



DIVERSITY POLICY

1. Purpose and Scope

The leadership and workforce of Fortis Inc. (the "**Corporation**") and its subsidiaries are made up of many qualified individuals with diverse skills, backgrounds, experiences and personal characteristics. The Corporation values and recognizes the benefits of this diversity, which include increased organizational strength, improved leadership and increased innovation.

This Diversity Policy (the "**Policy**") defines the Corporation's policy with respect to diversity on the Board of Directors of the Corporation and those in executive leadership positions at the Corporation.

2. Diversity Objectives

In this Policy, diversity refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as gender, sexual orientation, ethnicity geographic representation, education, cultural background, experience, ability, age and any other potential difference. The Corporation supports the spirit and intent of applicable human rights and anti-discrimination laws. See the Corporation's Code of Business Conduct and Ethics Policy.

The Board of Directors of the Corporation (the "**Board**") has delegated to the Governance and Nominating Committee (the "**Committee**") the responsibility of overseeing and ensuring the implementation of this Policy, including establishing measurable objectives for achieving diversity, where appropriate, and assessing on an annual basis the achievement against established diversity objectives.

3. Diversity on the Board

Diversity is an important consideration for the Corporation in determining the composition of the Board. The Corporation believes that a Board made up of highly qualified individuals from diverse backgrounds who reflect the characteristics of the communities in which the Corporation operates promotes better corporate governance and performance and effective decision-making. To support the Board's diversity objectives, the Committee will, when identifying and considering the selection of nominees for the Board:

- (a) consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities;
- (b) consider diversity criteria including gender, sexual orientation, ethnicity, geographic representation, education, cultural background, experience, ability and age;
- (c) seek to maintain a Board in which each gender represents at least thirty three percent (33%) of independent directors; and
- (d) in addition to its own search process, direct qualified independent external advisors, if so engaged, to consider candidates on merit against objective criteria, with due regard for the benefits of diversity in Board and executive leadership composition.

The Committee's diversity objectives are supported by the Director Tenure provisions set forth in the Corporation's Board of Director Governance Guidelines, which encourage ongoing Board renewal and the regular consideration of diversity by the Committee.

4. Diversity in Executive Positions

Diversity is also an important consideration for the Corporation in determining executive leadership. Diversity has been established as one of the criteria in the Corporation's Talent Management Plan, a program that seeks to identify, mentor and develop current executives and employees for more senior executive positions throughout the Fortis organization. As part of its mandate to monitor the Talent Management Plan, the Human Resources Committee will ensure that the objectives of the Policy are applied to the implementation of the Talent Management Plan and also when identifying and evaluating external candidates for executive leadership positions within the Corporation and its subsidiaries.

5. Gender Diversity

Gender diversity is one important component of the Corporation's diversity strategy.

As required by applicable corporate and securities laws, the annual proxy circular of the Corporation will inform shareholders and other stakeholders about the implementation of the Corporation's diversity commitment by disclosing:

- (a) a short summary of the Policy's objectives and key provisions;
- (b) the measures taken to ensure that the Policy has been effectively implemented,

- (c) annual and cumulative progress in achieving the objectives of the Policy;
- (d) whether and, if so, how the Board or the Committee measures the effectiveness of the Policy;
- (e) how the Board or Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board;
- (f) how the Corporation considers the level of representation of women in executive officer positions when making executive officer appointments;
- (g) information about any voluntary targets adopted by the Board from time to time (if any) to foster diversity (and, in particular, gender diversity) among the Board of the Corporation and, if applicable, annual and cumulative progress of the Corporation in achieving the target; and
- (h) the number and proportion (in percentage terms) of directors of the Board who are women.