

ANTI-CORRUPTION POLICY

1.0 COMMITMENT TO ETHICAL BUSINESS CONDUCT

- 1.1 Fortis Inc. (the "**Corporation**") is committed to the highest standards of ethical business practice, as reflected in the Corporation's *Code of Conduct* (the "**Code of Conduct**"). This *Anti-Corruption Policy* (the "**Policy**") reinforces this commitment and establishes a framework to manage corruption risk within the Corporation.

2.0 PURPOSE OF POLICY AND INTERACTION WITH CODE OF CONDUCT

- 2.1 The Corporation operates in jurisdictions that have both foreign and domestic "anti-corruption" legislation. In Canada, the *Corruption of Foreign Public Officials Act* ("**CFPOA**") and *Criminal Code* include offences relating to corrupt practices. Examples of other anti-corruption legislation include the U.S. *Foreign Corrupt Practices Act* ("**FCPA**") and the U.K. *Bribery Act*. Generally, these laws seek to combat corruption, particularly in the context of interactions with foreign public officials (and private counterparties in the case of the U.K. *Bribery Act*), and prohibit business conduct that involves acting dishonestly or inappropriately in pursuit of business or personal objectives.
- 2.2 This Policy reaffirms the Corporation's commitment to compliance with applicable anti-corruption legislation, and establishes rules and guidance for conducting business in accordance with such legislation.
- 2.3 This Policy supplements, and is to be interpreted in a manner compatible with, the *Code of Conduct*. In the event of inconsistency in the requirements under the two documents, or with applicable anti-corruption legislation, the most stringent requirements must be followed.
- 2.4 In addition, the Corporation's management has approved and adopted the *Anti-Corruption Procedures*, which supplement this Policy and provide practical guidance on how the Policy is to be operationalized. The *Anti-Corruption Procedures* may be updated periodically by management to ensure this Policy operates effectively.

3.0 SCOPE AND APPLICATION OF THIS POLICY

- 3.1 This Policy applies to the Corporation's employees, officers, directors and contractors (collectively the "Agents"). "Third Parties" (as defined below) retained by the Corporation must also follow the Policy's guiding principles set out below.
- 3.2 This Policy applies to dealings with foreign and domestic public officials, as well as individuals and non-governmental and commercial entities with whom the Corporation does or proposes to do business (including non-profit entities).
- 3.3 The Corporation's subsidiaries are also subject to this Policy, but may choose to adopt their own separate anti-corruption policies and/or operational procedures provided they are consistent with the guiding principles and provisions below.
- 3.4 Each subsidiary has discretion to determine its appropriate compliance framework based on a risk assessment and tailored to its particular circumstances (e.g., home operating jurisdiction(s), nature of operations and level and location of actual or anticipated foreign activity). In this regard, reference should be made to the *Anti-Corruption Procedures* which supplement this Policy.

4.0 GUIDING PRINCIPLES

- 4.1 The Corporation's business must be conducted in accordance with the following guiding principles:
- 4.1.1 **Bribery and Improper Payments:** The Corporation and its Agents must not directly or indirectly agree to offer, offer or facilitate any bribe, payment, kickback or reward to any party to secure an improper advantage or concession, or to cause the party to violate a legal duty or misuse their position; nor will the Corporation or its Agents directly or indirectly accept any bribe, payment, kickback or reward from any party for similar purposes.
- 4.1.2 **Facilitation Payments:** The Corporation and its Agents must not directly or indirectly make payments to expedite or secure the performance by a public official of any act of a routine nature that is part of the public official's duties or functions.

