

Corporate Disclosure Policy

Purpose and Scope

This Corporate Disclosure Policy (this “Policy”) outlines the approach of Hydro One Limited and Hydro One Inc. (together, the “Company”) and their subsidiaries (collectively the Company and the subsidiaries are referred to as “Hydro One”) toward the identification, determination and dissemination of Material Information and the instances in which that information should remain confidential. This Policy is intended to establish the framework and process for complying with disclosure obligations under all applicable Canadian and United States securities laws and to achieve consistent disclosure practice across Hydro One.

This Policy is in addition to the disclosure obligations, standards and procedures set out in Hydro One’s Information Security Policy, as amended from time to time.

Revision Statement

This document has been updated in November 2016 to include the Policy as amended by the Board of Directors.

Principles

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1.0 Requirements

1.1 Scope

This Policy applies to Hydro One Limited and Hydro One Inc. (together, the “Company”) and their subsidiaries (collectively the Company and the subsidiaries are referred to as “Hydro One”). It governs the conduct of the directors of the Company and the officers and employees of Hydro One regarding the communication of potentially material developments and statements relating to Hydro One and its business and affairs with external audiences. Hydro One also requires certain contractors, agents and other persons engaging in business or professional activities with or on behalf of, Hydro One and its subsidiaries to comply with this Policy. All persons to whom this Policy applies are referred to collectively as “representatives”.

This Policy covers all written documents required to be sent to security holders or filed under applicable securities laws, as well as news releases, presentations by management and information contained on Hydro One's website. It also covers oral statements including speeches, telephone calls, conference calls and group or individual meetings with financial analysts, rating agencies and investors, as well as interviews and press conferences with the media.

2.0 Policy Objectives

The objectives of this Policy are to establish a framework that: (a) ensures the broad disclosure of Material Information in a timely, factual and accurate manner; (b) facilitates consistent disclosure practices; (c) prevents Selective Disclosure; and (d) promotes an understanding of Hydro One’s legal and regulatory requirements, in order to foster and facilitate transparent disclosure as well as compliance with applicable laws.

3.0 Highlights

- All representatives who become aware of a significant development which is, or may become, Material Information relating to Hydro One must promptly inform senior management and, through senior management, the Disclosure Committee of the significant development.
- Only Authorized Spokespersons and their designees may respond to inquiries from the media, analysts, regulators, investors, investment dealers, credit rating agencies or other members of the investment community.

- Material Information may be disclosed if it is in the necessary course of business to do so and the recipient is under an obligation to maintain its confidentiality; but this exception does not apply to disclosure made to the media, analysts, institutional investors or other market professionals.
- Representatives must maintain the confidentiality of all Material Information which has not been Generally Disclosed in accordance with this Policy, except to the extent disclosed in the necessary course of business in accordance with this Policy.
- All employees, officers and directors of Hydro One must comply with Hydro One's Insider Trading Policy and Social Media Use Guidelines.
- The Disclosure Committee has oversight over Hydro One's disclosure practices and all representatives are required to comply with the procedures and timetables established by the Disclosure Committee for the preparation, review and dissemination of Material Information regarding Hydro One. This document may have been revised since it was printed.

4.0 Material Information

Hydro One is a reporting issuer in Canada and is also subject to certain United States securities laws. As a result, Hydro One has disclosure obligations pursuant to applicable securities laws and stock exchange rules. Under Canadian securities law requirements, Hydro One may be obligated to disclose Material Information concerning its business and affairs immediately upon the information becoming known to Hydro One's management or, in the case of information previously known, immediately upon it becoming apparent that the information is material.

"Material Information" may be either:

- (a) a "Material Fact", being a fact in relation to Hydro One that would reasonably be expected to have a significant effect, either favourably or unfavourably, on the market price or value of Hydro One's securities; or
- (b) a "Material Change", being either a change in the business, operations or capital of Hydro One that would reasonably be expected to have a significant effect, either favourably or unfavourably, on the market price or value of Hydro One's securities, or a decision to implement such a change has been made.

Information will also generally be considered to be material if a reasonable investor would consider it to be important in deciding whether to buy, sell or hold Hydro One's securities.

In the event of any question as to whether or not facts or information constitute Material Information requiring disclosure, the Disclosure Committee will make the final determination, unless the Board otherwise determines that disclosure should be made.

5.0 Authorized Spokespersons

In order to prevent Selective Disclosure or misleading disclosure of Material Information and to ensure that a consistent message is being communicated by Hydro One, Hydro One has designated a limited number of "Authorized Spokespersons" who are responsible for communication with the media, analysts, securities regulators, investors, investment dealers, credit ratings agencies, and other members of the investment community. The Authorized Spokespersons for Hydro One are currently the President and Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Executive Vice President & Chief Legal Officer ("CLO"), Executive Vice President, Customer Care & Corporate Affairs, Senior Vice President, Customer & Corporate Relations, Vice President & Treasurer, and the Vice President, Investor Relations. Authorized Spokespersons can designate other spokespersons as appropriate. Individuals who are not Authorized Spokespersons, or designates of Authorized Spokespersons, shall not respond to inquiries from the media, analysts, securities regulators, investors, investment dealers, credit rating agencies or other members of the investment community. All such inquiries shall be initially referred to the Executive Vice President, Customer Care & Corporate Affairs or the CFO.

