

HYDRO ONE LIMITED

CORPORATE GOVERNANCE GUIDELINES

The board of directors (the “**Board**”) of Hydro One Limited (including its subsidiaries, the “**Company**”) and its management are committed to standards of corporate governance that are aligned with best practices. The guidelines reflect the approach of the Company to procedures and practices that the Company believes are consistent with the best practices of leading Canadian publicly listed companies, having regard to the Company’s ownership structure and the Governance Agreement between the Company and the Province of Ontario (as amended, revised or replaced from time to time, the “**Governance Agreement**”).

The approach of the Company to corporate governance includes not only these guidelines but also the documents, including board and committee mandates, as well as the policies and related items listed in the Corporate Governance section of the Company’s website.

The Board has adopted these guidelines to assist it in its corporate governance responsibilities on the recommendation of the Governance & Regulatory Committee of the Board which is responsible for developing and recommending improvements and other necessary adjustments to these corporate governance guidelines from time to time.

BOARD RESPONSIBILITIES

Board Oversight

1. The Board has responsibility for the stewardship of the Company and has adopted a formal mandate setting out the Board’s responsibilities, including overseeing: the Company’s brand, reputation and culture of integrity; the strategy, operating model, and organizational structure of the Company; the Company’s capital and financial structure and performance; the Company’s approach to environmental, social and governance matters relating to the long-term health and sustainability of the Company; the appointment and succession of the Company’s CEO; the Company’s relationships and engagement with its key stakeholders; material regulatory matters and public policy initiatives associated with the electricity and utility sector impacting the Company; and the identification, assessment and management of the Company’s principal risks, including, but not limited to, any applicable material environmental and social-related risks.

Strategy

2. The Board believes that management is responsible for the development of the Company's corporate strategy, while the role of the Board is to review, question, validate and ultimately approve the strategy. The Board reviews the Company's long-term strategy annually.

Succession Planning

3. The Board expects management succession planning to be an ongoing activity to be periodically reviewed by the Human Resources Committee and reported on to the Board. This planning process shall include, on a continuing basis, the Chief Executive Officer's recommendation of a successor in the event of an unexpected incapacitation of the Chief Executive Officer.

Stakeholder Communication

4. The Company is committed to understanding the interests of, and to maintaining effective long-term relationships with its stakeholders including, the Company's shareholders, other investors, regulators, governments, Indigenous Peoples, employees, retirees and pensioners, consumers and communities in which the Company operates (together, "**stakeholders**"). As a result, the Board has adopted appropriate policies to promote open, effective and sustained dialogue with its key stakeholders. The Board, or an appropriate Committee of the Board, reviews the content of the Company's major communications with shareholders and other stakeholders such as, quarterly and annual reports, earnings releases, management's discussion and analysis, information circulars, the annual information form and the Company's annual sustainability report.
5. The Board believes it is generally a function of management to speak for the Company in its communications with the investment community, media, other stakeholders and the general public. The Board oversees the discharge by management of its communication and engagement responsibilities. Directors, including the Board Chair, may also from time to time participate with management in initiatives to engage with shareholders and other stakeholders .
6. In addition, the Board Chair has a key role in stakeholder engagement and shareholder engagement in particular, including engaging with key institutional shareholders, which includes the Province of Ontario.

BOARD ORGANIZATION AND MEMBERSHIP

Independence

7. Other than the Chief Executive Officer, each director will be “independent”: (a) within the meaning of all Canadian securities laws governing the disclosure of corporate governance practices as in effect and applicable to the Company from time to time and (b) of the Province of Ontario within the meaning of the Governance Agreement, and the Board shall satisfy stock exchange requirements prescribing a number or percentage of independent directors on a board of directors, as in effect and applicable to the Company from time to time.
8. The Board shall annually review the report of the Governance & Regulatory Committee on its review of the independence of each of the non-management directors and report to the Board.

Board Chair Appointment and Role

9. The Board Chair will be an independent director and shall be nominated and confirmed annually by the Board, by at least two-thirds of the votes of the directors at the first meeting of the Board after each annual meeting of shareholders.
10. The role and the responsibilities of the Board Chair are set out in a position description approved by the Board periodically. Among other responsibilities, the Board Chair shall provide leadership to the independent directors.

