



HYDRO ONE LIMITED

DIVIDEND REINVESTMENT PLAN

FEBRUARY 11, 2016

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HYDRO ONE LIMITED

Dividend Reinvestment Plan

This document has three parts.

The first part answers frequently asked questions regarding the Dividend Reinvestment Plan (the “**Plan**”) of Hydro One Limited (the “**Company**”), but does not describe all of the provisions of the Plan.

The second part of this document includes the text of the Plan in its entirety.

In the event of a discrepancy between the information in the Frequently Asked Questions section of this document and the Plan, the provisions of the Plan will govern. Any capitalized terms not otherwise defined can be found under Section 2 (*Definitions*) of the Plan.

The last part of this document describes certain income tax considerations relating to participation in the Plan. This tax information is of a general nature only and you should consult your own tax advisor with respect to your own personal circumstances.

NOTICE TO NON-REGISTERED BENEFICIAL HOLDERS OF COMMON SHARES

Non-registered beneficial holders of the Company’s common shares (i.e. shareholders who hold their common shares through an intermediary such as a financial institution, broker or other nominee) should consult with that intermediary to determine the procedures for participation in the Plan. The administrative practices of such intermediaries may vary and, accordingly, the various dates by which actions must be taken and documentary requirements set out in the Plan may not be the same as those required by intermediaries. Some intermediaries may require non-registered beneficial shareholders to become registered shareholders in order to participate in the Plan. There may be a fee charged by some intermediaries for a non-registered beneficial shareholder to become a registered shareholder, which will not be covered by the Company.

FREQUENTLY ASKED QUESTIONS

1. *What is the Dividend Reinvestment Plan?*

The Dividend Reinvestment Plan (the “**Plan**”) provides a means for eligible holders of common shares (“**Common Shares**”) of Hydro One Limited (the “**Company**”) to purchase additional Common Shares by using cash dividends paid on Common Shares held by such holders. Computershare Trust Company of Canada (the “**Plan Agent**”) acts as the agent for those who enroll in the Plan (the “**Participants**”).

2. *What are the advantages of the Plan?*

Common Shares are purchased quarterly with reinvested dividends. Full investment of dividends is possible because the Plan permits fractions of shares, as well as whole shares, to be purchased and held for Participants. In addition, dividends on such fractions, as well as on whole shares, will be reinvested.

All administrative costs are borne by the Company and there is no brokerage commission for the Common Shares acquired under the Plan.

Regular quarterly statements of account are provided to Participants to allow them to keep track of their holdings.

A Participant may withdraw and/or sell any number of whole Common Shares held in the Plan (“**Plan Shares**”) at any time without terminating participation in the Plan by giving written notice to the Plan Agent.

3. *Who is eligible to participate?*

Registered shareholders located and resident in Canada who hold at least one whole Common Share are eligible to participate in the Plan. Non-registered beneficial shareholders located and resident in Canada may also participate, but should contact their intermediary to determine procedures for participation in the Plan.

The Plan Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold in the United States or to or for the account or benefit of any U.S. person. A registered shareholder or non-registered beneficial shareholder is therefore not eligible to participate in the Plan if that shareholder, or any agent through which that shareholder participates in the Plan, is located in the United States or any of its territories or possessions, or is a U.S. person. A U.S. person includes, without limitation, any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, and any estate of which any executor or administrator is a U.S. person and any trust of which any trustee is a U.S. person.

The Company and the Plan Agent reserve the right to deny, or terminate, participation in the Plan under other circumstances as detailed in the Plan.

4. *How do I enroll in the Plan?*

To join the Plan a registered shareholder must complete, sign and return an Enrolment Form (available at www.investorcentre.com/hydroone) to the Plan Agent. A non-registered shareholder should contact the intermediary through which you hold your Common Shares to participate in the Plan. If your intermediary is unwilling or unable to enroll your Common Shares in the Plan, you may become a registered shareholder by instructing your intermediary to send you a DRS Advice or share certificate, as applicable, representing your Common Shares and you may enroll in the Plan by following the procedure for registered shareholders, as more particularly described in the Plan.

The signature of the shareholder on an Enrolment Form must correspond exactly to the name(s) of the registered holder(s). If a shareholder has Common Shares registered in different names on different DRS Advices or share certificates, as applicable, it is necessary for such shareholder to complete, sign and submit as many separate Enrolment Forms as there are different registrations, or else request that the applicable DRS Advices or share certificates be consolidated.