6.0 Disclosure Committee

6.1 Composition

The board of directors of Hydro One Limited and the board of directors of Hydro One Inc. (individually or together, the "Board") reviews and approves this Policy from time to time and has established a Disclosure Committee (the "Disclosure Committee") to oversee its implementation. The Disclosure Committee currently consists of the CFO, CLO, Chief Operating Officer, Executive Vice President, Customer Care & Corporate Affairs, , the Senior Vice President, Finance, the Vice President, Investor Relations, and the Director, Corporate Accounting & Reporting. The CEO may from time to time change the composition of members of the Disclosure Committee and shall appoint a Chair from among its membership. The person selected to keep minutes of the meetings of the Disclosure Committee in section 6.3 shall also be a member of the Committee.

6.2 Responsibilities

The primary responsibility of the Disclosure Committee is to oversee Hydro One's disclosure practices. Unless the Board otherwise requires the disclosure of particular facts or information, the Disclosure Committee shall have sole responsibility for determining whether facts or information constitute Material Information, and what action (if any) must be taken to ensure that necessary disclosure of such information is made in accordance with applicable securities laws and stock exchange rules. If the Disclosure Committee decides that such information should remain confidential, it will determine how that information will be controlled and will consider whether a confidential Material Change report is required to be filed with applicable securities regulators, in each case in accordance with this Policy. In making its determinations regarding disclosure of Material Information, the Disclosure Committee will have regard to the totality of the information respecting Hydro One that has been Generally Disclosed.

The Disclosure Committee's responsibilities also include:

- overseeing the implementation of this Policy and ensuring an appropriate framework is in place to educate representatives about this Policy and disclosure issues generally;
- overseeing the maintenance and operation of, and revisions to, controls and other procedures (collectively, "Disclosure Controls and Procedures") that are designed to ensure that:
 - information required to be disclosed by Hydro One in disclosure documents that it files or submits under applicable Canadian securities laws or files or furnishes under applicable United States securities laws, and information contained in other disclosure that Hydro One makes to the investment community or the general public, is recorded, processed, summarized and reported accurately, and without the omission of any Material Fact necessary to make the statement not misleading in light of the context in which it is made, within the timelines specified by applicable securities laws;
 - financial information disclosed by Hydro One fairly presents in all material respects the financial condition of Hydro One; and
 - information is accumulated and communicated to Hydro One's senior management and the Disclosure Committee in a manner that allows timely decisions regarding required disclosure to be made;
- reviewing and supervising the preparation of all written documents required to be filed on SEDAR or EDGAR and approving, or pre-approving where the Board approval is required, such documents before they are Generally Disclosed, provided that any approval of a press release shall also be approval to file such press release, if required, on SEDAR and EDGAR ;
- ensuring that material forward-looking information contained in OEB filings is considered and if necessary, appropriately disclosed to shareholders;
- ensuring Authorized Spokespersons have adequate training;
- ensuring an appropriate framework is in place to monitor Hydro One's website;
- monitoring the integrity and effectiveness of Hydro One's Disclosure Controls and Procedures on an ongoing basis, including evaluating their effectiveness in connection with each fiscal quarter and fiscal year end, and communicating its conclusions to the CEO and CFO;
- annually reviewing and recommending any material changes to this Policy for review by the Audit Committee and approval by the Board; and
- overseeing compliance with all disclosure requirements under applicable securities laws and stock exchange rules and reporting to the Board on any material decisions concerning such compliance.

In instances where members of the Disclosure Committee believe that in order to properly discharge their responsibilities to Hydro One it is necessary to obtain advice of independent counsel and/or other expert advisers, the Disclosure Committee shall have the authority to do so.

6.3 Meetings and Reporting

The Disclosure Committee will meet in person, by teleconference or through other electronic means as frequently as circumstances dictate. Minutes of each meeting will be maintained by a person designated by the Chair of the Disclosure Committee. The powers of the Disclosure Committee may be exercised by a meeting at which quorum is present, whether in person or by electronic means. Quorum shall be at least three members, two of which must be the CFO and CLO or his or her respective designate.

The Disclosure Committee will escalate disclosure issues as appropriate to the Chair of the Board or to the Board and will, in any case, report to the Board on at least an annual basis with respect to compliance with this Policy and its effectiveness and, if appropriate, recommend changes to this Policy to comply with changing legal and regulatory requirements, including applicable stock exchange rules.

7.0 Disclosure Controls and Procedures

The Disclosure Committee has established procedures and timetables to be followed by Hydro One and its representatives for the preparation, review and dissemination of Hydro One's public disclosures, and may elect to, at any time, adopt modified controls and procedures as needed to address the requirements of this Policy.

