

On July 5, 2017,
the Proposal was
approved by
Manitoba Hydro-
Electric Board.
See Tab 4.

MMF-Manitoba Hydro July 2017 Agreement

June 29 FINAL DRAFT – For Discussion Purposes Only
The Major Agreed Points

1. Proposal is subject to Manitoba Hydro Electric Board (MHEB) approval.
2. MH will pay to the MMF:
 - a. \$1.5M/annum for 20 years starting as of the date of TTP, such amount to be adjusted by CPI on annual basis. The CPI adjustment will be cumulative.
 - b. A lump sum payment of \$37,500,000.00 as a onetime payment to be held in a Legacy Fund for the benefit of the Metis.
 - c. The \$37.5M Fund is to be held for the benefit of the Metis by the Metis Government of Manitoba and to be used at their sole discretion for short, medium and long term investments in capacity and other socio-economic areas designed to improve the overall quality of life of the Manitoba Metis Community. Restrictions on use of the Fund would include maintaining a minimum capital amount of 33% for the Initial 20 Years, implementing an MMF governance process that would ensure expenditures of the funds are appropriately approved by the MMF in its role as the Metis government and that uses of the Fund are appropriately audited and reported to the Manitoba Metis Community citizens. The minimum capital balance will be available to support any indemnity obligations of the MMF, or future Manitoba Metis Government, under the agreement if so required.
3. The payments in point 2 fully and finally address and satisfy all concerns of the Metis with respect to Existing Transmission Projects ; as well as Identified Projects, which include: Bipole III, MMTP, St. Vital, LWESI and Birtle Projects; and any Future Transmission Projects (see below) undertaken by Hydro during the initial 20 years of the agreement.
(Future Transmission Projects referenced in point 3 and point 4 are projects, other than Identified Project and Existing Transmission Projects; that are in excess of 66kV; that are 250km or less in length; and that do not cross interprovincial or international boundaries).
4. Future Transmission Projects, which are licensed after the initial 20 years but within 50 years of the agreement, would be fully and finally addressed through an annualized payment stream for 50 years based on 2% of the estimated capital cost of only the transmission line component (excluding the estimated capital costs of the stations or substation component of such Future Transmission Project).
5. For all Future Transmission Projects MH will provide the MMF with funding for engagement consistent with Article 4.3.1 of TTP, which means that for all Future Transmission Projects being undertaken within 50 years of the agreement, MH will provide funding to cover costs of MMF studies and related engagement as follows:
 - a. For projects 12km or shorter, MH will provide \$25,000 in total (CPI adjusted).
 - b. For projects longer than 12km, MH will provide \$2,500/km (CPI adjusted).

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- c. The above funding model will apply, except where there are clearly unusual or special circumstances related to a potential material impact of a project on Metis lands or culture. Where these special circumstances arise, the parties agree to negotiate the level of funding separately.
6. MH will not be undertaking Direct Negotiated Contracts (DNCs) with the MMF on the Identified Projects, nor is MH currently contemplating DNCs on Future Transmission Projects.
7. Indigenous Content under Hydro's procurement policy will create a bid evaluation preference for Indigenous people including the MMF, Metis people and Metis businesses and corporations when they participate in an open public tender process.
8. In return and subject to the commitments in these Points of Agreement being met the MMF will:
 - a. Support the development and ongoing operations of: all Existing Transmission Projects (provided there are no material changes to the operations of the existing projects); the Identified Projects and all Future Transmission Projects (provided there are no material changes to the operations of these projects once built and in operation).
 - b. Support MH in any regulatory or licensing processes for the Identified Projects and Future Transmission Projects;
 - c. Advise the National Energy Board that the MMF withdraws its submission related to the MMTP;
 - d. Provide MH full and final releases with respect to any impacts, including impacts on the exercise of Aboriginal Rights of Metis arising from the development and operation of the Identified Projects; Existing Transmission Projects; and Future Transmission Projects that are undertaken by Hydro during the initial 20 years of the agreement.
 - e. With respect to Future Transmission Projects which are licensed after the initial 20 years but within 50 years of the agreement, the MMF will provide MH with full and final releases with respect to any impacts, including impacts on the exercise of Aboriginal Rights of Metis arising from the development and operation of the transmission line component of such Future Transmission Line Projects, but no release for any impacts arising from the station or substation component of such Future Transmission Project.
 - f. Agree not to appeal or contest any approvals or licences issued with respect to any of the Identified Projects or Future Transmission Projects.
 - g. Extend the claims free period under the TTP from 20 to 30 years with no additional compensation being paid under the TTP.
9. The Parties agree to expedite the drafting of a binding legal agreement once the terms of this "Term Sheet" have been agreed to by the MMF and MH and in any case, such binding legal agreement shall be completed by the legal teams within 30 days of an agreement to the "Term Sheet".

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10. Without prejudice to further discussions, the terms of this Agreement shall not be interpreted to preclude the Parties from engaging in without prejudice discussions and/or arriving at mutually agreeable arrangements, agreements or settlements in relation to the impacts of the Existing Developments and Operations on the exercise of the Aboriginal Rights of the Metis. However, nothing in this Agreement shall be interpreted as a commitment to engage in such discussions or arrive at any such arrangements, agreements or settlements in relation to Existing Developments and Operations.