Once enrolled, participation in the Plan continues until terminated by the Participant, by the Company or by death of the Participant, or until the Plan is terminated by the Company. See sections of the Plan entitled “Termination of Participation” and “Amendment, Suspension or Termination of the Plan”.

5. *Where will the Plan Shares be purchased for Participants under the Plan?*

The Plan Agent will purchase the Plan Shares on the open market through the facilities of the Toronto Stock Exchange. No Plan Shares will be issued from the treasury of the Company.

6. *How will Plan Shares be purchased for Participants?*

Participation in the Plan becomes effective with respect to an eligible Shareholder upon receipt of a duly completed Enrolment Form from such eligible Shareholder. Such Enrolment Form must be received by the Plan Agent no later than five (5) Business Days prior to the next record date used to determine those shareholders entitled to receive payment of dividends on the Common Shares (the “**Dividend Record Date**”) in order for the Participant to be enrolled in the Plan as of such Dividend Record Date. A Participant’s cash dividends (less any applicable withholding taxes) will be invested on the payment date of the dividend (the “**Dividend Payment Date**”) to which the Dividend Record Date relates.

7. *What will be the price of Plan Shares purchased under the Plan?*

The price at which such Plan Shares are purchased by Participants will be the average of the actual price paid (excluding brokerage commissions, fees and transaction costs) per Common Share by the Plan Agent.

8. *Will DRS Advices or share certificates be issued for Plan Shares?*

DRS Advices or share certificates for Plan Shares purchased under the Plan will be issued to Participants upon written request to the Plan Agent from the Participant or automatically upon

termination of participation in the Plan. The number of Plan Shares held for an account under the Plan will be shown on the Participant's quarterly statement of account.

9. *What kind of statements will be sent to Participants in the Plan?*

A quarterly statement of account will be mailed to each Participant after each Dividend Payment Date. The statement of account is a Participant's continuing record of purchases made under the Plan and should be retained for tax purposes. In addition, each Participant will receive such tax information required to be provided by law annually for reporting dividends paid on their Plan Shares.

10. *Can a Participant withdraw or sell shares held in the Plan?*

A Participant who is not terminating participation in the Plan may, by written notice to the Plan Agent, withdraw whole Common Shares from the Plan. Upon receipt of a withdrawal request, the Plan Agent will withdraw the specified number of whole Common Shares from the Participant's account and deliver a DRS Advice or share certificate, as applicable, in the Participant's name.

Participants may request in writing that the Plan Agent sell any number of Plan Shares on their behalf. The Plan Agent will, as soon as practicable following receipt of such a request, arrange for the sale of such Plan Shares through a registered broker-dealer selected by the Plan Agent from time to time. The proceeds of such sale, less brokerage commissions, administrative fees and applicable taxes, if any, will be paid to the Participant by the Plan Agent.

11. *How does a Participant terminate participation in the Plan?*

Participants may terminate their participation in the Plan by written notice to the Plan Agent at any time. Where notice of termination is received at least five (5) Business Days prior to a Dividend Record Date, the termination will be effective for such Dividend Record Date. Any termination requests received less than five (5) Business Days prior to a Dividend Record Date will become effective after the subsequent Dividend Payment Date.

The Plan Agent will settle a terminating Participant's account by issuing a DRS Advice or share certificate, as applicable, for the number of whole Plan Shares held in such Participant's account and making a cash payment to such Participant for any fraction of a Plan Share remaining. The amount of the payment for any such fraction of a Plan Share will be determined by reference to the prevailing market price of the Common Shares at the time of termination.

12. *What are the tax consequences of participation in the Plan?*

It should be understood that the fact that dividends are invested does not relieve Participants of any liability for taxes that may be payable on such amounts. See "Tax Considerations".

CAUTION

The foregoing constitutes only a summary of some of the features of the Plan. The terms and conditions are described in full in the actual text of the Plan which follows and a shareholder should read them carefully before deciding to participate in the Plan.

If any interpretation of the Dividend Reinvestment Plan is required, the text of the Plan shall govern and it shall be interpreted by the Company in its sole discretion.

DIVIDEND REINVESTMENT PLAN

1. PURPOSE

This Plan provides a means for Shareholders of the Company to purchase additional Common Shares using cash dividends paid on Common Shares held by such Shareholders. Common Shares to be purchased under this Plan will be purchased by the Plan Agent on behalf of the Participants under the Plan. The Plan Agent will purchase Common Shares under this Plan on the open market through the facilities of the TSX.