Principal Occupation Changes by Directors

11. A non-management director who makes a major change in principal occupation or retires is expected to submit their resignation to the Board for consideration. The Board believes it is appropriate in such circumstances to conduct a review (either directly or following a recommendation of the Governance & Regulatory Committee) of the continued appropriateness of Board membership under such circumstances and whether the resignation should be accepted.
12. When the Chief Executive Officer ceases to be the Chief Executive Officer, they shall resign from the Board concurrent with ceasing to hold office with the Company. Absent exceptional circumstances, the former Chief Executive Officer shall not be eligible to be considered for service on the Board until five years have elapsed since serving as an officer.

Term Limits for Directors

13. The Board is committed to a process of Board renewal and succession-planning for directors which seeks to bring fresh thinking and new perspectives to the Board while maintaining an appropriate degree of continuity and adequate opportunity for transition of Board and Board committee roles and responsibilities. In order to assist the Governance & Regulatory Committee and the Board in succession-planning for directors and appropriate Board renewal, the Board has adopted the following limits on Board service.
14. A non-executive director shall not stand for re-election at the first annual meeting of shareholders after 12 years following the date on which the director first began serving on the Board; provided that in special circumstances (including if necessary to facilitate orderly board renewal) on the recommendation of the Governance & Regulatory Committee a non-executive director may continue to stand for re-election so long as the director continues to receive solid annual performance assessments and meets other Board policies or legal requirements for Board service.
15. After a director has held the position of Committee Chair for a period of four years, the Governance & Regulatory Committee will review and consider whether a change to the committee chair would be appropriate.

Retirement Age for Directors

16. Unless otherwise determined by the Board, no person shall be elected or re-elected as a director after that person has reached 75 years of age.

Criteria Composition and Diversity

17. The Governance & Regulatory Committee is mandated to review annually the competencies, skills and personal qualities applicable to candidates being considered for nomination to the Board. The objective of this review is to maintain the composition of the Board in a way that, in the judgment of the Committee, ensures an appropriate mix of skills and experience to enable effective stewardship of the Company having regard, among other things to the Skills Matrix, the Board Diversity Policy and the Governance Agreement.
18. The Company believes in diversity, equity and inclusion and values the benefits diversity can bring to the Board, including diversity of personal characteristics such as age, gender (including gender identity and expression), sexual orientation,

ethnicity, race, culture, Indigenous heritage, geography and business experience. The composition of the Board is intended to reflect a diverse mix, including an appropriate number of women directors.

Other Directorships

19. In general, unless otherwise determined by the Board, each non-management director is expected to hold no more than four public company directorships, and the Chief Executive Officer should not hold more than one such directorship, in each case excluding service on the Board of the Company. In addition, the Audit Committee Mandate provides that no member of the Audit Committee may serve on the audit committees of more than two other publicly-traded companies unless the Board has first determined that such simultaneous service would not impair the ability of the applicable director to serve on the Audit Committee.
20. The Board seeks to avoid having more than one board interlock at any given time. A “**board interlock**” is a circumstance where two or more directors on the Board serve on the board of directors of the same publicly-traded company, excluding the Company. Directors may not accept an invitation to join the board of another publicly-traded company, and new candidates for service on the Board will not be invited to join the Board, if it would result in there being more than one board interlock (or would increase the number of directors involved in the same board interlock), in each case unless the Governance & Regulatory Committee has reviewed the matter and made a recommendation to the Board and the Board has thereafter approved it.

Selection of New Director Candidates

21. The Governance & Regulatory Committee oversees the process for nominating new director candidates in accordance with the Governance Agreement, including confirming that the Province of Ontario’s proposed nominees for election meet the required qualifications and proposing the Committee’s nominees for election to the Board, also meet the requirements of the Governance Agreement. Key considerations taken into account in relation to all nominees by the Governance & Regulatory Committee include the Company’s Skills Matrix and the Board Diversity Policy and the overall contribution the nominee would make to the success of the Company. The Skills Matrix is reviewed on a regular basis by the Governance & Regulatory Committee.