In addition to the disclosure guidelines set out below, Hydro One's Disclosure Controls and Procedures will involve, among other things, the following:

- identification of all continuous disclosure requirements under Canadian and United States securities laws and stock exchange rules;
- identification of the individuals responsible for preparing disclosure documents and individuals, whether internal or external, responsible for reviewing disclosure documents or portions of disclosure documents to verify disclosure made with respect to their areas of responsibility or expertise, including that all disclosure documents will be circulated to and input obtained from subject matter experts, and will go through a number of iterations, based on input and review of such subject matter experts;
- timetables for the preparation and review of all periodic disclosure documents, such as quarterly interim and annual financial statements and related MD&A, annual information forms and information circulars and, to the extent practicable, all other disclosure documents;
- procedures for obtaining "sign-off" on all public disclosure made by Hydro One, including the review and approval by the Disclosure Committee of all disclosure documents, before they are Generally Disclosed;
- procedures for the identification and timely reporting to Hydro One's senior management and the Disclosure Committee of information which may constitute Material Information or which may constitute a change in Material Information that had previously been Generally Disclosed, including: (a) the identification of individuals who have authority to take actions which may constitute Material Information or who are likely to learn first about events outside the control of Hydro One that may give rise to Material Information; and (b) the maintenance by the Law Department of a record of potential Material Information received and reviewed by the Law Department with relevant senior management to make an initial determination of whether disclosure of such Material Information may be required;

- procedures to document the procedures followed with respect to the release of each disclosure document and for the review of each disclosure statement made orally; and
- ongoing evaluation of Hydro One's Disclosure Controls and Procedures, including evaluating their effectiveness in connection with each fiscal quarter and fiscal year end.

8.0 Disclosure Guidelines

As it applies to the disclosure of Material Information, Hydro One will adhere to the following basic disclosure guidelines:

- *Identification of Material Information:* Lines of business within Hydro One are required to keep senior management and, through senior management, the Disclosure Committee, fully apprised of all significant developments in order for the Disclosure Committee to determine whether information is or has become Material Information and when or if such information should be Generally Disclosed. Examples of developments that may give rise to Material Information include, but are not limited to, those set out on Appendix "C".
- *Timely Disclosure:* Material Information, whether favourable or unfavourable to Hydro One, will be Generally Disclosed without delay (unless the Disclosure Committee has otherwise determined) by the dissemination of a news release and by the making of applicable filings on SEDAR and/or filing or furnishing the applicable materials on EDGAR, in each case in accordance with applicable Canadian and United States securities laws and stock exchange rules.
- *Extent and Nature of Disclosure:* Disclosure must include any information that, if omitted, would make the rest of the disclosure misleading. Unfavourable Material Information will be disclosed as promptly and completely as favourable Material Information and all information disclosed will be accurate, factual and balanced.
- *Correction and Updating of Disclosure:* Disclosure must be corrected immediately if Hydro One learns that a previous disclosure contained a misrepresentation or omitted to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Prompt disclosure must also be made in the event of significant changes to previously disclosed Material Information where the information becomes misleading as a result of subsequent events; provided that if the Material Information was accurate at the time of its release but subsequently changes without becoming misleading, then no updates are required.
- *No Selective Disclosure:* Hydro One will not disclose Non-Public Material Information about Hydro One or any of its securities to selected individuals or groups of individuals, including analysts, investors, other market professionals or the media. In the event that Selective Disclosure of Material Information inadvertently occurs, Hydro One will immediately issue a news release to broadly disseminate that information. Such releases will be posted on Hydro One's website immediately following public dissemination by newswire (within system constraints). See "Selective Disclosure"
- *Forward Looking Information:* Disclosure of Forward-Looking Information will be made in accordance with applicable Hydro One policies and procedures, including those set out in this Policy. See "Forward Looking Information".

- **Stock Exchange Notifications:** If Material Information is required to be disclosed during the course of a trading day on any of the stock exchanges upon which Hydro One's securities are traded, all applicable rules with respect to prior notification of the release of such information, including notification of the applicable stock exchange(s) and IIROC to enable a trading halt of Hydro One's securities, will be followed.
- **News Releases:** News releases issued in respect of Material Information should contain sufficient detail to enable the media and investors to understand the substance and importance of such information while avoiding exaggerated reports or promotional commentary. News releases containing Material Information will be disseminated through an approved news wire service that provides simultaneous Canadian, United States and/or international distribution. These news releases will be transmitted to all stock exchanges on which Hydro One's securities are listed and relevant regulatory bodies in accordance with the relevant rules including, in particular, on SEDAR and EDGAR. Such news releases will also be posted on Hydro One's internet site immediately after release over the newswire (within system constraints).
- **Material Change Reports:** Hydro One will file a report of any Material Change as soon as practicable after the Material Change occurs, but no later than 10 days after the event giving rise to the change, unless the Disclosure Committee otherwise determines (see "Delaying Disclosure of Material Information").
- **Use of MJDS:** Where eligible to do so, Hydro One may satisfy its disclosure obligations under applicable United States securities laws by utilizing the Multijurisdictional Disclosure System, through compliance with Canadian disclosure standards and a limited number of additional requirements applicable under United States securities and other laws.