2. DEFINITIONS

“**Board of Directors**” means the board of directors of the Company.

“**Business Day**” means any day on which the principal commercial banks in Toronto, Ontario are open for business, but does not include a Saturday, a Sunday, a statutory holiday in the Province of Ontario or a day on which the TSX does not publicly trade.

“**Common Shares**” means common shares in the capital of the Company.

“**Company**” means Hydro One Limited.

“**Dividend Payment Date**” means the date chosen by the Board of Directors for the payment of a cash dividend on the Common Shares.

“**Dividend Record Date**” means the date chosen by the Board of Directors to determine those Shareholders entitled to receive payment of dividends on the Common Shares.

“**DRS Advice**” means a direct registration system (DRS) advice, being a record of a Shareholder’s ownership of Common Shares.

“**Enrolment Form**” means the form, approved by the Company from time to time in consultation with the Plan Agent, to be completed by a Shareholder in order to participate in the Plan.

“**Non-Registered Participant**” means a non-registered beneficial holder of Plan Shares that are held through an intermediary such as a financial institution, broker or nominee.

“**Participant**” means a registered holder of Plan Shares or a Non-Registered Participant.

“**Plan**” means the Company’s Dividend Reinvestment Plan dated February 11, 2016.

“**Plan Agent**” means Computershare Trust Company of Canada, or such other entity as may be designated by the Company from time to time to act as agent under the Plan.

“**Plan Shares**” means Common Shares registered in the name of a Participant under the Plan.

“**Shareholder**” means a registered holder of Common Shares.

“**TSX**” means the Toronto Stock Exchange, or any successor stock exchange.

“**U.S. Securities Act**” has the meaning set out in Section 3.2.

3. PARTICIPATION IN THE PLAN

3.1 General

The provisions of this Plan apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through which Plan Shares are held by Non-Registered Participants. Those administrative practices and requirements may vary and Non-Registered Participants should contact their intermediary to determine such intermediary’s requirements regarding participation in the Plan.

The terms of this Plan are intended to comply with the requirements of the *Income Tax Act* (Canada) and the administrative policies and assessing practices of the Canada Revenue Agency, and shall be interpreted and administered in accordance with all such requirements notwithstanding any other provision of this Plan to the contrary.

3.2 Eligibility

Registered shareholders located and resident in Canada who hold at least one whole Common Share are eligible to participate in the Plan. Non-registered beneficial shareholders located and resident in Canada may also participate, but should contact their intermediary to determine procedures for participation in the Plan.

The Plan Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold in the United States or to or for the account or benefit of any “U.S. person” (as that term is defined in Regulation S under the U.S. Securities Act). A registered shareholder or non-registered beneficial shareholder is therefore not eligible to participate in the Plan if that shareholder, or any agent through which that shareholder participates in the Plan, is located in the United States or any of its territories or possessions, or is a U.S. person. A U.S. person includes, without limitation, any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, and any estate of which any executor or administrator is a U.S. person and any trust of which any trustee is a U.S. person.

The Company and the Plan Agent reserve the right to deny, or terminate, participation in the Plan by any person or agent of any person who, in the sole opinion of the Company: (a) is participating in the Plan with a view to arbitrage trading, (b) is participating in the Plan as part of a scheme to evade applicable legal requirements or engage in unlawful behaviour, or (c) is or has been artificially accumulating Common Shares for the purpose of taking undue advantage of the Plan to the detriment of the Company.

3.3 Enrollment

(a) Registered Shareholders

Registered holders of Common Shares may enroll their Common Shares in the Plan by completing the then current form of Enrolment Form and delivering such Enrolment Form to the Plan Agent personally, by courier, by mail, by facsimile or any such other electronic method acceptable to the Plan Agent.

(b) Non-Registered Beneficial Shareholders

Shareholders who hold their Common Shares through an intermediary must have such Common Shares registered in their own name and enrolled in accordance with Section 3.3(a), or instruct their intermediary to enroll their Common Shares in the Plan on their behalf, if the intermediary allows such enrollment.

3.4 Date of Enrollment

An eligible Shareholder will become a Participant and the Common Shares designated by the Participant will be recorded by the Plan Agent for participation in the Plan upon receipt of a duly completed Enrolment Form. Such Enrolment Form must be received by the Plan Agent no later than five (5) Business Days prior to the next Dividend Record Date in order for the Participant to be enrolled in the Plan as of such Dividend Record Date. Any Enrolment Form received following such date will result in the Participant being enrolled in the Plan after the Dividend Payment Date to which such Dividend Record Date relates.