Director Orientation and Education

22. The Governance & Regulatory Committee is mandated to oversee an internal orientation, education and training program for new directors and ongoing internal and external educational and training opportunities for all directors. These programs are intended to strengthen the overall capacity of the board as well as individual directors.
23. The Company supports continuing education opportunities outside the Company and each director is encouraged to attend external forums, conferences, seminars, and education programs dealing with subject matters that are applicable to the member's role on the Board or its committees or to increase the member's knowledge of the Company's industry and other areas of interest relevant to the Company's businesses and affairs. In certain circumstances, approval by the Board Chair or the Chair of the Governance & Regulatory Committee is required to attend such programs with the financial support of the Company.

BOARD COMMITTEES

Board Committees

24. The Board decides on the number of committees. Currently, the Board has four standing committees: (a) the Audit Committee; (b) the Governance & Regulatory Committee; (c) the Human Resources Committee; and (d) the Indigenous Peoples, Safety & Operations Committee.
25. The Board appoints the members of its committees and the committee chairs annually and members hold office at the pleasure of the Board.
26. Each committee operates in a manner that reflects best practices as set out in these guidelines and according to a Board-approved written mandates. Committee responsibilities include:
 - (a) in the case of the Audit Committee, oversight of: the external audit process and the independence, qualification, appointment, performance and compensation of the external auditors; the internal audit, accounting, accounting controls and finance processes, including the work and performance of the internal finance, accounting and audit functions; the integrity of the Company's financial statements and financial reporting processes, including the audit process and the Company's internal control

over financial reporting and disclosure controls and procedures; the Company's compliance with the applicable legal and regulatory requirements relating to accounting, auditing and internal control matters, including the procedures for managing the key risks associated with and any complaints relating to accounting, internal accounting controls or auditing matters; and the adequacy and quality of the Company's cyber security and information technology systems, policies and programs.

- (b) in the case of the Governance & Regulatory Committee, oversight of: reviewing and making recommendations with respect to the Board's approach to corporate governance generally, including its standards, practices, policies and procedures; the Company's relationship with the Province of Ontario under the Governance Agreement, including overseeing the composition of the Board and the processes for identifying and nominating directors to the Board as set out in the Governance Agreement; the director orientation and continuing education programs and practices, the Board performance and evaluation process and Board Chair and Committee Chair succession; recommending to the Board director compensation and director protection programs, including directors' and officers' insurance and indemnification; regulatory matters and public policy initiatives associated with the electricity and utility sector impacting the Company and the Company's relationship with electricity and utility regulators, including the OEB; the Company's relationships with its customers; and the relationship between the Board and the Company's independent Ombudsman.
- (c) in the case of the Human Resources Committee, oversight and helping ensure the effectiveness of the Company's human capital and human resources strategy, policies, programs and procedures, including diversity and inclusion policies and practices; the compensation and incentive policies, programs and plans of the Company designed to attract, retain and develop executives and employees with the skills and expertise needed for the Company to carry out its strategies, business and operations; the compensation of the Chief Executive Officer and the Designated Employees; retaining external consultants and advisors to receive independent and objective advice on the compensation and human resources policies and programs of the Company; reviewing matters relating to succession planning of the Company's Chief Executive Officer and the Designated Employees; the

Company's policies and programs to promote a culture of integrity and responsible stewardship, including through its oversight of the Code of Business Conduct and the Whistleblower Policy (regarding non-accounting and non-auditing matters), and related practices and procedures; and the Company's labour relations strategy.

- (d) in the case of the Indigenous Peoples, Safety & Operations Committee, oversight of: the sustainability and environmental strategies, policies and programs of the Company, including the Company's approach to corporate social responsibility; and ensuring the maintenance of effective public and occupational safety strategies and programs consistent with the Company's priority to be the safest and most efficient utility; the Company's approach, framework and programs and policies for partnerships, accommodation and other significant relationships and engagement with Indigenous Peoples and their communities; and significant or strategic operational activities of the Company, including major capital projects, and strategic or long-term investments.

Membership of Committees

- 27. The Board has determined that the Audit Committee, the Governance & Regulatory Committee, the Human Resources Committee and the Indigenous Peoples, Safety & Operations Committee shall be composed entirely of independent directors as defined in section 7.
- 28. After receipt of recommendations from the Governance & Regulatory Committee, the Board shall appoint the members of the committees annually, and as necessary to fill vacancies, and generally shall appoint the chair of each committee. Members of the committees shall hold office at the pleasure of the Board.

