

Hydro One Limited

# Mandate for the Board of Directors

The board of directors (the “**Board**”) of Hydro One Limited (including its subsidiaries, the “**Company**”), elected by the shareholders of the Company, is responsible for overseeing the business and affairs of the Company, including its strategy. The Board discharges its responsibilities with a view to the best interests of the Company, which includes preserving and enhancing its underlying value having regard to the interests of its stakeholders.

## Purpose

The Board discharges its oversight and supervisory responsibilities directly and through its Audit Committee, Governance & Regulatory Committee, Human Resources Committee and Indigenous Peoples, Safety & Operations Committee and by delegating the day-to-day management of the Company to the Chief Executive Officer and senior management.

The primary roles and responsibilities of the Board include overseeing:

- (a) the Company’s brand, reputation and culture of integrity;
- (b) the strategy, operating model, and organizational structure of the Company;
- (c) the Company’s capital and financial structure and performance;
- (d) the Company’s approach to environmental, social and governance matters relating to the long-term health and sustainability of the Company;
- (e) the appointment and succession of the Company’s CEO;
- (f) the Company’s relationships and engagement with its key stakeholders;
- (g) material regulatory matters and public policy initiatives associated with the electricity and utility sector impacting the Company; and
- (h) the identification, assessment and management of the Company’s principal risks.

## Responsibilities

The principal responsibilities of the Board are set out below.

## **Culture & Reputation**

1. Promoting a culture of integrity, ethical leadership, diversity, inclusion, health safety and sustainability within the Company and its leadership.
2. Assessing the adequacy and effectiveness of management's programs, policies and procedures to preserve and enhance the Company's culture, brand and reputation.
3. Satisfying itself as to the integrity of the Chief Executive Officer and other direct reports and other key employees of the Company and its subsidiaries as the Committee or Board may determine (collectively, the "Designated Employees"), and their commitment to the cultural and ethical objectives of the Company.
4. Receiving reports from the CEO on a regular basis with respect to the Company's culture.

## **Strategic Planning & Major Projects**

5. Overseeing and approving the strategy, mission and vision of the Company.
6. Overseeing and approving the Company's annual budget, business plan and Asset Investment Plan.
7. Adopting processes for monitoring the Company's performance and progress toward its strategic and operational priorities, objectives and goals and the adequacy and effectiveness of management's policies, programs and processes.
8. Receiving reports from the CEO on a regular basis with respect to the Company's strategy.
9. Receiving reports from management on long-term planning and discussions associated with significant or strategic operational activities and major projects or investments.

## **Financial Performance, Structure & Material Investments**

10. Overseeing and approving the capital and financial structure of the Company, including its liquidity and capital resources.
11. Approving the external auditors to be engaged by the Company to be proposed for shareholder approval.
12. Approving the declaration and payment of dividends.
13. Approving (i) new capital or Operations, Maintenance and Administration project expenditures (and, if and as required, cumulative variances relating thereto) requiring the approval of the Board under the Company's Delegation and Exercise of Authority Policy and Expenditure Authority Register (the "EAR") and (ii) other

strategic and/or long-term investments, projects or capital allocation programs or activities of the Company.

14. Delegating to senior management the authority for expenditures and transactions, subject to specified limits under the EAR, beyond which Board approval is required.
15. Overseeing the accurate disclosure and reporting of the financial performance of the Company to shareholders, other securityholders and regulators on a timely and regular basis, including reviewing and approving the Company's financial statements, management's discussion and analysis and earnings releases.
16. Overseeing the adequacy and effectiveness of the Company's internal controls and disclosure controls and procedures, including to ensure compliance with applicable laws and the Company's policies and procedures.

### Corporate Governance

17. Overseeing and approving the Company's overall approach to corporate governance, having regard to the Governance Agreement between the Company and the Province of Ontario (the "**Governance Agreement**"), including the terms of the Board and Committee Mandates, the Company's Corporate Governance Guidelines and other corporate governance policies and standards, and having regard to governance best practices.
18. Overseeing structures and procedures to enable the Board to exercise objective and independent judgment and oversight of the management of the Company's business and affairs.
19. Overseeing succession-planning for the Board, orientation and ongoing educational opportunities for directors and the annual assessments of the effectiveness of the directors and the Board as a whole.
20. Overseeing the succession plans for the Chief Executive Officer and associated contingency preparedness.
21. Delegating to Board Committees oversight of specific matters (except for the authority of the Governance & Regulatory Committee over the management and oversight of the director nomination process in accordance with the Governance Agreement), and appointing, where appropriate, ad hoc committees to assist the Board in discharging its responsibilities.