4. PURCHASE OF COMMON SHARES UNDER THE PLAN

4.1 Dividend Reinvestment

All dividends payable on Plan Shares recorded for participation in the Plan, including Plan Shares acquired and retained under the Plan, will be paid by the Company to the Plan Agent and will, after the deduction of any applicable withholding tax for Participants, be used by the Plan Agent to purchase Common Shares for the Participant's account on the applicable Dividend Payment Date.

4.2 Source of Plan Shares

The Plan Shares acquired by the Plan Agent pursuant to the Plan will be Common Shares purchased on the open market through the facilities of the TSX during the three (3) Business Days following the relevant Dividend Payment Date.

4.3 Price of Plan Shares

The purchase price for Plan Shares under the Plan on any Dividend Payment Date from the reinvestment of cash dividends will be the average of the actual price paid (excluding brokerage commissions, fees and transaction costs) per Common Share by the Plan Agent.

5. COSTS

All administrative costs of the Plan, including any brokerage commissions, fees or other expenses of the Plan Agent incurred for the purchase of Plan Shares for Participants will be borne by the Company.

6. ADMINISTRATION

6.1 The Plan Agent

The Company may, from time to time, appoint a Plan Agent to administer the Plan on behalf of the Company and the Participants pursuant to an agreement between the Company and the Plan Agent.

The Plan Agent is required to comply with applicable laws, orders and regulations of any governmental authority which impose on the Plan Agent a duty to take or refrain from taking any action under the Plan and to permit any properly authorized person to have access to, and to examine and make copies of, any records relating to the Plan.

6.2 Statement of Account

The Plan Agent will maintain a dividend reinvestment account for each Participant. A statement of account will be mailed to each Participant by the Plan Agent as soon as practicable after each Dividend Payment Date. Each such statement will indicate changes to the account over the relevant period including:

- (a) the dividends received by the Plan Agent in respect of Plan Shares recorded in the account; and
- (b) the number of Plan Shares acquired for the account.

Non-Registered Participants will receive statements of account from their intermediary in accordance with the intermediary's administrative practices. Non-Registered Participants should contact their intermediary to determine the procedures for requesting statements.

6.3 DRS Advices or Share Certificates

DRS Advices or share certificates, as applicable, for whole Plan Shares purchased with reinvested dividends will be provided upon written request to the Plan Agent from the Participant or automatically upon termination of participation in the Plan and such DRS Advice or share certificate, as applicable, will be issued in the name of the Participant. Neither DRS Advices nor share certificates, as applicable, will be issued for a fraction of a Plan Share.

6.4 Registration of Plan Shares

Plan accounts shall be maintained in the names in which DRS Advice or share certificates were registered or provided on the Enrollment Forms submitted at the time the Participant enrolled in the Plan. Consequently, DRS Advices or share certificates for whole Plan Shares withdrawn from the Plan will be registered in the same manner when issued.

7. DISPOSITION OR WITHDRAWAL OF PLAN SHARES

7.1 Withdrawal of Plan Shares

A Participant who is not terminating participation in the Plan may, upon written request to the Plan Agent, withdraw whole Plan Shares from the Plan. Upon receipt of a withdrawal request delivered to the Plan Agent personally, by courier, by mail, by facsimile, or any other electronic method acceptable to the Plan Agent, the Plan Agent will withdraw the specified number of whole Plan Shares from the Participant's account and deliver a DRS Advice or share certificate, as applicable, representing such shares in the Participant's name.

7.2 Sale of Plan Shares

Participants may request in writing that the Plan Agent sell any number of Plan Shares on their behalf. All such Plan Shares sold by the Plan Agent will be deemed to have been withdrawn from the Plan pursuant to Section 7.1. The Plan Agent will, as soon as practicable following receipt of such a request, arrange for the sale of such Plan Shares through a registered broker-dealer selected by the Plan Agent from time to time. The proceeds of such sale, less brokerage commissions, administrative fees and applicable taxes, if any, will be paid to the Participant by the Plan Agent. Plan Shares that are to be sold for a Participant may be commingled with Plan Shares of other Participants requesting a sale of Plan Shares, in which case the proceeds to each Participant will be based on the average sale prices and the average brokerage commissions, administrative fee and applicable taxes of all Plan Shares so commingled.

7.3 No Pledge Plan

Shares held by the Plan Agent may not be pledged, hypothecated, assigned or otherwise disposed of or transferred. Participants who wish to pledge, hypothecate, assign, dispose of or otherwise transfer their Plan Shares held by the Plan Agent, must first withdraw such shares under the Plan.