Committee Powers

- 29. Each Board committee has the following powers:
 - (a) to have full access to all books, records, facilities and personnel of the Company as required to provide the committee with any information about the Company it requires;
 - (b) to delegate from time to time to any person or committee any of the committee's responsibilities that may lawfully be delegated;

- (c) to adopt policies and procedures for carrying out its responsibilities; and
- (d) to retain consultants as the committee may decide are necessary to carry out the committee's duties, in each case at the Company's expense and upon informing the Chair of the Governance & Regulatory Committee of any such retainer.

BOARD AND COMMITTEE MEETINGS AND MATERIALS

Frequency, Time and Place of Meetings

30. Meetings of the Board and its Committees are typically held at least once per fiscal quarter, and shall be called and held in the manner and in the location contemplated by the Company's by-laws.

Quorum and Voting

31. The quorum necessary for the transaction of business at meetings of the Board and Committees shall be a majority of the number of directors then in office or who are members of the relevant committee.

While the Board shall strive to make decisions based on consensus, matters are generally decided by majority vote except with respect to matters designated as requiring a special resolution as provided for in the Governance Agreement. Each member of the Board and Committees shall have the right to vote on matters that come before the Board and its Committees.

Corporate Secretary Activities

32. Subject to the Company's by-laws, unless directed otherwise by the Board Chair, the Corporate Secretary will serve as secretary of the meetings of the Board and Committees. Minutes will be kept of all meetings and submitted to the Board and Committees for approval. Minutes shall be maintained in a minute book kept for that purpose and distributed to all directors.

Meeting Agendas

33. The Board Chair or the Committee Chair in the case of the committees and the Chief Executive Officer, in consultation with the Corporate Secretary, shall develop the agenda for each Board and committee meeting.

Meeting Materials

34. Meeting materials are provided to directors before each Board and committee meeting in sufficient time to ensure adequate opportunity exists for review. Under some circumstances, due to urgency or confidentiality, or otherwise, the Board Chair or a Committee Chair may determine that it is not be prudent or feasible to distribute written materials in advance.

Non-Directors at Board Meetings

35. The Board believes there is value in having certain members of senior management and/or outside consultants or advisors attend Board or committee meetings to provide information and opinion to assist the directors in their deliberations. Attendance by senior management and/or outside consultants or advisors will generally be determined by the Board Chair or Committee Chair in consultation with the Chief Executive Officer and Corporate Secretary.

In Camera Sessions of Directors and Independent Directors

36. The Board has determined that an in camera meeting of the directors and in camera meeting of the independent directors shall be held in conjunction with all meetings of the Board and each Committee meeting.

SAY ON PAY

37. The Company discloses its approach to executive compensation in its management information circular for its annual meeting of shareholders, and strives to provide executive compensation disclosure which exceeds legal requirements, is aligned with best practices and is complete, clear and understandable and in sufficient detail to assist shareholders in forming a reasoned judgment about the matter. The Board believes that it is important that shareholders have the opportunity to make their views on the Company's approach to executive compensation known to the Board and the practice of affording shareholders a formal opportunity to express their views via an annual say on pay vote.

DIRECTOR COMPENSATION AND SHARE OWNERSHIP GUIDELINES

38. The Board has determined that the directors should be compensated for their service on the Board and on committees of the Board, if applicable, in a form and amount which is appropriate and which is customary for comparable companies, having

regard for such matters as time commitment, responsibility, trends and best practices in director compensation and in accordance with applicable law. The Governance & Regulatory Committee is mandated to review the compensation of the directors on this basis annually. Such review shall include consideration of all forms of compensation which a director receives, directly or indirectly, including consulting contracts or charitable contributions which are made to organizations to which a director is affiliated.

39. In order to align director and shareholder interests, each Director is required to retain a minimum holding of Hydro One Limited shares or deferred share units equal to three times (3X) the annual board membership retainer within six (6) years following the date of their appointment to the Board.
40. Each director's share ownership will be calculated annually as at December 31 (based on the original grant value or acquisition cost) and compared to the share ownership requirement.
41. Directors are expected to continue to satisfy their share ownership requirement (or their existing level of share ownership if lower) for one year after they cease to be on the Board. The value of a retired director's share ownership for purposes of such determination will be calculated based on the original grant value or acquisition cost.
42. Directors must not engage in transactions that are designed to or which could hedge, offset or otherwise reduce or limit such person's economic risk, including as a result of a decrease in the market value of Hydro One common shares, with respect to such person's ownership of eligible shares or other securities of Hydro One or other compensation awards the value or payment amount of which are derived from, referenced to or based on the value or market price of common shares or other securities of Hydro One.

