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**CONSENT, ASSUMPTION AND
ACKNOWLEDGEMENT AGREEMENT
FOR ASSIGNMENT OF
IESO-RES Canada Energy Storage LP Regulation
Service Agreement (RSA)**

**THIS CONSENT, ASSUMPTION AND ACKNOWLEDGEMENT AGREEMENT (this
“Agreement”)** is made as of the 5th day of ~~November~~, 2019

December

BETWEEN:

RES Canada Energy Storage LP,
a limited partnership formed under the laws of the Province of Ontario
(the “Assignor”),

- and -

NRSTOR STRATHROY BESS LP,
a limited partnership formed under the laws of the Province of Ontario
(the “Assignee”),

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR,
a statutory corporation without share capital continued
under the laws of the Province of Ontario
(the “IESO”)

WHEREAS the Assignor and the IESO entered into a Regulation Service Agreement for regulation service to be provided from the Assignor’s 3.96 MW battery storage facility located in Strathroy, Ontario (“Facility”) as of April 1, 2013, which agreement was subsequently amended by amending agreements dated as of June 18, 2014, February 2, 2017 and which terminated on January 31, 2018 (collectively the foregoing being referred to as the “Original RSA”);

AND WHEREAS the Assignor and the IESO subsequently entered into a further Regulation Service Agreement in respect of the Facility, dated as of December 7, 2018 (“RSA”), but with the primary purpose being to conduct a research program, as further described in the RSA, with respect to additional and novel types of *ancillary services* to be provided by the Assignor;

AND WHEREAS the Assignor wishes to assign the RSA to the Assignee (the “Assignment”) in connection with a sale of the Assignor’s Facility to the Assignee (“Asset Purchase Transaction”), who will be the new owner and operator of the Facility upon closing of the Asset Purchase Transaction, which is anticipated to occur concurrently with execution of this Agreement;

AND WHEREAS upon transfer of ownership of the Facility by the Assignor to the Assignee, the Assignee will hold the generation license issued by the Ontario Energy Board and will assume all obligations in the RSA, including those related to data sharing;

AND WHEREAS RES Canada Asset Management LP, an affiliate of the Assignor who has been performing asset management services for the Facility, will continue performing these services

following the transfer of the Facility to the Assignee, including monitoring of the Facility, maintenance and inspection of the Facility, and reporting to the owner of the Facility;

AND WHEREAS RES Canada Asset Management LP will also be available to support the Assignee in administering its RSA obligations with respect to data sharing;

AND WHEREAS pursuant to section 9.3 of the RSA, the Assignment requires the prior written consent of the IESO;

AND WHEREAS having received and considered such request by the Assignor, the IESO has agreed to provide its consent subject to the terms and conditions as set out herein;

AND WHEREAS the Assignor and the Assignee acknowledge and agree herein that the IESO's consent to the Assignment is conditional upon the closing of the Asset Purchase Transaction between the Assignor and the Assignee;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledge) the parties hereto covenant and agree as follows:

1. Defined Terms

Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the RSA, all italicized terms shall have the meaning given to them in Chapter 11 of the IESO *market rules*, and "including (or includes)" shall mean "including (or includes) without limitation". This Agreement is being entered into pursuant to the RSA only, and shall not be deemed to be notice to, or an acknowledgement or consent of, the IESO for the purposes of the IESO *market rules*.

In addition,

(i) "**Affiliate**" means, with respect to the Assignor or Assignee: (i) any other person or persons that Control the Assignor or Assignee, or is or are Controlled by the Assignor or Assignee, or is or are Controlled by the same person or persons that Control the Assignor or Assignee; and (ii) if the Assignor or Assignee or any such person mentioned in (i) is a corporation, any other corporation that is an "affiliate" of the first corporation as defined in the *Business Corporations Act* (Ontario); and

(ii) "**Control**" means any of the following:

(a) the power to direct or cause the direction of the management, actions, policies or decisions of that person, whether directly or indirectly through other persons, and whether through the ownership of shares, voting securities, partnership interests, units of ownership or other ownership interests, or by contract, or otherwise;

(b) legal or beneficial ownership or control over equity or ownership interests in that person, whether directly or indirectly through other persons (i) having a subscribed value (taking into account contributions to be made) of more than one half of the subscribed value (taking into account contributions to be made) of all equity or ownership interests in that person; or (ii) carrying more than one half of the voting rights for: (A) the

management, actions, policies or decisions of that person; or (B) the election or appointment of directors or managers of that person; or

(c) if the person is a corporation, "control" within the meaning of the *Business Corporations Act* (Ontario) in effect as at the date of this Agreement.

