such payment shall be made on a salary continuance basis. Eligibility to participate in both the SRP and MTIP continues during the applicable statutory notice period. Benefits continue during the salary continuance period, other than short term and long term disability benefits which cease at the end of the applicable statutory notice period.	$663,000

The NEO employment agreements do not provide for change of control payments or other entitlements.

Directors are appointed to the Board by way of shareholder resolution and do not enter employment, consultant or management agreements. Please see Notes 8-19 to the Table of Compensation and the discussion of Director compensation that follows the table for the material terms of the arrangements under which Directors received compensation. Director arrangements do not include any provisions regarding severance, termination or constructive dismissal.

[1] The dollar amounts in this table only reflect base salary entitlements. As noted above, the NEOs may also be entitled to amounts in respect of SRP and MTIP awards and Retirement Bonuses, the entitlement to and value of which would only be determinable at the time of termination. Termination payments are subject to the limits prescribed by O. Reg. 406/18 of *BPSECA*.

Table of Compensation

The following table summarizes the compensation paid by OPG to the Directors and the NEO's in 2025, for the two years ended December 31, 2025.

The information provided in the Table of Compensation differs from that published under the *Public Sector Salary Disclosure Act, 1996* (Ontario) for the years ended December 31, 2025 and December 31, 2024. The differences are due to the timing of payment of pay for performance incentive amounts. Salary disclosure under the *Public Sector Salary Disclosure Act, 1996* (Ontario) is limited to amounts reported on T4 forms for each year. Information in the Table of Compensation is based on the year for which the pay for performance incentive was earned. Under OPG's pay for performance programs, SRP incentive awards are earned in one year and paid in the following year, and MTIP incentive awards are earned over a three-year period and paid in the following year.

Table of Compensation

Name and Title	Year	Salary	Bonus (Pay for Performance $)		Director Comp. ($)[1]	Value of Perquisites ($)[2]	Value of all Other Comp. ($)	Total Comp. ($)
			Annual Incentive Plan (SRP)	Long-Term Incentive Plan (MTIP)				
NEOs								
N. Butcher President & CEO, Director	2025	$725,000	$644,054	$477,779	n/a	n/a	$2,792,806[3]	$4,639,639
	2024	$475,278	$396,548	$405,864	n/a	n/a	$330,230[3]	$1,607,920
A. Cipolla CFO & CAO	2025	$457,470	$316,521	$244,878	n/a	n/a	$151,000[4]	$1,169,869
	2024	$442,000[5]	$293,408	$262,618	n/a	n/a	$208,000[4]	$1,206,026
S. Gregoris CNO	2025	$442,000	$274,037	$275,074	n/a	n/a	$218,646[6]	$1,209,757
	2024	$425,000	$300,717	$286,492	n/a	n/a	$672,674[6]	$1,684,883
Directors								
Wendy Kei[7] Board Chair	2025				$180,000			
	2024				$170,000			
Anthony Haines[8]	2025				$105,000			
	2024				$47,563			
Selma Lussenburg[9]	2025				$101,000			
	2024				$96,500			
Scott McDonald[10]	2025				$111,000			
	2024				$106,500			
Jill Pepall[11]	2025				$111,000			
	2024				$106,500			
John (Bill) Pitesa[12]	2025				$157,173			
	2024				$47,248			
Tracy Primeau[13]	2024				$115,500			
	2025				$109,000			
Jim Reinsch[14]	2025				$162,061			
	2024				$151,920			
Joe Sheppard[15]	2025				$157,173			
	2024				$131,737			
Anju Virmani[16]	2025				$101,000			
	2024				$96,500			

Notes:

[1] As further detailed below, total compensation for independent Directors is based on an annual retainer, whether a Director serves as Chair of a Board committee, the number of extraordinary Board meetings a Director attends during a

calendar year, and in some instances, a travel time fee. OPG does not provide Directors with share-based awards, option-based awards, non-equity incentive plan compensation, or a pension. The compensation framework for Directors was revised in 2023 based on a review and benchmarking, and in accordance with the provisions of the Memorandum of Agreement between OPG and its shareholder. The values provided for Director compensation are provided in Canadian dollars ("CAD"). Compensation to U.S.-resident Directors Jim Reinsch, Joe Sheppard and Bill Pitesa were paid in United States Dollars ("USD"). OPG processes the payments for these Directors in CAD at the month-end of each quarter. OPG then converts the net amount back to USD and makes the payment in USD. In 2025, OPG Board Fees were converted between USD and CAD using the following exchange rates: Q1 –1.4307; Q2 –1.3676; Q3 –1.3921; Q4 –1.3979.

