

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

December 7, 2023



Hydro One Inc.

Re-opening of 4.850% Medium Term Notes (Series 58) due November 30, 2054

Final Term Sheet

Issuer:	Hydro One Inc. (the "Corporation")
Issue:	Re-opening of 4.850% Medium Term Notes (Series 58) issued pursuant to the short form base shelf prospectus dated June 3, 2022 and a pricing supplement to be dated December 7, 2023 (the "Notes")
Re-Opening Principal Amount:	C\$100 million (New Outstanding of C\$500 million)
Pricing Date:	December 7, 2023
Settlement Date:	December 12, 2023 (T+3)
Maturity Date:	November 30, 2054
Re-Offer Spread⁽¹⁾:	[Redacted in accordance with subsection 9A.3(4) of National Instrument 44-102]
Re-Offer Yield:	4.553171%
Coupon:	4.850% per annum, payable semi-annually in arrears in equal instalments on May 30 and November 30 in each year until maturity, commencing May 30, 2024
Re-Offer Price:	\$104.864 per \$100.00 of principal amount of the Notes plus accrued and unpaid interest from and including November 30, 2023 to, but excluding, December 12, 2023 in the amount of \$0.159452055 per \$100.00 principal amount
Redemption:	The Notes may be redeemed at any time prior to May 30, 2054, in whole or, from time to time, in part, on not fewer than 15 nor more than 60 days' prior notice at a redemption price equal to the greater of (a) the Canada Yield Price of the Notes or (b) 100% of the principal amount thereof, in either case together with accrued and unpaid interest. The Notes may be redeemed at any time on or after May 30, 2054 at the option of the Corporation, in whole or, from time to time, in part, on not fewer than 15 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest.

"Canada Yield Price" means a price equal to the price of the Notes calculated to provide a yield to May 30, 2054, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the business day preceding the day on which the Corporation gives notice of redemption, plus 0.355%.

(1) [Footnote redacted in accordance with subsection 9A.3(4) of National Instrument 44-102.]

“Government of Canada Yield” on any date means the yield from the date fixed for redemption to May 30, 2054, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to May 30, 2054 (calculated from the redemption date) of the Notes, such yield being the average of the yields provided by two Canadian investment dealers specified by the Corporation.

Any redemption may be conditional upon the occurrence of any event (including a financing, asset disposition or other transaction).

Ranking and Security: The Notes will be direct, unsecured obligations of the Corporation, ranking *pari passu* with all other unsecured and unsubordinated indebtedness of the Corporation

Use of Proceeds: The Corporation intends to allocate an amount equal to the net proceeds from the sale of the Notes to finance and/or refinance, in whole or in part, new and/or existing Eligible Projects (as defined pursuant to Hydro One’s Sustainable Financing Framework) that are Green Projects (as described in Hydro One’s Sustainable Financing Framework)(“Eligible Green Projects”) pursuant to Hydro One’s Sustainable Financing Framework. Prior to such allocation, the net proceeds may be initially used, in part or in full, for repayment of indebtedness or investments in bank deposits or other cash equivalents, in each case in accordance with the Corporation’s internal liquidity management policies. Although the Corporation intends to allocate an amount equal to the net proceeds from the sale of the Notes to Eligible Green Projects, it will not be an event of default under the trust indenture, as supplemented, if the Corporation fails to do so.

Form: Book entry only

Expected Credit Ratings⁽²⁾: DBRS: A (high) (stable)
Moody’s: A3 (stable)
S&P: A- (positive)

CUSIP/ISIN: 44810ZCQ1 / CA 44810ZCQ15

Syndicate: BMO Nesbitt Burns Inc. (Lead Agent and Bookrunner)
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.
Casgrain & Company Ltd.
Laurentian Bank Securities Inc.

(2) A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawn at any time.

One or more sections of this term sheet may be provided by members of the syndicate to investors.

Investing in the Notes involves risks. See the section entitled “Risk Factors” in the final base shelf prospectus, which may be amended or supplemented in any prospectus supplement or pricing supplement.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered, sold, or delivered within the United States of America and its territories and possessions except in certain transactions exempt from the registration requirements of such Act.