

> Green Bond Framework

Hydro Ottawa Holding Inc. (Hydro Ottawa) is wholly-owned by the City of Ottawa and governed by an independent Board of Directors appointed by its shareholder. The company's core businesses are electricity distribution, renewable energy generation and energy conservation and management services. As a company that actively promotes environmental sustainability in our community, most notably in relation to energy conservation, Hydro Ottawa is committed to reducing the impact of our operations on the environment and improving our environmental performance. This Green Bond Framework builds upon this commitment and applies to Hydro Ottawa Holding Inc. and its subsidiaries.

Hydro Ottawa's Green Bond Framework complies with the Green Bond Principles¹ 2018. The framework describes:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

> 1. Use of Proceeds

The proceeds obtained from Hydro Ottawa's green bond program will be used to finance "Eligible Investments" that will fall into the categories outlined below:

Eligible Category	Description of Projects (Eligible Investments)
Renewable Energy Generation	<ul style="list-style-type: none"> -Construction of new run-of-the-river hydroelectricity generation facilities -Refurbishment, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational life span, and/or renewable energy output while maintaining or improving the level of operational safety -Construction, acquisition, maintenance, or refurbishment of solar energy facilities
Clean Transportation	<ul style="list-style-type: none"> -Fleet, including hybrid-electric, electric, and/or fuel cell vehicles -Development, acquisition, maintenance, or refurbishment of infrastructure for hybrid-electric, electric, and/or fuel cell vehicles

1. The Green Bond Principles ("GBP") were created by the International Capital Markets Association ("ICMA") and updated in June 2018. According to ICMA's website, the GBP are "voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond".

Eligible Category	Description of Projects (Eligible Investments)
Green Buildings	-New buildings or retrofitted existing buildings that meet regional, national, or international third-party environmental certifications, such as LEED (Gold or Platinum), Green Globes (three Green Globes or above), Living Building Challenge (Living Building Certification, Petal Certification with Energy as one of the Petals, or Zero Energy Certification) or any other Green building label of equivalent standard
Pollution Prevention and Control	-Greenhouse gas (GHG) control including waste-to-energy and associated environmental monitoring analysis -Soil remediation and treatment such as the removal of harmful substances in soils

Note: The look-back period for Eligible Investments will be up to 24 months prior to the date of issuance. Financing and/or refinancing “Eligible Investments” as outlined above will exclude any investment in the following areas:

- i) Development, acquisition, maintenance, or refurbishment of fossil fuel based transportation and supporting infrastructure
- ii) Biomass/Biofuel derived from feedstock suitable for food production.

> 2. Process for Project Evaluation and Selection

Hydro Ottawa's Treasury department will be responsible for determining if an investment is an Eligible Investment. The Treasury department will verify the suitability and eligibility of such investments in consultation with internal experts and stakeholders, including the Company's in-house sustainability team.

The Treasury department will select project(s) which meet the guidelines for Eligible Investments. Projects must also comply with all applicable laws and regulations as well as Hydro Ottawa's Code of Business Conduct. Eligibility of investments will be evaluated based on several criteria, including financial, technical, legal, environmental, social, and governance (“ESG”) benchmarks.

> 3. Management of Proceeds

The proceeds of the Green Bond(s) will be held in segregated account(s) consisting of cash and/or short-term money market instruments. Hydro Ottawa's Treasury department will be responsible for allocation of the net proceeds from the issuance of Green Bonds to approved Eligible Investments. The Company will establish a Green Bond Register to record on an ongoing basis the allocation of the net proceeds to Eligible Investments.

Certain capital projects to be funded by the Green Bond issued by Hydro Ottawa have been completed. Where substantial completion criteria have not been met on a project, the funds will be held in a segregated account with funding being released to Eligible Investments to offset green funding commitments as required. In these common instances, the proceeds of the Green Bond will be applied directly to the project to repay the bridge financing position of Hydro Ottawa.

> 4. Reporting

Hydro Ottawa will provide annual updates to investors, as required, on its website, hydroottawa.com, or in its financial statements.

Allocation Reporting

The allocation updates will contain information on the green bond program including amounts allocated to Eligible Categories and the balance of unallocated proceeds. Where feasible, we will incorporate the allocation of proceeds by Eligible Category and provide examples of Eligible Investments being financed with green bond proceeds until all proceeds have been allocated.

Impact Reporting

Where feasible, the report will include qualitative and quantitative impact indicators. Examples of impact indicators that may be included are:

- Installed capacity of renewable energy
- Renewable energy production
- Greenhouse gas emissions reduced and/or avoided
- Green building certification achieved