9.0 Non-written or Oral Disclosures

9.1 Public Oral Statements

Hydro One will generally not disclose orally any Material Information unless the Material Information has already been Generally Disclosed in writing. However, Material Information may be disclosed at a press conference or on a conference call that is open to the public if advance notice of the conference or call is given by a news release which sets out the relevant date and time, a general description of the nature of what is to be discussed and the means of accessing the conference or call and a replay or transcript is made available afterwards on Hydro One's web site. Public oral statements may include information which is not Material Information provided that such non-material information does not, considered in its totality, constitute Material Information.

Where practical, more than one representative of Hydro One will be present at individual and group meetings or calls with the media, analysts, investors and other market professionals and at industry presentations and conferences. If Selective Disclosure is uncovered, the Disclosure Committee will be promptly notified and Hydro One will initiate the appropriate procedures to broadly disclose such information immediately via news release. See "Selective Disclosure".

9.2 Conference Calls

Conference calls will be held for quarterly interim and annual financial results. Hydro One will provide an adequate advance notice of the conference call and webcast by issuing a news release, and posting the same on Hydro One's web site. During these calls, the Authorized Spokespersons or other appropriate personnel as designated by the Disclosure Committee will discuss key aspects of the results or developments, as the case may be, and this discussion will be

accessible simultaneously to all interested parties. The Disclosure Committee and the Authorized Spokespersons will meet in advance of any such call to discuss appropriate answers to anticipated questions.

Any supplemental information provided to participants on such call will also be posted to the Hydro One's website for others to view. An archived audio webcast on the Web site, or an audio transcript of the conference call, will be made available following the call for a reasonable period of time and shall be retained as part of Hydro One's disclosure record.

10.0 Delaying Disclosure of Material Information

Despite any statement to the contrary in this Policy, the Disclosure Committee may determine to delay the disclosure of Material Information and to keep such information confidential temporarily, but only where the immediate release of the information would be unduly detrimental to the interests of Hydro One and the detriment to Hydro One resulting from such disclosure would outweigh the detriment to the market in not having access to the information. Examples of such circumstances could include those where:

- a release would prejudice the ability of Hydro One to pursue specific and limited objectives or to complete a transaction that is underway (e.g. mergers and acquisitions);
- disclosure would provide Hydro One's competitors with confidential corporate information that would be of significant benefit to them; or
- disclosure of ongoing negotiations would prejudice successful completion of those negotiations; if the situation is likely to stabilize within a short period of time, disclosure may be delayed until a definitive announcement can be made.

Where the Material Information to be kept confidential temporarily constitutes a Material Change, a Material Change report will be filed as required, but on a confidential basis with the applicable Canadian securities regulators. In such case, Hydro One will periodically (and at least every 10 days) review its decision to keep the applicable information confidential and so advise such regulators in writing.

Where disclosure of Material Information has been delayed, the Material Information must be kept completely confidential and must not be disclosed to anybody, except in the necessary course of business. See "Maintaining Confidentiality".

11.0 Selective Disclosure

11.1 Selective Disclosure Generally

Hydro One will not disclose Non-Public Material Information to selected persons or groups of persons ("Selective Disclosure"). The Law Department should be contacted if there is any uncertainty as to whether or not the facts or information in question may be Material Information or whether or not such facts or information have been Generally Disclosed, and the matter will be referred to and considered by the Disclosure Committee if and as required.

Selective Disclosure may be made if it is in the necessary course of business. The "necessary course of business" exception is available with respect to communications that are reasonably necessary or required in connection with business activities and may include communications to one or more of the following:

- employees, officers and directors of Hydro One;

- lenders, legal counsel, auditors, underwriters, accountants, investment bankers and consultants;
- credit rating agencies under contract with Hydro One;
- customers, suppliers, or strategic partners where the communications are relevant to Hydro One's business with them;
- parties to negotiations;
- parties subject to request for proposals;
- labour unions and industry associations;
- government and government agencies and non-government regulators; and
- the OEB and other applicable regulatory organizations to which Hydro One must report; provided that in the event that any such regulatory body makes Non-Public Material Information available to the public, the Disclosure Committee shall promptly, upon becoming aware of such disclosure, take the appropriate course(s) of action in accordance with Section 11.2 of this Policy.

In the event any person wishes to make Selective Disclosure in the necessary course of business, the Law Department must be contacted in order to assist with such determination and the process of disclosing the information.

Selective Disclosure shall not be made to the media, analysts, institutional investors or other market professionals even if they expressly agree to maintain the disclosed information in confidence.