- 4.1.3 **Lobbying:** When dealing with public officials, the Corporation and its Agents must comply with the requirements of all applicable lobbying legislation and/or regulations, including any registration and reporting obligations.
- 4.1.4 **Gifts, including Meals and Entertainment:** Gifts may only be offered or received in the context of appropriate business conduct, and in accordance with applicable laws and the following rules:
- 4.1.4.1 Gifts to exert influence or seek special treatment are prohibited;
 - 4.1.4.2 Gifts are only appropriate where reasonable and customary;
 - 4.1.4.3 Gifts of cash or cash equivalents are prohibited;
 - 4.1.4.4 Gifts shall be of modest value (lavish gifts are prohibited);
 - 4.1.4.5 Gifts shall only be given on an infrequent, non-recurring basis; and
 - 4.1.4.6 Gifts shall be given in a transparent manner.
- 4.1.5 **Books, Records, Accounts and Internal Controls:** The Corporation and its Agents must employ and adhere to internal controls under which books, records and accounts are maintained which accurately and fairly reflect the substance of the Corporation's business transactions, and must not misstate facts, omit relevant information or alter or delay the creation of business records to mislead or to assist others in doing so. Where applicable, such books, records and accounts will be subject to external audit in accordance with local legal requirements.

5.0 USE OF THIRD PARTIES

- 5.1 The Corporation may retain external parties to help achieve its business objectives. Therefore, this Policy's guiding principles are also applicable to third party entities and individuals retained to procure or transact business (including non-profit activities) on behalf of the Corporation outside of Canada, including, but not limited to, consultants, advisors, contractors, local agents, lobbyists and suppliers ("**Third Parties**"). Agents arranging such retainers must inform Third Parties regarding the requirements of this Policy and the related *Anti-Corruption Procedures*, and obtain written confirmation from Third Parties that they have read, understand and undertake to

fully comply with this Policy and related procedures or the Third Party's own substantially similar anti-corruption policy(s) acceptable to the Corporation, as if they were Agents, including, where applicable, in any written contracts governing the provision of services by Third Parties.

6.0 TRAINING AND EDUCATION

6.1 The Corporation will determine its requirements for anti-corruption training based on a risk assessment considering its particular circumstances, and will implement such training and education program(s) as may be appropriate. Training requirements are reassessed periodically and updated as necessary. Currently, Fortis employees at the director level and above, as well as those who may interact with public officials or non-governmental or commercial entities as part of their normal duties, are required to complete mandatory anti-corruption training on at least a biennial basis. Anti-corruption training is also incorporated into the employee orientation process.

7.0 COMPLIANCE AND ENFORCEMENT

7.1 All persons subject to this Policy must strictly adhere to its terms and, in doing so, exercise reasonable vigilance while performing all work-related functions. In this regard, particular attention should be paid to business activities which are proposed in new jurisdictions or with new business partners.

7.2 Any actual, potential or suspected violations of this Policy, the *Anti-Corruption Procedures* or applicable laws must be reported promptly under the Corporation's *Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing* ("**Speak Up Policy**"). No retaliatory action will be taken against any person who in good faith provides information, either internally or to a government authority, or participates in any proceeding concerning alleged violations of this Policy.

7.3 Agents of the Corporation are encouraged to promptly report actual, potential or suspected violations of this Policy to their immediate supervisor, a member of senior management or the Administrator designated under the Speak Up Policy to ensure the Corporation can investigate and promptly resolve any such alleged violations.

7.4 To facilitate reporting of actual, potential or suspected violations of this Policy, or applicable laws, the Corporation has retained the services of NAVEX Global, a third-party provider of confidential,

anonymous reporting services, accessible by telephone at 1-866-294-5534 (in Canada and the United States) or through the internet at www.FortisInc.ethicspoint.com.

8.0 DISCIPLINE

- 8.1 Any person who (i) violates this Policy or its related procedures, (ii) has direct knowledge of actual, potential or suspected violations of this Policy or its related procedures and fails to report them, or (iii) hinders or misleads investigations regarding actual, potential or suspected violations of this Policy or its related procedures, may be subject to disciplinary action, up to and including termination of their employment with the Corporation. Similarly, any Third Parties who engage in, or who are discovered to have previously engaged in, similar conduct will be subject to review and possible termination.

9.0 AUDITS

- 9.1 Audits will be conducted from time to time to monitor the operation of this Policy and its related procedures. Such activities will be coordinated with the Internal Audit Department.

10.0 QUESTIONS

- 10.1 Any questions relating to this Policy, the *Anti-Corruption Procedures* and/or the requirements of applicable anti-corruption legislation should be directed to the Director, Regulatory and Compliance.