2. Representations and Warranties

The Assignor and Assignee, hereby jointly and severally represent and warrant to and agree and covenant with the IESO as of the date hereof and as of the Effective Date, acknowledging that the IESO is relying on such representations and warranties as a condition of entering into this Agreement and as a condition precedent to Sections 4(c) and 5 hereof, that:

- (a) the recitals in this Agreement are true and correct;
- (b) each of the Assignor and Assignee is duly formed, organized and subsisting under its respective laws of formation;
- (c) the Assignment has been duly authorized by all necessary corporate and government action, as applicable;
- (d) the Assignor and the Assignee are each in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect (as defined below) on such party or on its obligations under this Agreement; "Material Adverse Effect" shall be deemed to mean any change (or changes taken together) in, or effect on, the affected party that materially and adversely affects the ability of such party to perform its obligations under this Agreement or the RSA;
- (e) the information provided to the IESO in relation to the Assignment, the Assignee and the Assignor is true, accurate and complete in all material respects, and does not contain any misleading information, or omit any information which would render the information or documents submitted to the IESO misleading;
- (f) no event of Default under the RSA or occurrence, action or thing that, with the passage of time or expiration of cure period, would become an event of Default has occurred or is occurring;
- (g) no *force majeure event* is occurring and neither the Assignor nor the Assignee is aware of any reason that any *force majeure event* may occur;
- (h) other than in respect of section 5.2.3 of the RSA, the representations set out in section 5.2 of the RSA are restated by the Assignor and the Assignee with effect as of the date hereof, provided references to "Agreement" therein shall be deemed to be references to this Agreement;
- (i) except as it relates to the Assignment, the representation set out in section 5.2.3 of the RSA is restated by the Assignor and the Assignee with effect as of the date hereof;

- (j) all requirements for the Assignor and/or the Assignee to make any filing, declaration or registration with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of any Governmental Authority have been satisfied;
- (k) there are no actual or potential actions, causes of action, suits, debts, dues, accounts, bonds, claims or demands whatsoever of the Assignor, the Assignee, or any Affiliate of the Assignor or the Assignee, against or in respect of the IESO, by reason of, or in any way arising out of the RSA, or any other contract or obligations as between the Assignor, the Assignee, or any Affiliate of the Assignor or the Assignee, and the IESO (collectively, "**Claims**"), and none of the Assignor, the Assignee, or any Affiliate of the Assignor or the Assignee is aware, after due inquiry, of any actual or potential Claims, or any act, event, circumstance or thing which, with notice or the passage of time or lapse of cure period, would give rise to a Claim, that it or its successors, heirs, executors, estate trustees, administrators or assigns, had, have or may have; and
- (l) the Assignment will not have a Material Adverse Effect on the ability of the Assignor, or post-assignment, the Assignee, to perform its obligations under the RSA.

3. Conditions Precedent

As conditions precedent to Sections 4(c) and 5 hereof, as at the date hereof and as of the Effective Date, the representations and warranties contained in Section 2 hereof shall be true and accurate.