[2] The value of any perquisites in 2024 and 2025 was less than $15,000.

[3] Value of all Other Compensation for Ms. Butcher includes $47,188 in compensation under her Flexible Spending Account (FSA). FSA is a general benefits account where unused amounts remaining at year-end are paid as taxable income. Ms. Butcher's 2024 Value of all Other Compensation amount has been corrected to include her 2024 FSA payment of $23,379. Value of all Other Compensation for Ms. Butcher also includes the value of her pension's Compensatory change, which is $2,724,000 for 2025 and $296,000 for 2024 and accrued vacation payout for 2024 in the amount of $10,851 and $21,618 for 2025. See Note 1 to the NEO Pension Benefits Table for a description of how Compensatory value is calculated.

[4] Value of all Other Compensation for Ms. Cipolla includes the value of her pension's Compensatory change, which is $151,000 for 2025 and $208,000 for 2024. See Note 1 to the NEO Pension Benefits Table for a description of how Compensatory value is calculated.

[5] Ms. Cipolla's annual base salary in 2024 was $402,460. In March 2024, a 9.8% promotional increase in Ms. Cipolla's annual base salary to $442,000 was approved. The increase was effective June 1, 2024.

[6] Value of all Other Compensation for Mr. Gregoris includes $25,647 in compensation under his Flexible Spending Account (FSA). FSA is a general benefits account where unused amounts remaining at year-end are paid as taxable income. Mr. Gregoris' 2024 FSA amount was $4,877. Value of all Other Compensation for Mr. Gregoris includes the value of his pension's Compensatory change, which is $155,000 for 2025 and $637,000 for 2024 and accrued vacation payout for 2024 in the amount of $30,797 and $37,999 for 2025. See Note 1 to the NEO Pension Benefits Table for a description of how Compensatory value is calculated.

[7] Wendy Kei was appointed to the Board effective March 31, 2017. Ms. Kei was appointed Board Chair effective June 27, 2019.

[8] Anthony Haines was appointed to the Board effective September 11, 2024. Mr. Haines is a member of the Audit and Risk Committee ("ARC"), HRGC and Major Projects Committee ("MPC").

[9] Selma Lussenburg was appointed to the Board effective November 5, 2019. Ms. Lussenburg is a member of the ARC, the MPC and the HRGC.

[10] Scott McDonald was appointed to the Board effective January 21, 2020. Mr. McDonald is Chair of the HRGC and a member of the MPC.

[11] Jill Pepall was appointed to the Board effective June 15, 2020. Ms. Pepall is Chair of the ARC and a member of the Generation Oversight Committee ("GOC").

[12] Bill Pitesa was appointed to the Board effective September 11, 2024. Mr. Pitesa is a member of the ARC, MPC and GOC.

[13] Tracy Primeau was appointed to the Board on July 1, 2021. Ms. Primeau is Chair of the GOC, as of April 2024, and was a member of the ARC, and the GOC until March 2024. Ms. Primeau is a member of the MPC.

[14] Jim Reinsch was appointed to the Board effective August 11, 2015. Mr. Reinsch is Chair of the MPC and a member of the GOC.

[15] Joe Sheppard was appointed to the Board effective March 31, 2017. Mr. Sheppard is a member of the HRGC, the MPC and the GOC.

[16] Anju Virmani was appointed to the Board effective February 17, 2021. Ms. Virmani is a member of the ARC, the HRGC and the GOC.

In 2023, the OPG Director compensation framework was amended in accordance with the provisions of the Company's by-laws and the Memorandum of Agreement between OPG and its Shareholder. The Compensation framework provides that each Director who is not an employee of OPG is eligible for compensation according to the following:

a) Annual Board retainer of $90,000 in 2023; $95,000 in 2024; $100,000 in 2025.
b) $10,000 annual retainer for serving as Chair of the HRGC, MPC, GOC or ARC.
c) $2,000 for attending extraordinary Board and Committee meetings and including the sixth meeting attended by a Board Member beyond regularly scheduled Board and Committee meetings in any given year.
d) Travel time fees (one fee per round trip) based on the distance from primary residence to a meeting according to the following zones: Zone 1 – 160-645 km ($1,000); Zone 2 - 645-2,415 km ($1,500); Zone 3 – 2,415 + km ($2,500).

Additional information on committee membership and the annual performance evaluation for Directors can be found in OPG's year-end 2025 Annual Information Form under the "Corporate Governance" section.

The Chair of the Board, in a role as non-executive Chair, receives an annual retainer of $180,000. All Directors' out-of-pocket expenses, including travel and other expenses, are reimbursed and must be in compliance with Ontario's Travel, Meal and Hospitality Directive and be approved by the Integrity Commissioner of Ontario.

