



## BOARD OF DIRECTORS MANDATE

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The board of directors (the "**Board**") of Fortis Inc. (the "**Corporation**") is responsible for the stewardship of the Corporation. The Board will supervise the management of the business and affairs of the Corporation and, in particular, will:

### **A. Strategic Planning and Risk Management**

1. Adopt a strategic planning process and approve, on an annual basis, a strategic plan for the Corporation which considers, among other things, the opportunities and risks of the business;
2. Monitor the implementation and effectiveness of the approved strategic and business plan;
3. Assist the CEO in identifying the principal risks of the Corporation's business and the implementation of appropriate systems to manage such risks;

### **B. Management and Human Resources**

1. Select, appoint and evaluate on an ongoing basis, the CEO, and determine the terms of the CEO's employment with the Corporation;
2. In consultation with the CEO, appoint all officers of the Corporation and determine the terms of employment, training, development and succession of senior management (including the processes for appointing, training and evaluating senior management);
3. To the extent feasible, satisfy itself as to the integrity of the CEO and other officers and the creation of a culture of integrity throughout the Corporation;
4. Having regard to recommendations of the Human Resources Committee, and in consultation with the CEO, the Board shall adopt a position description for the CEO which:
  - a. defines the scope of management's responsibilities; and
  - b. sets out the overall corporate goals and objectives that the CEO is responsible for meeting.

**C. Finances, Controls and Internal Systems**

1. Review and approve all material transactions including acquisitions, divestitures, dividends, capital allocations, expenditures and other transactions which exceed threshold amounts set by the Board;
2. Evaluate the Corporation's internal controls relating to financial and management information systems;

**D. Communications**

1. Adopt a communication policy that seeks to ensure that effective communications, including statutory communication and disclosure, are established and maintained with employees, shareholders, the financial community, the media, the community at large and other security holders of the Corporation;
2. Establish procedures to receive feedback from stakeholders of the Corporation and communications to the independent directors as a group;

**E. Governance**

1. Develop the Corporation's approach to corporate governance issues, principles practices and disclosure;
2. Establish appropriate procedures to evaluate director independence standards and allow the Board to function independently of management;
3. Appoint from among the directors an audit committee and such other committees of the Board as deemed appropriate and delegate responsibilities thereto in accordance with their mandates;
4. Develop and monitor policies governing the operation of subsidiaries through exercise of the Corporation's shareholder positions in such subsidiaries;
5. Develop and monitor compliance with the Corporation's code of conduct, including the consideration of any waiver granted to a director or senior officer of the Corporation from complying with such code of conduct and approve or reject such waiver as it deems appropriate;
6. Set expectations and responsibilities of directors, including attendance at, preparation for and participation in meetings, as set out at Section F hereof;
7. Evaluate and review the performance of the Board, each of its committees and its members;

**F. Duties and Responsibilities of Directors**

1. In exercising his or her powers and discharging his or her responsibilities to the Corporation, each Director has a statutory obligation to:
  - a. act in good faith with a view to the best interests of the Corporation (the fiduciary duty); and
  - b. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (the duty of care);
2. Each Director must also comply with all policies of the Corporation applicable to members of the Board, including the Code of Business Conduct and Ethics adopted by the Corporation, which is designed to promote honest, ethical and lawful conduct by all employees, officers and directors of the Corporation;
3. A Director shall review and participate in the work of the Board necessary in order for the Board to discharge its duties and responsibilities as set out in this Mandate and the Board of Directors Governance Guidelines;
4. A Director shall participate in any orientation and continuing education programs developed by the Corporation for the Directors;
5. In connection with each meeting of the Board and each meeting of a committee of the Board of which the Director is a member, a Director shall:
  - a. respond promptly to management requests in respect of availability for proposed meetings;
  - b. review thoroughly the material provided to the Director by management in connection with the meeting; and
  - c. attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone or video-conference).
6. A Director shall participate in such processes as may be established by the Board for assessing the Board, its committees and individual Directors; and
7. A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.