HYDRO ONE INC.

RESOLUTION OF THE SOLE SHAREHOLDER ("RESOLUTION") EXERCISING THE RESTRICTED POWERS OF THE DIRECTORS UNDER A UNANIMOUS SHAREHOLDER AGREEMENT REGARDING THE INITIAL PUBLIC OFFERING OF HYDRO ONE INC., such resolution being made as of the 16th day of April, 2015 **(the "Effective Date").**

WHEREAS Her Majesty the Queen in right of the Province of Ontario, as represented by the Minister of Energy (the "**Shareholder**") is the registered holder of all of the issued shares of Hydro One Inc. (the "**Corporation**");

AND WHEREAS the Shareholder recognizes that the Corporation is the sole shareholder of Hydro One Networks Inc. ("**HONI**"), Hydro One Brampton Networks Inc. ("**HOBNI**"), Hydro One Remote Communities, Inc. (**"HORCI"**), Hydro One Telecom Inc. ("**HOTI**"), Norfolk Power Inc. (**"NPDI")**, Hydro One Lake Erie Link Management Inc., Hydro One Lake Erie Link Company Inc., and Hydro One B2M Holdings;

AND WHEREAS the Shareholder executed a unanimous shareholder agreement and a shareholder resolution dated December 17, 2014 regarding the obligation of the Corporation to co-operate fully with, facilitate the work of, and make the Corporation's resources (including those of its subsidiaries) fully available to the Premier's Advisory Council on Government Assets (the **"Council"**);

AND WHEREAS the Shareholder executed a further unanimous shareholder agreement (the "**Shareholder Agreement**") dated as of April 16th, 2015 regarding the Initial Public Offering (**"IPO"**) for a portion of the Shareholder's interest in the Corporation (the "**Transaction**");

AND WHEREAS paragraph 5 of the Shareholder Agreement removed from the Directors of the Corporation (the "**Directors**") all of their rights, powers and duties (the "**Restricted Powers**") in relation to:

1. whether, how and when to proceed with the Transaction;

2. whether to take any steps or perform any duties, functions or operations required for, or relevant to, the Transaction or in support of the Transaction, including whether to take any steps in preparing the Corporation for the Transaction, or that would reasonably be expected to affect the preparation for the Transaction, including changes to the senior management of the Corporation and its subsidiaries, or their compensation;

3. whether to take all necessary steps, including the issuance of requisite unanimous shareholder declarations and resolutions, to provide, and to require that its subsidiaries provide, any and all information, assistance, personnel and resources needed by Her Majesty the Queen in Right of the Province of Ontario (the "**Government**"), and/or the Government's advisors and consultants as and when any of them may request in respect of the Transaction; and

4. whether to make an expenditure or reimbursement of any reasonable costs or expenditures associated with the Transaction incurred on or after the Effective Date (the "**Transaction Costs**").

AND WHEREAS the Shareholder wishes to exercise its rights and powers under the Shareholder Agreement.

NOW THEREFORE BE IT RESOLVED AS A RESOLUTION OF THE SOLE SHAREHOLDER OF THE CORPORATION THAT:

1. This Resolution and the restriction of the powers of the Directors herein contained shall not affect any action, step, resolution or by-law duly taken, made, passed or consented to by the Directors prior to the Effective Date.

2. The Corporation shall take all necessary steps including the issuance of requisite unanimous shareholder declarations and resolutions, to proceed with the Transaction, and the preparation of the Corporation for the Transaction, including changes to the senior management of the Corporation and its subsidiaries, or their compensation, in the manner determined by the Shareholder and its advisors.

3. The Corporation shall take all necessary steps, including the issuance of requisite unanimous shareholder declarations and resolutions, to provide, and to require that its subsidiaries provide, any and all information, assistance, personnel and resources needed by the Government, and/or the Government's advisors and consultants, as and when any of them may request in respect of the Transaction.

4. The Corporation shall pay, or take all necessary steps to require that any or all of its subsidiaries pay the Transaction Costs, provided that neither the Corporation nor any of its subsidiaries shall be required to pay the costs of any advisors and consultants or underwriters retained by the Government with respect to the Transaction.
5. The Corporation shall ensure that this Resolution is carried out in accordance with all applicable laws, all applicable licences, and the Independent Electricity System Operator's Market Rules.

6. The Shareholder assumes all the rights, powers, duties and liabilities of the Directors to manage or supervise the management of the business and affairs of the Corporation in connection with the Restricted Powers and, pursuant to subsection 108(5) of the Act, the Directors are thereby relieved of their duties and liabilities, including any liabilities under section 131, to the same extent.

IN WITNESS WHEREOF the Shareholder has duly executed this Resolution as of the Effective Date.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, AS REPRESENTED BY THE MINISTER OF ENERGY

By:______________________________
Bob Chiarelli
Minister of Energy