

**ONTARIO POWER GENERATION INC.**

**RESOLUTION OF THE SOLE SHAREHOLDER**

**EARLY CLOSURE OF ONTARIO POWER GENERATION INC'S LAMBTON AND  
NATICOKE COAL-FIRED GENERATION STATIONS**

**WHEREAS** Her Majesty the Queen in Right of the Province of Ontario as Represented by the Minister of Energy (the "**Shareholder**") executed a unanimous shareholder agreement (the "**Shareholder Agreement**") dated March 7, 2013 regarding Ontario Power Generation Inc. (the "**Corporation**").

**AND WHEREAS** paragraph 1 of the Shareholder Agreement removed from the directors of the Corporation (the "**Directors**") all of their rights, powers and duties in relation to decisions in respect of certain distinct aspects of the business operations of the Corporation, and in particular, regarding the decision whether or not to cease the use of coal as a source for the generation of electricity at the Lambton Generating Station located on St. Clair Parkway in the Township of St. Clair ("**Lambton GS**") and the Nanticoke Generating Station located on Regional Road 55 South in Haldimand County ("**Nanticoke GS**").

**AND WHEREAS** the Shareholder wishes to exercise its rights and powers under paragraph 1 of the Shareholder Agreement to cause the Corporation to cease the use of coal as a source for the generation of electricity at the Lambton GS and the Nanticoke GS in advance of the mandated closure date of December 31, 2014, as provided for under Ontario Regulation 496/07 made pursuant to the *Environmental Protection Act* (Ontario) and in so doing accelerate the achievement of certain of the Government's key objectives.

**NOW THEREFORE BE IT RESOLVED AS A RESOLUTION OF THE SOLE  
SHAREHOLDER OF THE CORPORATION THAT:**

1. The Corporation shall ensure that:
  - (i) the use of coal as a source for the generation of electricity at the Lambton GS ceases not later than December 31, 2013, where so doing does not unduly impact the reliability of the electricity system as determined by the Independent Electricity System Operator;
  - (ii) the use of coal as a source for the generation of electricity at the Nanticoke GS ceases not later than December 31, 2013, where so doing does not unduly impact the reliability of the electricity system as determined by the Independent Electricity System Operator;
2. The Directors shall ensure that this resolution is carried out in a prudent and cost-efficient manner, in accordance with all applicable laws, and in accordance with sound commercial practice for a corporation involved in the generation of electricity and in accordance with the Market Rules made pursuant to section 32 of the *Electricity Act, 1998*.
3. Any officer or director of the Corporation shall be and is hereby authorized and directed to execute and deliver all documents and agreements, and to do and perform all things as may be necessary or desirable in order to give full effect to and implement the foregoing resolutions.

The foregoing resolutions are hereby consented to as evidenced by the signature of the sole shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario).

**DATED** as of the 7<sup>th</sup> day of March, 2013.

**HER MAJESTY THE QUEEN IN THE  
RIGHT OF THE PROVINCE OF ONTARIO  
AS REPRESENTED BY THE MINISTER OF  
ENERGY**

Original Signed By:

By: \_\_\_\_\_

Bob Chiarelli  
Minister of Energy

**ONTARIO POWER GENERATION INC.**

**DECLARATION OF THE SOLE SHAREHOLDER REGARDING OPERATIONAL DECISIONS FOR ONTARIO POWER GENERATION INC. IN RESPECT OF THE LAMBTON AND NANTICOKE COAL-FIRED GENERATION FACILITIES** made as of this 7<sup>th</sup> day of March, 2013 (the “**Effective Date**”).

**WHEREAS HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF ENERGY** (the “**Shareholder**”) is the registered and beneficial owner of all of the issued and outstanding shares of Ontario Power Generation Inc. (the “**Corporation**”).

**AND WHEREAS** in order to accelerate the achievement of certain of the Government’s key objectives, the Shareholder wishes to pursue the cessation of the use of coal as a source for generating electricity at certain of the Corporation’s remaining coal-fired generation stations, where so doing does not unduly impact the reliability of the electricity system as determined by the Independent Electricity System Operator.

**AND WHEREAS** to accomplish the above-noted objectives, the Shareholder finds it necessary to assume decision-making power and authority over certain distinct aspects of the business operations of the Corporation in respect of the cessation of the use of coal as a source for generating electricity at the Lambton Generating Station located on St. Clair Parkway in the Township of St. Clair (“**Lambton GS**”) and the Nanticoke Generating Station located on Regional Road 55 South in Haldimand County (“**Nanticoke GS**”),

**AND WHEREAS** the Shareholder makes the following Declaration pursuant to subsection 108 (3) of the *Business Corporations Act* (Ontario) (the “**Act**”) intending the same to be deemed to be a unanimous shareholder agreement within the meaning of the Act.

**NOW THEREFORE** it is hereby declared that:

1. The rights, powers and duties of the directors of the Corporation (the “**Directors**”) to manage, or supervise the management of, the business and affairs of the Corporation, including any liabilities associated therewith, whether such rights, powers, duties or liabilities arise under the Act, the articles of amalgamation of the Corporation or the by-laws of the Corporation, or otherwise, are forthwith hereby restricted with regard to:

The decision whether or not to cease the use of coal as a source for the generation of electricity at the Lambton GS and Nanticoke GS.

Such rights, powers and duties are hereby assumed by the Shareholder and no longer reside with the Board of Directors or any members thereof, from the Effective Date, until this Declaration is amended or revoked (The “**Restricted Powers**”).

2. The Shareholder assumes all the rights, powers, duties and obligations of the Directors to manage or supervise the management of the business and affairs of the Corporation, including any liabilities associated therewith, in connection with the Restricted Powers and, pursuant to subsection 108(5) of the Act, as amended, the Directors are thereby relieved of their duties and liabilities, including any liabilities under section 131, to the same extent.

3. This Declaration and the restriction of the powers of the Directors herein contained shall not affect any action, step, resolution or by-law duly taken, made, passed or consented to by the Directors prior to the date of execution of this Declaration.
4. Throughout the currency of this Declaration, the Directors are relieved of all their rights, powers, duties and obligations imposed upon them as Directors whether arising under the Act or otherwise, including any liabilities associated therewith, to the extent the Restricted Powers restrict their rights, powers, duties, obligations and associated liabilities.
5. For greater certainty, the Restricted Powers do not restrict the rights, powers, duties and liabilities of the Directors to manage, or supervise the management of, the business and affairs of the Corporation, including any and all liabilities associated therewith, relating to the actual implementation of any decision made by the Shareholder pursuant to paragraph 1 above.
6. This Declaration shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**IN WITNESS WHEREOF** the Shareholder has duly executed this Declaration.

**HER MAJESTY THE QUEEN IN THE  
RIGHT OF THE PROVINCE OF  
ONTARIO, AS REPRESENTED BY THE  
MINISTER OF ENERGY**

Original Signed By:

By: \_\_\_\_\_  
Bob Chiarelli  
Minister of Energy