Anyone to whom Selective Disclosure is made pursuant to the necessary course of business exception shall be informed that the information is to be kept confidential, and shall confirm their commitment to maintain the confidentiality and refrain from trading in any securities of Hydro One so long as the information has not been Generally Disclosed. If Hydro One relies on an express oral undertaking, Hydro One will maintain a written record indicating when the undertaking was made and by whom, together with the information covered by the undertaking.

11.2 Unintentional Selective Disclosure

In the event that Selective Disclosure is inadvertently made, one of the members of the Disclosure Committee shall be immediately contacted and the Disclosure Committee shall promptly take the appropriate course(s) of action, including immediately issuing a news release to broadly disseminate that information in accordance with this Policy and notifying those parties who have knowledge of the information that the information is Non-Public Material Information that has not yet been Generally Disclosed. Pending the information having been Generally Disclosed, Hydro One will notify all stock exchanges upon which its securities are traded, together with IROC, and, if necessary, request that trading in Hydro One's securities be halted.

12.0 Forward Looking Information

12.1 General Guidelines

Hydro One's oral and written public communications may contain Forward-Looking Information that is based on current expectations, estimates, forecasts and projections about Hydro One's business and the industry in which it operates, and includes beliefs and assumptions made by the management of Hydro One. Material Forward-Looking Information may only be released in circumstances determined appropriate by the CFO.

When electing to disclose Forward-Looking Information, Hydro One will observe the following general guidelines:

- Forward-Looking Information will only be released if Hydro One has a reasonable basis for the Forward-Looking Information;
- the Forward-Looking Information, if deemed material, will be disseminated in accordance with this Policy;
- cautionary language, which should go beyond standard boilerplate and be substantive and tailored to the applicable material Forward-Looking Information, will be included proximate to the material Forward-Looking Information and will:
 - clearly identify the Forward-Looking Information as forward looking;
 - identify all material factors or assumptions used in the preparation of the Forward-Looking Information;
 - identify the material risk factors and uncertainties that may cause the actual results to differ materially from those expressed, implied or forecasted in the Forward-Looking Information; and
 - caution users of Forward-Looking Information that actual results may vary from what is expressed, implied or forecasted in the Forward-Looking Information;
- unless otherwise specifically determined, disclosure of material Forward-Looking Information should be accompanied by a statement that disclaims Hydro One's intention or obligation to update or revise the Forward-Looking Information, whether as a result of new information, future events or otherwise, except as specifically required by applicable securities laws; and
- Hydro One generally will not provide financial guidance or other Financial Forward Looking Information but, if it should do so, prior to disclosure of financial guidance or other Forward-Looking Information, the Disclosure Committee will review it, as well as any subsequent significant changes to it. Material forward-looking information, financial guidance and Financial Forward Looking Information contained in OEB filings shall be considered and, if necessary, appropriately disclosed to shareholders.

12.2 Written Communications

When material Forward-Looking Information is presented in written communications, including in any Hydro One annual information form or MD&A, in any information posted on Hydro One's website or contained in marketing materials, in addition to observing the general guidelines set out above, Hydro One will include:

- a discussion in its MD&A of events and circumstances that occurred during the MD&A period that are reasonably likely to cause actual results to differ materially from previously released material Forward-Looking Information. The disclosure will also include a discussion of the expected differences; and
- a discussion in its MD&A of a decision made during the MD&A period to withdraw previously disclosed material Forward-Looking Information. This would include a discussion of the events and circumstances that led to the decision, including a discussion of the underlying assumptions that are no longer valid.

Additional Requirements for Financial Forward Looking Information

Securities legislation in Canada draws a distinction between Financial Forward Looking Information and other types of Forward-Looking Information. Hydro One generally will not provide financial guidance or Financial Forward Looking Information. If such Financial Forward Looking Information is provided then, in addition to observing the general guidelines set out above, Hydro One will:

- only disclose Financial Forward Looking Information that:
 - is limited to a period for which the information in the Financial Forward Looking Information can be reasonably estimated; and
 - uses the same accounting policies Hydro One expects to use to prepare its historical financial statements for the period covered by the Financial Forward Looking Information;
- state the date management approved the Financial Forward Looking Information, if the document containing the Financial Forward Looking Information is undated;
- include disclosure that explains the purpose of the Financial Forward Looking Information and cautions readers that the information may not be appropriate for other purposes; and
- disclose in its MD&A material differences between actual results and previously released material Forward-Looking Information for the period covered by the MD&A; the disclosure should cover differences for material individual items, including assumptions.

12.3 Oral Communications

When Forward-Looking Information is disclosed through oral communications, including conference calls and speeches, the applicable Authorized Spokesperson will observe the general guidelines relating to Forward-Looking Information set out above, but may direct individuals to Hydro One's publicly available documents for additional information about material factors or assumptions used in the preparation of the Forward-Looking Information and material risk factors and uncertainties that may cause actual results to differ from the Forward-Looking Information.

13.0 Communicating with Regulators, the Media and the Investment Community

Hydro One recognizes that meetings with analysts and significant investors are an important element of an investor relations program. Hydro One will meet with analysts and investors on an individual or small group basis, as needed, and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy.