### Regulatory Affairs

22. Overseeing material regulatory matters relevant to the Company's strategies, business and operations, including the Company's relationships with electricity and utility regulators.

23. Overseeing and approving management's proposed strategies and plans relating to significant transmission, distribution or combined rate filings or applications and other material regulatory matters requiring approval by electricity and utilities regulators, agencies or authorities.

### **Corporate Affairs**

24. Overseeing material corporate affairs initiatives relevant to the Company's strategy, business and operations.

### **Stakeholder Relationships**

25. Overseeing and receiving reports from management on the Company's investor relations activities and investor feedback.
26. Overseeing and approving the Company's Indigenous Peoples strategy and engagement framework, including with respect to the Company's partnerships and other significant relationships and engagement with Indigenous Peoples and the adequacy and effectiveness of management's policies, programs and procedures to enhance long-term relationships of trust and mutual respect with Indigenous Peoples.
27. Overseeing the Company's approach to engagement and communications strategies and policies relating to the Company's customers and other key stakeholders, including shareholders, Indigenous Peoples, employees, financial analysts, governmental and regulatory authorities, the media and the communities in which the Company operates, as well as processes to ensure the timely, accurate and complete disclosure of material developments impacting the Company.
28. Receiving reports on the activities of the Company's independent Ombudsman.

### **Sustainability, Environment, Health & Safety**

29. Overseeing, reviewing and, where applicable, approving the Company's strategies and approach relating to sustainability matters including environmental, social, governance, climate change, and health and safety matters.
30. Reviewing and approving the Company's public documents relating to sustainability.

### **Management & Human Resources**

31. Overseeing the Company's human resources strategy and plans, including diversity and inclusion policies and practices.
32. Overseeing and approving the appointment and succession of the Chief Executive Officer and their performance and compensation.

33. Overseeing, in coordination with the Chief Executive Officer, the process and plans for the appointment, succession and compensation of all other senior management and their performance.

### **Risk Management**

34. Overseeing and approving the Company's Enterprise Risk Management framework and programs for identifying, assessing and managing the Company's principal risks, including, but not limited to, any applicable material environmental and social-related risk, with a view to achieving an appropriate balance between the risks incurred and potential returns and the long-term sustainability of the Company.
35. Overseeing and assessing the adequacy and effectiveness of programs and processes for identifying, assessing and managing or mitigating the Company's principal risks and ensuring that primary oversight responsibility for each of the key risks identified in the Enterprise Risk Management framework is assigned to the Board or one of its Committees.
36. Overseeing the Company's material cyber security, physical security, data privacy and information technology infrastructure, policies and programs.

### **Policies**

37. The Board is responsible for reviewing and approving the policies listed on Appendix "A".

**Approved by the Board on November 7, 2024, to take effect from January 1, 2025.**

## APPENDIX “A”

### **Policies**

Management will review the listed policies at least every two years, or more frequently if needed or desired, and any material changes will be presented to the Board for approval.

1. Code of Business Conduct;
2. Whistleblower Policy;
3. Director Conflict of Interest Policy;
4. Corporate Shareholder and Stakeholder Engagement Policy;
5. Director Compensation, Travel and Expense Policy;
6. D&O Insurance Policy (changes of insurer or material changes);
7. Insider Trading Policy;
8. Skills Matrix;
9. Board Diversity Policy;
10. Majority Voting Policy;
11. Corporate Disclosure Policy;
12. Corporate Governance Guidelines;
13. Mandate of the Ombudsman;
14. Mandates of the Board and Board Committees;
15. Position Descriptions for the CEO, the Chair, the Directors and the Committee Chairs;
16. Environment Policy;
17. Health & Safety Policy;
18. Public Safety Policy;
19. Indigenous Relations Policy;
20. Audit & Non-Audit Services Pre-Approval Policy;

21. Policy for Hiring Employees/Former Employees of the External Auditor;
22. Fraud Risk Assessment Management Program;
23. Anti-Bribery and Anti-Corruption Policy;
24. Compensation Recoupment Policy;
25. Executive Share Ownership Guidelines and Anti-Hedging Policy;
26. Cash Settled Long-Term Incentive Plan;
27. Defined Benefit and Defined Contribution Pension Plan;
28. Employee Share Purchase Plan;
29. Long Term Incentive Plan;
30. Management Deferred Share Unit Plan;
31. Non-Employee Director Deferred Share Unit Plan; and
32. Non-Registered Savings Plan.