

## **Hedley Battery Energy Storage System (the “Project”)**

### **Summary of Shareholders Agreement**

This summary of the Shareholders Agreement of Hedley BESS GP Inc. (the “**Agreement**”) is provided for informational purposes only and is intended to provide a high-level overview of the key terms and provisions contained therein. The full Agreement cannot be provided in its entirety since the process is competitive and the Agreement contains commercially sensitive information.

The Project is being led by Aypa Power (“**Aypa**”). The Project involves development, installation, construction, operation, maintenance, repair, replacement, ownership and decommissioning of a lithium-ion battery energy storage system to be located in Haldimand County, Ontario, with a contract capacity of 200MW, a nameplate capacity of approximately 211MW and duration of at least 4 hours. The Project benefits from a Long-Term Reliability Services 1 (LT1) Contract with the Independent Electricity System Operator (“**IESO**”) further to a bid award in IESO’s request for proposals for the procurement of long-term electricity reliability services (LT1 RFP).

SNGRDC and Aypa own the Project through the ownership of units of Hedley BESS LP, which is the Project limited partnership (the “**Project SPV**”), and shares of Hedley BESS GP Inc. (the “**General Partner**”), the general partner of the Project SPV. SNGRDC holds its stake in each of the Project SPV and the General Partner through a holding corporation, 15338085 Canada Limited.

Highlights of the structure:

- 25-75% ownership structure
- SNGRDC presence on the board of directors of the General Partner
- Annual business plan and budget reporting
- Equity financing support
- Support of the Project by SNGR
- Development and Construction Management Services and Administrative Services agreements with Aypa Power relating the development, construction and administration of the Project at fair market value