BOARD'S RELATIONSHIP WITH MANAGEMENT

Board Relationship with Management

43. The Board's objective is to be supportive of management in the performance of their duties. The Governance & Regulatory Committee shall periodically review and assess the Board's relationship with management.

Limits to Management Authority

44. The Board has established general authority guidelines that delegate to senior management the authority to enter into transactions, subject to specified limits, while reserving to the Board authority to review and approve transactions above the specified limits, material transactions outside the ordinary course of business and material capital expenditures.

Chief Executive Officer

45. The appointment of a new Chief Executive Officer is approved by a Special Board Resolution in accordance with the Governance Agreement. The Chief Executive Officer must be confirmed annually by Special Board Resolution in accordance with the Governance Agreement.
46. The Human Resources Committee conducts an annual review of the performance of the Chief Executive Officer against goals and objectives which have been established by the committee and reviews, assesses and recommends the compensation of the Chief Executive Officer to the Board for approval. The results of the review are communicated to the Chief Executive Officer by the Board Chair or the Committee Chair.

Director Access to Management

47. All directors have open access to the Company's senior management for relevant information. Written communications from directors to members of management should be copied to the Chief Executive Officer or, in the case of accounting and financial matters, the Chief Financial Officer. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings where requested by management.

INDIVIDUAL DIRECTOR RESPONSIBILITIES AND PERFORMANCE

Director Responsibilities

48. Directors are expected to use their skill and experience to provide oversight to the business of the Company and are expected to attend all Board and committee meetings in person where possible. A director shall notify the Board Chair or Committee Chair and the Corporate Secretary if the director will not be able to attend or participate in a meeting.

49. Directors are expected to review and be familiar with Board and committee materials which have been provided in sufficient time for review prior to a meeting. Directors are encouraged to advise the Board Chair or Committee Chair, as applicable, of matters which they believe should be added to a meeting agenda.

Outside Advisors for Individual Directors

50. The Board has determined that any director who wishes to engage a non-management advisor to assist on matters involving the responsibilities as a director at the expense of the Company should review the request with, and obtain the authorization of, the Governance & Regulatory Committee Chair.

Assessment of Board and Individual Director Performance

51. The Governance & Regulatory Committee is responsible for overseeing the annual assessment of the effectiveness of the Board as a whole, and each Board committee, the Board Chair, each Committee Chair and each individual director, including reporting on the results of such assessments and making recommendations to the Board. The objective of the assessments is to help ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

ETHICS, AND CONFLICTS OF INTEREST

52. The Board expects directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Business Conduct, which shall be reviewed at least annually by the Board. Although it is the Board's policy to not permit any waivers of any ethics policy, to the extent circumstances arise which necessitate such a waiver, the Company must disclose such waiver in accordance with applicable laws.
53. The Company recognizes that the Board can benefit when a director also serves on the board of another company, so long as such service does not conflict with the Company's interests. A director's acceptance of additional positions as a corporate director with for-profit, not-for-profit and private entities is therefore subject to the Board's review.
54. Any director that faces an actual or potential conflict of interest in a particular matter, other than matters relating to the compensation of directors, must disclose their interest to the Board Chair, the Executive Vice President and Chief Legal Officer,

and the Vice President, Corporate Secretary and Chief Ethics Officer. If the Board Chair concurs that there is an actual or potential conflict of interest, the applicable director will disclose their interest to the Board or committee as the case may be and will recuse themselves from the meeting or any discussions of the matter, and will not vote on, such matter. A director has a “conflict of interest” in any situation in which a director has a personal or financial interest in a matter which is the subject of an action or decision by the Company that may reasonably be perceived to: (a) affect the objectivity of the director in carry out their responsibilities and duties; or (b) represent an advantage or gain to the director or other persons with whom the director does not deal at arm’s length; or (c) a matter that otherwise affects their personal, business or professional interests.

Approved by the Board on February 14, 2023.