7.4 Remaining Plan Shares

If a Participant sells or withdraws less than all of their Plan Shares, dividends paid on their remaining Plan Shares will continue to be reinvested in Common Shares under the Plan.

8. TERMINATION OF PARTICIPATION

8.1 Termination by Participant

Participants may terminate their participation in the Plan by written notice to the Plan Agent at any time. Where notice of termination is received at least five (5) Business Days prior to a Dividend Record Date, the termination will be effective for such Dividend Record Date. Any termination request received less than five (5) Business Days before a Dividend Record Date will become effective after the subsequent Dividend Payment Date. Any instructions given to the Plan Agent to terminate participation in the Plan shall be in writing and must be delivered to the Plan Agent personally, by courier, by mail, by facsimile, or any other electronic method acceptable to the Plan Agent.

The Plan Agent will settle a terminating Participant's account by issuing a DRS Advice or share certificate, as applicable, for the number of whole Plan Shares held in such Participant's account and making a cash payment to such Participant for any fraction of a Plan Share remaining. The amount of the payment for any such fraction of a Plan Share will be determined by the prevailing market price of the Common Shares at the time of termination.

8.2 Death of a Participant

Participation in the Plan will be terminated upon receipt by the Plan Agent of appropriate evidence of the death of a Participant from such Participant's duly appointed legal representative and written instructions to terminate the Participant's participation in the Plan from such legal representative. Proof of the legal representative's authority to act must accompany the evidence of death. The Plan Agent will terminate and settle the account for such deceased Participant in the manner provided for in Section 8.1.

8.3 Termination by the Company

The Company reserves the right to terminate a Participant's participation in the Plan at any time if there is less than one Common Share recorded in the Participant's account or if the Participant cannot be contacted at the addresses provided to the Plan Agent by the Participant. In addition, the Company reserves the right to terminate a Participant's participation in the Plan under the circumstances described in Section 3.2 of the Plan.

9. VOTING RIGHTS

Participants may vote whole Plan Shares held by the Plan Agent on their behalf, in the same manner as any other Common Shares, either by proxy or in person. The Plan Agent will forward to Participants, as soon as practicable following receipt, any proxy solicitation materials. Plan Shares held by the Plan Agent representing fractional interests in Common Shares will not be voted.

Non-Registered Participants should contact their intermediary to determine the procedures for voting their Common Shares.

10. RIGHTS OFFERING

In the event that the Company offers rights to subscribe for additional Common Shares or other securities of the Company to its Shareholders, rights certificates will be issued to Participants in respect of their whole Plan Shares as of the record date of the rights issue. Where a Participant would be entitled to receive a fractional interest in a right as a result of the ownership of a fractional interest in a Plan Share, such fractional interest in the right will be sold by the Plan Agent, on a commingled basis, together with other fractional interests in rights held on behalf of other Participants and the proceeds, less brokerage commissions, will be invested in the same manner as a dividend on the next subsequent Dividend Payment Date.

11. STOCK DIVIDENDS AND STOCK SPLITS

Any Common Shares distributed pursuant to a stock dividend or a stock split on Plan Shares held by the Plan Agent for Participants under the Plan will be retained by the Plan Agent

and credited (net of any applicable withholding or non-resident taxes) to the account of the Participant in accordance with their entitlement under the Plan.

12. RESPONSIBILITIES OF THE COMPANY AND THE PLAN AGENT

Neither the Company nor the Plan Agent shall be liable, except in the case of wilful misconduct, for any act or for any omission to act, in connection with the operation of the Plan including, without limitation, any claims of liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death;
- (b) with respect to the prices at which Plan Shares are purchased for the Participant's account and the times such purchases are made;
- (c) with respect to any loss on the Common Shares purchased under the Plan;
- (d) with respect to any decision by the Company or the Plan Agent to deny, or terminate, participation in the Plan;
- (e) with respect to any decision by the Company to interpret, amend, suspend or terminate the Plan; or
- (f) actions taken as a result of inaccurate and/or incomplete information or instructions provided by a Participant or a Participant's intermediary.

13. RISK OF MARKET PRICE FLUCTUATIONS

Participants should recognize that Plan Shares acquired under the Plan are no different from an investment in Common Shares directly held. Accordingly, neither the Company nor the Plan Agent can assure a profit or protect Participants against a loss on the Plan Shares purchased under the Plan.

14. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

The Company reserves the right to amend, suspend or terminate the Plan at any time, but any such action shall not have retroactive effect that would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination. In the event of termination of the Plan by the Company, the Plan Agent will terminate and settle the account for each Participant in the manner provided for in Section 8.1.

In the event of a suspension of the Plan by the Company under this Section 14, no purchases of Plan Shares will be made by the Plan Agent on the Dividend Payment Date immediately following the effective date of such suspension. Dividends which are subject to the Plan and which are paid after the effective date of such suspension will be remitted by the Plan Agent to the Participants to whom they are due.

To the extent required by applicable TSX rules, the Company will notify the TSX of any amendments to the Plan. To the extent required by applicable TSX rules, any material amendments to the Plan will be subject to the prior approval of the TSX.

Interpretation of the Plan is in the sole discretion of the Company.

15. CURRENCY

All monetary amounts identified in the Plan are stated in Canadian dollars.

16. GOVERNING LAW

This Plan will be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

17. NOTICES AND CORRESPONDENCE

All notices required to be given to Participants under the Plan shall be mailed to the Participants at the addresses shown on the records of the Plan Agent. Participants must notify the Plan Agent promptly in writing of any change of address.

Notices to the Plan Agent shall be sent to the Plan Agent by mail, fax or e-mail to:

Hydro One Limited – Dividend Reinvestment Plan
c/o Computershare Trust Company of Canada
100 University Avenue, 8th Floor, North Tower
Toronto, ON M5J 2Y1

Attention: Distribution Reinvestment Department

Telephone: National Customer Contact Centre at 1-800-564-6253 (toll free in North America) or (514) 982-7555

Facsimile: 1-888-453-0330 or (416) 263-9394

E-mail/Web: Emails to the Plan Agent can be directed through the secure online form found on the website at:

<http://www.computershare.com>

18. EFFECTIVE DATE

The Plan is effective as of February 11, 2016. The first Dividend Record Date under this Plan is March 17, 2016 and the first Dividend Payment Date under this Plan is March 31, 2016.

TAX CONSIDERATIONS

Certain of the Canadian federal income tax considerations arising from participation in the Plan are generally summarized below. This summary is based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together the “**Act**”) and an understanding of the published administrative policies and assessing practices of the Canada Revenue Agency in effect as of February 11, 2016. This summary takes into account all specific proposals to amend the Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to that date (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular participant. This summary is not exhaustive of all Canadian federal income tax considerations. Participants should consult and rely on their own tax advisers with respect to the tax consequences which will result from their participation in the Plan, taking into account their own particular circumstances.

Resident Participants

This portion of the summary is applicable only to a Participant who, for purposes of the Act and at all relevant times, is resident or deemed to be resident in Canada, is a beneficial owner of Common Shares, holds such Common Shares as capital property and deals at arm’s length with the Company (a “**Resident Participant**”). This summary does not apply to a Resident Participant: (i) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a “financial institution”; (ii) that is a “specified financial institution”; (iii) an interest in which is a “tax shelter investment”; (iv) that reports its “Canadian tax results” in a currency other than Canadian currency; or (v) that enters into, with respect to their Common Shares, a “derivative forward agreement”, as each of those terms is defined in the Act.

Resident Participants will be subject to tax under the Act on all dividends which are reinvested in Common Shares in the same manner as they would have been if they had received the dividends directly in cash.

The amount paid to acquire Common Shares will be added to the Resident Participant’s cost of such Common Shares. For purposes of determining the Resident Participant’s gain or loss from the disposition or deemed disposition of Common Shares, the cost of such Common Shares will be averaged with the adjusted cost base of all of the Common Shares the Resident Participant holds as capital property.

Non-Resident Participants

This portion of the summary is applicable only to a Participant who, for purposes of the Act and at all relevant times, is neither resident nor deemed to be resident in Canada, holds the

Common Shares as capital property, does not use or hold and is not deemed to use or hold Common Shares in the course of carrying on a business in Canada, deals at arm's length with the Company and whose Common Shares are not "designated insurance property" or "taxable Canadian property" (a "**Non-Resident Participant**").

Dividends paid to a Non-Resident Participant will generally be subject to Canadian withholding tax at a rate of 25% unless the Non-Resident Participant is entitled to the benefits of an income tax treaty between Canada and the Non-Resident Participant's country of residence. If a Non-Resident Participant is entitled to the benefits of such a treaty, the Canadian withholding tax rate will generally be reduced to 15%.