

Hydro One Limited

Governance & Regulatory Committee Mandate

The Governance & Regulatory Committee (the “**Committee**”) of Hydro One Limited (including its subsidiaries, the “**Company**”) focuses on oversight of (i) corporate governance at the Company, (ii) regulatory matters and related public policy initiatives associated with the electricity and utility sector impacting the Company and the Company’s relationships with electricity and utility regulators, including the Ontario Energy Board (“**OEB**”), (iii) the relationship between the Company and the Province of Ontario under the Governance Agreement between the Company and the Province of Ontario (the “**Governance Agreement**”), and (iv) the Company’s relationship with its customers.

Purpose

The Committee, as a standing Committee appointed by the board of directors of the Company (the “**Board**”), assists the Board in fulfilling its oversight responsibilities. The Committee’s principal responsibilities include overseeing:

- (a) reviewing and making recommendations with respect to the Board’s approach to corporate governance generally, including its standards, practices, policies and procedures;
- (b) the Company’s relationship with the Province of Ontario under the Governance Agreement, including overseeing the composition of the Board and the processes for identifying and nominating directors to the Board as set out in the Governance Agreement;
- (c) the director orientation and continuing education programs and practices, the Board performance and evaluation process and Board Chair and Committee Chair succession;
- (d) recommending to the Board director compensation and director protection programs, including directors’ and officers’ insurance and indemnification;
- (e) regulatory matters and public policy initiatives associated with the electricity and utility sector impacting the Company and the Company’s relationship with electricity and utility regulators, including the OEB;

- (f) the Company's relationships with its customers; and
- (g) the relationship between the Board and the Company's independent Ombudsman.

Responsibilities

The principal responsibilities of the Committee are set out below.

Corporate Governance

General Oversight

1. Oversee and make recommendations to the Board with respect to the effectiveness of corporate governance at the Company in the context of its strategies and objectives, governance best practices, and the Company's corporate governance standards, policies and practices, including:
 - (a) the Company's material standards, policies and practices pertaining to governance, including the Board and Committee Mandates, the Corporate Governance Guidelines and other documents referred to in section 2.4.2 of the Governance Agreement (collectively, "**Hydro One's Governance Standards**") and changes;
 - (b) corporate governance developments and best practices, including with respect to insider trading, legal and regulatory disclosure practices and corporate governance compliance; and
 - (c) the appointment or reappointment of the Board Chair, Committee Chairs and the appointment or reappointment of directors to each of the Board Committees.
2. Review the quality of the relationship between the Board and management and the Board's ability to function independently of management.
3. Review the needs of the Board and make recommendations to the Board for approval on the appropriate rules and guidelines relating to the governance and affairs of the Board, including:
 - (a) the frequency and location of Board and Board Committee meetings;
 - (b) the availability, relevance and timeliness of discussion papers, reports and other information required by the Board; and
 - (c) the frequency, length and scope of materials prepared by management for Board and Committees meetings.

4. Review compliance by the Company with the provisions of the Governance Agreement and Hydro One's Governance Standards.
5. Advise the Board on Board oversight of the Company's key stakeholder relationships, including the role of the Board and its Committees in the oversight process.
6. Review and recommend to the Board for approval, where appropriate, the disclosure of the Company's corporate governance practices included in the management information circular, on the Company website and other required corporate governance public disclosures.

Board Composition & Director Nominations

7. Oversee matters relating to Board composition, director nominations, director orientation and continuous education programs, including reviewing, at least annually, and making recommendations to the Board for approval with respect to:
 - (a) the independence of the members of the Board and, as necessary, the factors, standards and circumstances to be considered in making independence determinations; and
 - (b) the size, composition and effectiveness of the Board and each Committee having regard to the Governance Agreement, Hydro One's Governance Standards and the competencies and skills that the Board and each Committee should possess.
8. Review, at least annually and prioritize, the competencies, skills and personal qualities required of potential director candidates, taking into account:
 - (a) the Company's strategy, operations and objectives, including the opportunities and risks facing the Company;
 - (b) the competencies, skills and personal qualities of each existing director;
 - (c) the results of the Board performance and evaluation process; and
 - (d) the Governance Agreement, Hydro One's Governance Standards, the Board Diversity Policy and any other applicable policies.
9. Identify and maintain an evergreen list of qualified candidates for election to the Board having regard to the independence, background, diversity, skills and qualifications of possible candidates and recruit nominees as may be required.

10. Meet with representatives of the applicable Ministry of the Province of Ontario to discuss expected changes to the composition of the Board over the next one to five years, taking into account the Skills Matrix, Board Diversity Policy and any other policies related to the composition of the Board, in each case in accordance with the Governance Agreement.
11. Communicate with and make recommendations to the Province of Ontario with respect to potential candidates for nomination by the Province of Ontario to serve as directors of the Company in accordance with the Governance Agreement.
12. Review, approve and report to the Board with respect to: (i) the Committee's proposed nominees for election to the Board; and (ii) the confirmation or rejection of nominees proposed by the Province of Ontario for election to the Board, in accordance with the Governance Agreement.
13. Recommend to the Board for approval the director nominees to be proposed for election to the Board in the Company's proxy solicitation materials mailed to shareholders for the purposes of any meeting of shareholders to consider the election of directors or to fill any vacancies on the Board arising between shareholders' meetings.
14. Review and recommend to the Board, as appropriate, any offer of resignation of a director made pursuant to the Corporate Governance Guidelines or Majority Voting Policy.