Hydro One will provide only Material Information which has been Generally Disclosed and other information which is not Material Information to regulators, other than in the necessary course of business (including to the OEB as contemplated by [Section 11.1](#)), or to the media or the investment community. Hydro One will not alter the materiality of information by breaking down the information into smaller, non-material components, as this may nevertheless result in inadvertent Selective Disclosure if the smaller, non-material components, considered in their totality, constitute Material Information.

Authorized Spokespersons, or their delegates, will keep notes of telephone conversations with analysts and investors and, if Selective Disclosure is uncovered, the Disclosure Committee will be promptly notified and Hydro One will initiate the appropriate procedures to Generally Disclose such information immediately via news release (see “Selective Disclosure”).

14.0 Market Rumours

Except as provided in the following paragraph, Hydro One does not comment, affirmatively or negatively, on rumours or speculation. Hydro One’s Authorized Spokespersons will respond consistently to such rumours saying, “It is our policy not to comment on market rumours or speculation”.

However, if applicable stock exchange rules require (or if a stock exchange on which Hydro One’s securities are listed specifically requests) that Hydro One issue a clarifying statement or denial in response to rumours the Disclosure Committee will consider the matter and determine the appropriate course of action. Similarly, if the rumour is true either in whole or in part, the Disclosure Committee will consider whether it would be appropriate to immediately issue a news release Generally Disclosing the relevant Material Information.

15.0 Analyst Reports

15.1 Review of draft Reports and Models

Hydro One generally will not review analysts’ draft research reports or models. However, should it do so, the review will be limited to identifying factual information that has been publicly disclosed (including Material Information that has been Generally Disclosed) that may affect an analyst’s model and indicating inaccuracies or omissions with reference to publicly available information about Hydro One. When an analyst inquires with respect to his or her own estimates, it will be Hydro One’s policy not to comment on or to question an analyst’s assumptions except that Hydro One may question an analyst’s assumptions if any estimate is a significant outlier among the range of estimates of which Hydro One is aware. Hydro One will limit its comments on all draft analyst’s reports or models as described above, and all comments must be provided orally or, if in writing, be attached to a disclaimer. Copies of all such comments, together with a copy of the relevant draft report or model will be kept by the CFO or his or her designee.

Hydro One will not confirm, express comfort or attempt to influence an analyst’s opinions, conclusions, model or projections, nor will Hydro One comment on any forecasts, projections or other forward looking information contained in a draft analyst’s report or model, except as specifically provided for in this Policy.

Hydro One will provide Non-Public Material Information as required on a confidential basis to its rating agencies in the necessary course of business to enable them to determine a realistic credit rating.

15.2 Distribution of Analyst Reports

Hydro One will not provide analyst reports, other than credit rating agency reports, through any means to persons outside Hydro One and will provide analyst reports internally only in the necessary course of business; e.g., to officers, directors and senior management who should be aware of analysts' valuations and perceptions of Hydro One. Hydro One may post on its website a complete list of all the credit rating agencies and investment firms and analysts who provide coverage on Hydro One, regardless of how they rate Hydro One. Such a list should not include phone numbers or links to the analysts' websites or publications.

16.0 Maintaining Confidentiality

Material Information that has not been Generally Disclosed qualifies as "Non-Public Material Information". Any Hydro One director, officer or employee privy to Non-Public Material Information is prohibited from communicating such information to anyone else, unless such person is an Authorized Spokesperson (or a designee of an Authorized Spokesperson) making a disclosure in accordance with this Policy or such communication is in the necessary course of business. For more on the necessary course of business exception, refer to the guidelines under "Selective Disclosure".

Outside parties (including representatives that are not directors, officers or employees of Hydro One) privy to Non-Public Material Information will be told that they must not divulge such information other than in the necessary course of their business with Hydro One and that they must not trade in Hydro One's securities until such information has been Generally Disclosed. Hydro One may request that such outside parties enter into a written confidentiality agreement in connection with the foregoing obligations.

Efforts will be made to limit access to Non-Public Material Information to only those who need to know the information. In order to prevent the misuse or inadvertent disclosure of Non-Public Material Information, the applicable provisions of Hydro One's Code of Business Conduct must be complied with, and the procedures set out in [Appendix B](#) should be observed, at all times.

17.0 Quiet Periods

In order to avoid the potential for Selective Disclosure, or even the perception or appearance of Selective Disclosure, Hydro One will observe quiet periods. Quiet periods will apply to events such as quarterly earnings releases, offerings of Hydro One's securities and pending Material Changes.

During quiet periods Hydro One will not, unless specifically authorized by the Disclosure Committee, initiate any briefings with analysts and investors and will not conduct any one-on-one meetings with potential investors. However, during the quiet periods, Hydro One may elect to respond to unsolicited requests concerning matters that have been Generally Disclosed, are factual or historical in nature or which are otherwise non-material. If, during a quiet period, Hydro One receives any requests to participate in meetings with the investor community or conferences initiated by others, the Disclosure Committee will determine whether it is advisable to accept such invitations. In any case, all representatives of Hydro One must be particularly careful to not communicate any financial performance information of the recently completed quarter that has not yet been Generally Disclosed.

