Broadening Hydro One Ownership

Illustrative Process

Announcement

- Announce that Hydro One will be taken public in 2015 through an IPO

Finalize Governance Model & Governance Changes

- Prepare Hydro One for IPO through changes in governance, management, and strategy required for public market acceptance
- Legislative changes to support the IPO

Underwriter Selection Process

- Appoint special advisor
- Develop selection criteria for underwriters
- Launch process to select underwriters for Hydro One IPO
- Select Underwriters for Hydro One IPO through competitive process
- Determine syndicate

Due Diligence & Document Drafting

- Discuss financial presentation issues with underwriters and auditors
- Draft preliminary prospectus and draft material agreements to which the Province is a party

Ontario Securities Commission Review

- File preliminary prospectus and Exchange listing application
- Receive first OSC comment letter
- File amended and restated preliminary prospectus

Road Show

- Develop management scripts
- Develop road show presentations
- Develop investor target list
- Market transaction to potential investors
- Start book-building

Final Prospectus

- Board meetings to approve final prospectus and related matters
- File final prospectus and underwriting agreement

Pricing and Closing

- Price IPO
- Closing activities
- Trading commences

Monitor Market and Fiscal Requirements

- Monitor market and fiscal requirements to determine optimal time to buy/sell

Assess Options for Future Transactions

- Ministry to assess options for issuing shares
- Options could include prospectus offerings, piggy backing on Hydro One issuances and private placements

Implement Future Transactions

- Execute future transactions in order to reduce Provincial ownership down to 40% over the next four to five years.

A. Preliminary Setup | B. Drafting & Filing | C. Marketing & Closing | D. Post-IPO Process