Ms. Butcher was appointed to the Board in January 2025 and did not receive additional compensation in 2025 for serving as a Director.

Pension Benefits

The NEO Pension Benefits table below shows the following information for each NEO participating in OPG's defined benefit pension arrangements:

- Years of credited service as at December 31, 2025;
- Estimated annual benefit accrued, or earned, for service up to December 31, 2025, and up to the age of 65; and
- A reconciliation of the accrued obligation from December 31, 2024, to December 31, 2025.

NEO Pension Benefits							
Name	**Credited Service at Dec 31, 2025 (yrs)**	**Annual Benefits Payable**		**Accrued Obligation at Beginning of Year**	**Compensatory Change[1]**	**Non-Compensatory Change[2]**	**Accrued Obligation at Year End**
		at Dec 31, 2025	**at age 65**				
N. Butcher	25.3	$395,000	$550,000	$5,280,000	$2,724,000	($24,000)	$7,980,000
A. Cipolla	3.8	$45,000	$290,000	$610,000	$151,000	$9,000	$770,000
S. Gregoris	33.6	$276,000	$340,000	$5,470,000	$155,000	$25,000	$5,650,000

Notes:

[1] Compensatory changes are changes to the pension liabilities due to the impact of an additional year of service (always a positive change) that is attributable to OPG (i.e. net of member contributions), as well as the impact of any pay difference in actual pensionable earnings relative to those assumed on the NEO's total pension benefit for all service to date.

[2] Non-compensatory elements include changes to the pension liabilities due to interest on the beginning of year liability, member contributions, demographic experience (e.g. retirement), which have collectively increased the liability, and changes in assumptions. Changes in assumptions as of December 31, 2025, include an increase in the discount rate (from 4.70% to 4.98% per year), which resulted in a decrease in liability.

OPG provides pension benefits to its employees through two pension arrangements: The Ontario Power Generation Inc. Pension Plan (the "Registered Plan") and the Ontario Power Generation Inc. Supplementary Pension Plan (the "Supplementary Plan"). Details of these plans are provided in the table below:

	Registered Plan	**Supplementary Plan**
Type of Plan	Contributory defined benefit pension plan registered under the *Income Tax Act* (Canada) and the *Pension Benefits Act* (Ontario). Pensions earned for service after 1992 are subject to limits under the *Income Tax Act* (Canada).	Provides benefits to those employees whose entire benefit could not be provided through the Registered Plan as a result of the limits under the *Income Tax Act* (Canada). Members of the Supplementary Plan earn benefits under one of three schedules: Supplementary Payment Schedule ("SPS"), Executive Supplementary Payment Schedule ("ESPS") and the Designated Supplementary Payment Schedule ("DSPS"). Note: None of the NEOs are enrolled in the DSPS. One NEO is enrolled in the SPS and two others are enrolled in the ESPS.
Annual Pension Benefit	2.0% of final average earnings less 0.5% of final average earnings up to the average of the year's Maximum Pensionable Earnings	Same as Registered Plan

Bridge Benefit	Temporary bridging pension is provided to age 65	Same as Registered Plan
Indexing	Fully indexed to CPI, to a maximum increase of 8% per annum.	SPS – Same as Registered Plan ESPS – Benefits are indexed at 50% of CPI (to a maximum of 4% per annum)
What's included in Pensionable Earnings?	Base salary plus pay for performance incentive amounts (limited to 5% of base pay)	SPS – Same as Registered Plan ESPS – Base salary plus pay for performance incentive amounts (limited to target level, excludes MTIP)
When eligible for an Unreduced Pension?	Age plus continuous service equals 84 (if hired before July 1, 2014*) Age plus continuous service equals 90 (if hired post-June 30, 2014) Effective January 1, 2025, age plus continuous service equals 90 for all for post-January 1, 2025, service * If hired prior to July 1, 2014, pension earned up to January 1, 2025, unreduced at Rule 84 date. Pension earned on and after January 1, 2025, will be unreduced at Rule 90 date.	SPS – Same as Registered Plan ESPS – Age equals 60

During 2025, the NEOs participated in the following pension arrangements:

Executive	**Pension Arrangement**
N. Butcher, President & CEO	Ms. Butcher participated in the Registered Plan and the ESPS provision of the Supplementary Plan.
A. Cipolla, CFO & Corporate Services Officer	Ms. Cipolla participated in the Registered Plan and the ESPS provision of the Supplementary Plan.
S. Gregoris, CNO	Mr. Gregoris participated in the Registered Plan and the SPS provision of the Supplementary Plan.