Quarterly quiet periods will begin the first day of each new financial quarter and will end after the issuance of a news release disclosing the previous quarter's financial results, or the annual financial results in the case of the fourth quarter.

The Disclosure Committee may impose additional quiet periods when Material Changes, including in connection with offerings of Hydro One's debt and/or equity securities, are pending.

18.0 Insider Trading and Tipping Restrictions

Insider trading refers to the trading of the securities of Hydro One by directors, officers or employees of Hydro One or others in a Special Relationship with Hydro One with the knowledge of Non-Public Material Information about Hydro One. All Hydro One representatives who are or become privy to Non-Public Material Information about Hydro One will be prohibited from trading in Hydro One securities or derivatives for a period ending one full business day after the day the Material Information is Generally Disclosed and otherwise in accordance with Hydro One's [Insider Trading Policy](#).

Tipping refers to making Selective Disclosure of Non-Public Material Information. Specifically, applicable securities laws prohibit a reporting issuer, and any person or company in a Special Relationship with a reporting issuer, from informing parties of Non-Public Material Information before it has been Generally Disclosed, unless it is in the necessary course of business. All Hydro One representatives are considered to be in a Special Relationship with Hydro One, and are prohibited from informing parties of Non-Public Material Information for a period ending one full business day after the day the Material Information is Generally Disclosed.

All persons in a Special Relationship with Hydro One who become privy to Non-Public Material Information are required to keep that information confidential until such information has been Generally Disclosed, unless it is required to be disclosed in the necessary course of business. For more information on the necessary course of business exception, refer to the Selective Disclosure guidelines in this Policy. For more information on trading in Hydro One's securities by directors, officers and employees of Hydro One more generally, see [Hydro One's Insider Trading Policy](#).

19.0 Electronic Communications

19.1 Communications Generally

All communications, including electronic communications, must comply with applicable securities laws. Electronic communications include communications through electronic mail, websites, the internet and any filings made on SEDAR or EDGAR.

19.2 Hydro One's Website

The Executive Vice President, Customer Care & Corporate Affairs (or another individual who is designated by the Disclosure Committee) shall have overall responsibility for the content on Hydro One's website, which includes ensuring the content complies with applicable rules, that all Material Information on the website is up to date and accurate, dated when it is posted or modified and archived when it is outdated.

Hydro One has an investor relations section on its website. The Investor Relations Department is responsible for maintaining and updating this section of the website. Any material updates in information will be posted immediately (within system constraints) following the public dissemination of the information via news release. Disclosures of Material Information on this section of the website will be preceded by the issuance of a news release through a wire service. Supporting documentation for any significant additions to or deletions from the investor relations section of the website will be retained.

The Disclosure Committee will approve all links from Hydro One website to a third party website. All such links will include a notice that advises the reader that they are leaving Hydro One's website and that Hydro One is not responsible for the contents of any other website.

19.3 Other Electronic Communications

The Vice President, Investor Relations will designate specific employees who shall be responsible for responses to electronic investor-related inquiries. Only Material Information that has been Generally Disclosed or information which is not Material Information may be utilized in responding to electronic inquiries.

In order to ensure that Non-Public Material Information is not inadvertently disclosed, only a few specified employees are authorized to use social media on behalf of Hydro One. However, prior to using social media in any capacity (personal or otherwise), all representatives are expected to familiarize themselves with Hydro One's Social Media Use Guidelines and such representatives must ensure that they do not disclose any Non-Public Material Information through their use of social media.

20.0 Disclosure Records

Records for all Material Information that has been Generally Disclosed will be maintained for a minimum of seven years. This includes Hydro One's continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors and significant speeches by Authorized Spokespersons.

21.0 Communication of Policy

New directors and officers, and all employees and other representatives with potential access to Material Information will be promptly advised of this Policy and its importance.

As this Policy goes through significant changes and updates, all directors, officers and employees of Hydro One will be advised of those changes through mandatory education sessions, if the changes are substantial. Otherwise, a summary of the changes will be provided via email communication. This Policy will also be accessible through Hydro One's intranet website.

22.0 Compliance

Any representative who violates this Policy may face disciplinary action up to and including termination of employment. The violation of this Policy may also violate certain securities laws potentially resulting in civil liability for the relevant representative, Hydro One, the directors and officers of Hydro One, certain experts and other influential persons. In such circumstances, Hydro One may refer the matter to the appropriate securities regulatory authority, which could lead to penalties, fines or imprisonment.

23.0 Contact Persons

If you have any questions about any aspect of this Policy, including the appropriateness of providing information to an outside party or your duties under this Policy, please contact the Law Department.

If you become aware of a possible violation of this Policy, you shall immediately report it to the Law Department. There will be no reprisal by Hydro One against a representative for making a report truthfully and in good faith.