Director Orientation & Continuing Education

15. Oversee the development and maintenance of processes, programs and policies, as applicable, to provide:
 - (a) orientation of new directors with respect to the Company's strategy, business, financial structure, operations and governance and directors' duties and responsibilities; and
 - (b) ongoing and continuing education to directors.

Board Evaluations

16. Oversee the annual Board performance and evaluation process.
17. Report and make recommendations to the Board on the results of the annual performance and evaluation process.

Succession Planning – Board Chair & Committee Chair

18. Oversee the succession process and plans for the Board Chair and the Chairs of each Board Committee and contingency plans in the event of the unexpected incapacitation, departure or non-availability of the Board Chair or a Committee Chair.

Director Compensation & Protection

19. Review and recommend to the Board for approval the terms upon which directors will be compensated, whether as Board Chair, a Committee Chair or Board member.
20. Review and recommend to the Board for approval all agreements, policies and practices of the Company with respect to the indemnification of directors by the Company and all associated payments, subject to applicable law and the Company’s constating documents.
21. Review and recommend to the Board for approval the directors’ and officers’ insurance policies of the Company and renewal of such policies or amendment or the replacement of the insurer.

Regulatory Affairs & Public Policy

General Oversight

22. Receive and review periodic reports from management and report to the Board on material regulatory initiatives associated with the electricity and utility sector impacting the Company.
23. Receive and review periodic reports from management and report to the Board on material trends, developments or issues involving public interest relating to the electricity and utility sector or public policy or regulatory affairs involving the electricity and utility sector.
24. Review and oversee, subject to direction of the Board, management’s proposed strategies or plans relating to material regulatory matters and public policy initiatives.
25. Oversee the Company’s relationships with electricity and utility regulators, agencies and authorities, including the OEB and the Independent Electricity System Operator (“**IESO**”).
26. Receive and review periodic reports from management on key lessons learned from material rate or regulatory filings and applications.

27. Receive and review reports from management on regulatory compliance by the Company associated with the electricity and utility sector.

Customers

28. Oversee management's engagement and communications strategies and policies relating to the Company's customers.
29. Review management's strategies and programs for advocating for customers.
30. Receive periodic reports from management on the Company's customer strategies and programs and their effectiveness.
31. Receive reports from management and, where appropriate, report to the Board on material steps taken by the Province of Ontario, the OEB, the IESO and other electricity and utility regulators, agencies or authorities relating to customer or consumer service or protection.

Ombudsman

32. Receive and review reports from the Company's independent Ombudsman who reports to the Board through the Committee with respect to customer service and customer complaints generally that remain unresolved after following the process under the Mandate of the Ombudsman.
33. Receive and review recommendations from the Ombudsman to the Company for improvements of programs, services and policies relating to customer care.
34. Review and approve the annual compensation and resources made available to the office of the Ombudsman.

Risk Management

35. Meet with the head of the Company's Enterprise Risk Management function not less than once annually to discuss the risks assigned to the Committee and the adequacy and completeness of management's programs and processes for identifying, assessing and managing such risks.

General

Policies

36. The Committee is responsible for reviewing and approving, or reviewing and recommending to the Board for approval, the policies (for clarity, including any amendments) listed on Appendix "A".

Procedures

37. **Number, Appointment and Independence of Members** – The members of the Committee will be appointed by the Board annually and each member of the Committee will remain on the Committee until his or her successor is duly appointed or upon his or her earlier resignation or removal in accordance with this Mandate. The Committee will be composed of not less than three (3) Board members, each of whom must be “independent” (as that term is defined in the Company’s Corporate Governance Guidelines).
38. **Removal, Replacement and Vacancy of Committee Members** – Any member of the Committee may be removed or replaced at any time by the Board and will automatically cease to be a member of the Committee upon ceasing to be a director. The Board will fill any vacancy if the membership of the Committee is less than three (3) directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of its powers if a quorum remains in office.
39. **Committee Chair** – Unless a Chair of the Committee is designated by the Board, the members of the Committee may designate a Chair by majority vote of the Committee. If the Committee Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present will be chosen by the Committee to preside at the meeting. The Committee Chair will be responsible for carrying out the duties and responsibilities prescribed for Committee Chairs in the Company’s Position Description for Committee Chairs.
40. **Meetings** – The Committee will meet regularly and as often as it deems necessary to perform the duties and discharge its responsibilities as described herein in a timely manner, but not less than four (4) times a year. The Committee will maintain written minutes of its meetings, which will be filed with the Company’s corporate minute books.
41. **Separate In Camera Meetings** – The Committee will meet at each meeting of the Committee without management or non-independent directors present, unless otherwise determined by the Committee Chair.

Approved by the Board on February 14, 2023.

Appendix “A”

Policies

- (a) Director Conflict of Interest Policy;
- (b) Corporate Shareholder and Stakeholder Engagement Policy;
- (c) Director Compensation, Travel and Expense Policy;
- (d) D&O Insurance Policy;
- (e) Insider Trading Policy;
- (f) Skills Matrix;
- (g) Board Diversity Policy;
- (h) Majority Voting Policy;
- (i) Corporate Disclosure Policy;
- (j) Corporate Governance Guidelines;
- (k) Mandate of the Ombudsman;
- (l) Mandates of the Board and Board Committees;
- (m) Position Descriptions for the CEO, the Chair, the Directors and the Committee Chairs;
- (n) Code of Business Conduct;
- (o) Whistleblower Policy;
- (p) Executive Share Ownership Guidelines and Anti-Hedging Policy; and
- (q) The Non-Employee Director Deferred Share Unit Plan.