4. Agreements

- (a) The Assignee hereby undertakes and agrees to assume all of the Assignor's rights, responsibilities and obligations under the RSA and be bound by the terms thereof in all respects as of the Effective Date. The Assignee covenants and agrees to observe, perform, satisfy and be bound by all of the terms, conditions, covenants, provisions and agreements set out in the RSA as if the Assignee had executed and delivered the RSA.
- (b) Both the Assignment and the Asset Purchase Transaction shall have taken place by no later than December 15, 2019, following which date, if such Assignment or Asset Purchase Transaction has not occurred, this Agreement shall be deemed to be null and void and of no further effect in respect of the Assignment, and it shall be as if this Agreement had never been entered.
- (c) Subject to the fulfillment of the conditions set out in Section 5 below and to the other terms of this Agreement, the IESO hereby consents to the Assignment pursuant to Section 9.3 of the RSA as requested by the Assignor provided that the Assignment takes place in accordance with and subject to all applicable provisions of the RSA.
- (d) This Agreement shall not be deemed to waive or modify in any respect any rights of the IESO under the RSA except as expressly provided for in this Agreement.

- (e) As of and from the Effective Date, the Assignor shall be relieved of all its duties, obligations and liabilities under the RSA.

5. Assignment Remains Conditional; Acknowledgement of the IESO

Notwithstanding any other provision of this Agreement or any other agreement, the Assignor and the Assignee hereby acknowledge and agree that the IESO's consent to the Assignment is conditional upon, and shall be of no force or effect unless and until the Asset Purchase Transaction between the Assignor and the Assignee have closed and IESO has received satisfactory written confirmation of same. The IESO's consent to the Assignment hereunder shall only become effective simultaneous with the fulfillment of the foregoing condition (hereunder the "**Effective Date**"). Other than compliance with the foregoing conditions, and subject to the other terms of this Agreement, the IESO hereby acknowledges that, as at the date hereof, the Assignor and the Assignee have complied with the requirements of Section 9.3 of the RSA in respect of the Assignment.

6. Contract in Full Force and Effect

The parties hereto confirm that the RSA remains in full force and effect in accordance with its terms and that this Agreement shall not be deemed to waive or modify in any respect any rights of the IESO under the RSA, and shall not constitute or be deemed to constitute a waiver of any Default or other default of the Assignor, nor shall it constitute an acknowledgement that there has been or will be compliance by the Assignor with the RSA, except as expressly provided in this Agreement, including, without limitation, the IESO has not, whether by virtue of the recitals hereto or otherwise, waived any restriction on, consented to or otherwise passed on the validity of any assignment of the RSA other than the Assignment.

7. Confidentiality

- (a) This Agreement constitutes Confidential Information of the IESO and the IESO may, in its sole and absolute discretion, publicly disclose details in respect of the subject matter of this Agreement; and
- (b) The Assignor agrees to keep any Confidential Information pertaining to the RSA and the IESO in accordance with the provisions of the *market rules*.

8. Execution and Delivery

This Agreement may be executed by the parties hereto in counterparts and may be executed and delivered by facsimile or electronic transmission and all such counterparts shall together constitute one and the same agreement.

9. Other

Breach of any representation, warranty, covenant or other provision hereof shall be deemed to be a Default under the RSA pursuant to which the IESO may *inter alia* pursue any remedy available to it under the RSA and Applicable Law.

10. Notices

All notices to the Assignor and the IESO shall be addressed to each of them as provided in the RSA.
All notices to the Assignee shall be addressed to it as follows:

Attention: Geoff Osborne, Director, Strategy & Operations

Tel: (647) 281-7200

Email: gosborne@nrstor.com

11. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

12. Further Assurances

Each of the parties hereto shall from time to time and at all times hereafter do and perform all such further acts, and execute and deliver all such further assignments, notices, releases and other documents and instruments, as may reasonably be required to more fully effect and assure the assignment and novation hereby contemplated.

13. Successors and Permitted Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day first written above.

**RES CANADA ENERGY STORAGE LP,
by its general partner
RES CANADA ENERGY STORAGE INC.**

By: 

**Name: Peter Clibbon
Title: Senior Vice-President,
Development**

I have the authority to bind the partnership.

**NRSTOR STRATHROY BESS LP,
by its general partner
NRSTOR STRATHROY BESS GP INC.**

By: 

**Name: Jason Rioux
Title: President**

I have the authority to bind the partnership.

**INDEPENDENT ELECTRICITY SYSTEM
OPERATOR**

By: 

**Name: Leonard Kola
Title: Chief Operating Officer and VP-PA&O**

I have the authority to bind the corporation.