Pricing Committee

Briefing Note

PURPOSE

- To provide a high level summary of what the Pricing Committee's role is, membership and key dates

OVERVIEW

- As part of the Ministry of Energy's August 2015 Hydro One IPO Treasury Board submission, the pricing of the IPO is to be approved by the Minister of Energy working together with the Ministry of Finance and Cabinet Office and in consultation with the Global Coordinators.
- There will be two key IPO pricing dates:
  - the establishment of an initial pricing range for the amended and restated prospectus on or about October 9th, and;
  - final pricing just prior to the IPO, which will be informed by the results of marketing and roadshows which the underwriters begin after filing the amended and restated prospectus.
- To provide advice to the Minister of Energy regarding the pricing of the shares, a Pricing Committee has been formed.
  - The Committee consists of the following (see Appendix for further details):
    - Ed Clark, Premier's Business Advisor
    - David Denison, Chair of Board of Directors of Hydro One
    - David Leith, Board Member, Infrastructure Ontario, and Chair of the Board of Directors of Manitoba Telecom Services Inc./MTS Allstream Inc.
    - Tom Rahilly, Former Vice Chairman at RBC Capital Markets Inc.
- In forming its advice, the Pricing Committee will be informed by the Global Coordinators (RBC and Scotia), with key dates as follows:
  - A dry run with the global coordinators and pricing committee scheduled for October 2nd.
  - A follow-up meeting scheduled on October 7th where a recommendation will be made regarding pricing range.
  - Daily updates on marketing activities from the global coordinators after the amended and restated prospectus (likely via e-mail).

    - This process would repeat itself before the release of the final pricing.

- There will be two key meetings between the Minister of Energy and the Pricing Committee in which the Minister will be briefed, including:
    - **October 7th**: Informed by the Global Coordinators, the Pricing Committee will make a recommendation to the Minister on the pricing range to be included in the amended and restated prospectus:
        - The pricing range would also be approved by the Hydro One Board before being released in the amended prospectus on October 9th.
    - **Early November (before filing final Prospectus)**: Informed by the Global Coordinators, the Pricing Committee will make a recommendation to the Minister on the final price for the offering.
        - This pricing will be informed by the results of marketing and roadshows which the underwriters begin after filing the amended and restated prospectus.

Appendix l - Biographies

Ed Clark, Premier's Business Advisor

Ed Clark is the Premier's Business Advisor, and was also the Chair of the Premier's Advisory Council on Government Assets. He is the outgoing Group President and Chief Executive Officer of TD Bank Group. Before joining TD, he was President and Chief Executive Officer of Canada Trust Financial Services.

Mr. Clark joined TD Bank Group as Chairman and Chief Executive Officer of TD Canada Trust and oversaw the successful integration of the TD and Canada Trust banking operations.

Mr. Clark was the 2010 Cabinet Chair for United Way Toronto, and is currently a member of the Chair's Advisory Council for Habitat for Humanity Toronto. Mr. Clark is also chair of the Advisory Board for the School of Public Policy and Governance.

Mr. Clark was appointed to the Order of Canada in 2010 for his contributions to Canada's banking and financial industry, and for his voluntary and philanthropic endeavours. In 2010, he was named Canada's Outstanding CEO of the Year and was also named Ivey Business Leader of the Year by the Richard Ivey School of Business in 2011.

He also received the 2011 Outstanding Philanthropist award from the GTA Association of Fundraising Professionals. In 2012 and 2013, he was named to Barron's prestigious annual list of the world's 30 best CEOs.

Mr. Clark holds a B.A. from the University of Toronto and an M.A. and Doctorate in Economics from Harvard University.

David Denison, Chair of Board of Directors of Hydro One

David Denison is a corporate director with extensive experience in the financial services industry. Mr. Denison was a member of the Premier's Advisory Council on Government Assets but resigned from the Council on April 14, 2015, following the completion of the energy sector recommendations. He is currently the Chair of the Hydro One Board of Directors and has also served as President and Chief Executive Officer of the Canada Pension Plan Investment Board from 2005 to 2012.

Prior to that, Mr. Denison was President of Fidelity Investments Canada Limited. He has also held a number of senior positions in the investment banking, asset management and consulting sectors in Canada, the United States and Europe.

Mr. Denison is a director of the Royal Bank of Canada, BCE Inc., and Allison Transmission Inc. He serves as Chair of the Boards of Bentall Kennedy Limited Partnership and Bridgepoint Health.

He is also a member of the Investment Board and International Advisory Committee of the Government of Singapore Investment Corporation, the World Bank Treasury Expert Advisory Committee, and the University of Toronto Investment Advisory Committee.

Mr. Denison holds undergraduate degrees in mathematics and education from the University of Toronto. He also holds a Chartered Accountant designation.

David Leith, Board Member, Infrastructure Ontario, and Chair of the Board of Directors of Manitoba Telecom Services Inc./MTS Allstream Inc.

David Leith serves as the Chair of the Board of Directors of Manitoba Telecom Services Inc. /MTS Allstream Inc., and is a Director of Hudson's Bay Company and of Yellow Media Limited. He is also a Director of the Ontario Infrastructure and Lands Corporation and a member of the Province of Ontario's Economic Advisory Panel.

He has been a director of TransGlobe Apartment REIT and from 2009 until 2011 he served as Special Advisor to the federal Minister of Natural Resources on the restructuring of Atomic Energy of Canada Limited (AECL).

Mr. Leith spent over 25 years with CIBC World Markets, based in both Toronto and London, England and has extensive experience in debt and equity markets, government finance and mergers and acquisitions. Until February 2009, he was Deputy Chairman and Managing Director and head of CIBC World Markets' Investment, Corporate and Merchant Banking activities. Mr. Leith is active in a number of charitable endeavours and is the Vice Chair of Bridgepoint Health Foundation.

Mr. Leith holds a B.A. from the University of Toronto and an M.A. from Cambridge University.

Tom Rahilly, Former Vice Chairman at RBC Capital Markets Inc.

Mr. Thomas F. Rahilly, served as the Chairman of the Board of Trustees at Trinity College in the University of Toronto. Mr. Rahilly serves as Vice Chairman at RBC Capital Markets Corporation, a holding of RBC Capital Markets Inc.

He served as a Vice Chairman at RBC Dominion Securities Inc. and RBC Capital Markets Inc., a division of Royal Bank of Canada from 1996 to retirement in 2006. He joined RBC in 1996 following its merger with Richardson Greenshields. He has worked as an investment banker for over 30 years. Mr. Rahilly is involved in many large corporate issues and mergers and acquisitions. He has been an Independent Director of George Weston Limited since 2007.

In the past five years, he also served as a director of Wittington Investments, Limited, Great Lakes Group, Triam Automotive Inc. and Pembina Pipeline Income Fund.

He is a graduate of the University of Toronto in political economy and history and is a member of the Law Society of Upper Canada. Mr. Rahilly graduated from the University of Toronto with a BA, LLB and an MA.