24.0 Definitions

Term	Definition
“Authorized Spokespersons”	has the meaning given under the heading “Authorized Spokespersons”
“Board”	has the meaning given under the heading “Disclosure Committee – Composition”
“CEO”	has the meaning given under the heading “Authorized Spokespersons”
“CFO”	has the meaning given under the heading “Authorized Spokespersons”
“Company”	has the meaning given under the heading “Scope”
“Disclosure Committee”	has the meaning given under the heading “Disclosure Committee – Composition”
“Disclosure Controls and Procedures”	has the meaning given under the heading “Disclosure Committee – Responsibilities”
“EDGAR”	means the Electronic Data Gathering, Analysis and Retrieval system of the United States Securities and Exchange Commission
“Financial Outlook” or “FO”	means Forward-Looking Information about prospective results of operations, financial position and/or cash flows, based on assumptions about future economic conditions and courses of action, and not presented in the format of a historical balance sheet, income statement or cash flow statement
“Financial Forward Looking Information”	means information that falls within the definition of FO or FOFI
“Forward-Looking Information”	means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes financial outlooks and FOFI which are presented as forecasts or projections
“Future-Oriented Financial Information” or “FOFI”	means Forward-Looking Information about prospective results of operations, financial position and/or cash flows, based on assumptions about future economic performance and courses of action, and presented in the format of a historical balance sheet, income statement or cash flow statement
“Generally Disclosed”	when used in the context of Material Information, means the information has been disseminated in a manner calculated to effectively reach the marketplace and public

	investors have been given a reasonable amount of time to analyze the information
“Hydro One”	has the meaning given under the heading “Scope”
“IIROC”	means the Investment Industry Regulatory Organization of Canada
“Material Information”	has the meaning given under the heading “Material Information”
“Material Change”	has the meaning given under the heading “Material Information”
“Material Fact”	has the meaning given under the heading “Material Information”
“MD&A”	means management’s discussion and analysis;
“Non-Public Material Information”	has the meaning given under the heading “Maintaining Confidentiality”
“OEB”	means the Ontario Energy Board
“representatives”	has the meaning given under the heading “Scope”
“securities laws”	means all applicable securities laws, rules and policies
“SEDAR”	means System for Electronic Document Analysis and Retrieval, a filing system developed for the Canadian Securities Administrators to facilitate electronic filing of securities information as required by the securities regulatory authorities in Canada and allow for the public dissemination of Canadian securities information collected in the securities filing process
“Selective Disclosure”	has the meaning given under the heading “Selective Disclosure”
“Special Relationship”	has the meaning given under the <u>Securities Act (Ontario)</u> . Please see the Law Department for assistance.

25.0 References

[SP1759 Insider Trading Policy](#)

26.0 Document Management

Owner/Functional Responsibility	General Counsel
Approver	Hydro One Limited/Hydro One Inc. Board of Directors
Approval Date	October 2015
Effective Date	October 2015
Last Reviewed Date	November 2016
Next Review Date	November 2017

27.0 Appendices

Appendix A: Procedures for Maintaining Confidentiality

- Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who need that information in the necessary course of business.
- Confidential matters should not be discussed in public places where the discussion may be overheard.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Directors, officers and employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, including by email or through the internet, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded; extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords and otherwise in accordance with Hydro One’s policies and procedures, including the Code of Business Conduct.

Appendix B: Information That May Be Material

Changes in Corporate Structure

- changes in share ownership that may affect control of Hydro One;
- major reorganizations, amalgamations, or mergers; or
- take-over bids, issuer bids, or insider bids.

Changes in Capital Structure

- the public or private sale of additional securities;
- planned repurchases or redemptions of securities;
- planned splits of common shares or offerings of warrants or rights to buy shares;
- any share consolidation, share exchange, or stock dividend;
- changes in a company's dividend payments or policies;
- the possible initiation of a proxy fight; or
- material modifications to rights of security holders.

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects;
- unexpected changes in the financial results for any periods;
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
- changes in the value or composition of Hydro One's assets; or
- any material change in Hydro One's accounting policy.

Changes in Business and Operations

- any development that affects Hydro One's resources, technology, products or markets;
- a significant change in capital investment plans or corporate objectives;
- major labour disputes or disputes with major contractors or suppliers;
- significant new contracts, products, patents, or services or significant losses of contracts or business;
- significant discoveries by resource companies;
- changes to the board of directors or executive management, including the departure of Hydro One's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or president (or persons in equivalent positions);
- the commencement of, or developments in, material legal proceedings or regulatory matters;
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees; or
- any notice that reliance on a prior audit is no longer permissible; or
- de-listing of the company's securities or their movement from one quotation system or exchange to another.

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests; or
- acquisitions of other companies, including a take-over bid for, or merger with, another company.

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money;
- any mortgaging or encumbering of the company's assets;
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors;
- changes in rating agency decisions; or
- significant new credit arrangements.