



POLICY ON REPORTING ALLEGATIONS OF SUSPECTED IMPROPER CONDUCT AND WRONGDOING

1.0 OBJECTIVE

- 1.1 The Corporation expects each director, officer and employee to comply with all applicable laws and stock exchanges requirements. The Corporation is also committed to promoting honesty and integrity and maintaining the highest standards of ethical conduct in all of its activities. Consistent with these values, the Corporation does not tolerate any illegal or unethical behaviour, including fraud, criminal acts, regulatory violations, manipulation of accounting and auditing records or any breach of the Ethics Policy or any other policies, procedures or practices established by the Corporation.
- 1.2 It is the responsibility of the Audit Committee to ensure that the Corporation has appropriate procedures for the receipt, retention, and treatment of Incidents relating to its accounting, internal accounting controls or auditing matters. In addition, the Audit Committee must provide for confidential, anonymous submission by the Corporation's directors, officers and employees of concerns about questionable accounting or auditing matters. The purpose of this Policy is to fulfill these responsibilities and to set forth guidelines and procedures to be employed by all directors, officers and employees for the reporting, investigation and response to Incidents.
- 1.3 This Policy is intended to encourage and enable employees to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation.

2.0 DEFINITIONS

- 2.1 "**Audit Committee**" means the audit committee appointed by the board of directors of the Corporation;
- 2.2 "**Board**" means the board of directors of the Corporation;
- 2.3 "**Corporation**" means Fortis Inc.;
- 2.4 "**Ethics Policy**" means the Code of Business Conduct and Ethics Policy adopted by the Board and, if applicable, an ethics policy adopted by the board of directors of any subsidiary of the Corporation;

- 2.5 **"Incident"** means one or more violations or suspected violations of the Ethics Policy or the Corporation's accounting, financial reporting, internal accounting controls or auditing policies and procedures or related matters;
- 2.6 **"Investigator"** means the person designated by the Board with responsibility for investigating and resolving all reported Incidents;
- 2.7 **"Policy"** means this Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing; and
- 2.8 **"Reporter"** means a director, officer, employee or other person reporting Incidents in accordance with this Policy.

3.0 APPLICATION

- 3.1 This Policy applies to every director, officer and employee of the Corporation and of each subsidiary of the Corporation that has not adopted a substantially similar policy.

4.0 NO RETALIATION

- 4.1 No Reporter or person providing information to the Investigator in respect of an investigation of an Incident shall suffer harassment, retaliation or adverse employment consequences, including, without limitation, termination, demotion, transfer or other forms of discrimination as a result of the reporting of an Incident in good faith.
- 4.2 Any director, officer or employee who retaliates against a Reporter who has, in good faith, submitted a report or assisted in an investigation conducted in accordance with this Policy will be disciplined, up to and including dismissal.

5.0 REPORTING INCIDENTS

- 5.1 Any Incident must be reported promptly by employees to someone who can address them properly who, in most cases, will be an employee's manager.
- 5.2 If an employee believes that in a particular situation it would not be appropriate to report an Incident to their manager, the employee may report the Incident to any officer or other member of the Corporation's management team whom the person believes it would be appropriate to report the Incident.

- 5.3 Management must report Incidents to the Investigator, who has specific and exclusive responsibility to investigate all Incidents.
- 5.4 Reporters not comfortable approaching any manager should contact the Investigator.
- 5.5 Reporters may contact the Chair of the Audit Committee if they are not comfortable approaching the Investigator, or if the Investigator is unavailable and the matter is urgent.
- 5.6 Suspected fraud or securities law violations should be reported directly to the Investigator.
- 5.7 If a Reporter wishes to remain anonymous when reporting an Incident, the Corporation has secured the services of NAVEX Global, a third-party provider of confidential, anonymous reporting services, to accept their report via the internet or by telephone in accordance with Section 10.0 below.
- 5.8 Provided that the individual(s) is (are) not implicated, notification of all Incidents reported through NAVEX Global are forwarded to the Investigator, the Chair of the Audit Committee and the Corporation's Executive Vice President, Chief Legal Officer.

6.0 INVESTIGATION AND OVERSIGHT

- 6.1 The Investigator will investigate Incidents in an independent, expeditious and confidential manner, taking care to protect the identity of the persons involved and to ensure that the investigation is not impaired in any manner.
- 6.2 The Investigator will notify the Reporter and acknowledge receipt of the report of the Incident within five (5) business days.
- 6.3 A Reporter who reports an Incident on the NAVEX Global's EthicsPoint system should return to the NAVEX Global's EthicsPoint system website at least five (5) business days after reporting an Incident to assess the response to his or her report and to respond to any follow-up questions.
- 6.4 All Incidents will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.
- 6.5 The Investigator may involve other management of the Corporation in the investigation as deemed appropriate. The Investigator may agree to authorize an independent investigation or to engage external consultants to assist in the investigation.

- 6.6 The Investigator has direct access to the Chair of the Audit Committee of the Corporation and shall report to the Audit Committee, at least annually, on Incidents.
- 6.7 The Investigator shall report any Incidents deemed appropriate by the Investigator immediately to the Chair of the Audit Committee and work with the Audit Committee until the matter is resolved.
- 6.8 The Audit Committee shall oversee the activities of the Investigator and the investigation and resolution of Incidents.
- 6.9 The status and outcome of an investigation of an Incident will be communicated to the Reporter in a timely manner either through direct communication, if the Reporter provided his or her name, or via the NAVEX Global's EthicsPoint web site if the Reporter wishes to remain anonymous. Responses to anonymous complaints made via telephone may be accessed via NAVEX Global's EthicsPoint website or by calling NAVEX Global using the unique case identifier and password provided to the Reporter upon reporting the Incident.

7.0 ACTING IN GOOD FAITH

- 7.1 A Reporter must be acting in good faith and have reasonable grounds for believing that the information disclosed indicates an Incident.
- 7.2 Incidents found to be unsubstantiated following investigation in accordance with this Policy, and that prove to have been made in bad faith, maliciously or which were known to be false when made will be viewed as a serious offence which could give rise to disciplinary action up to and including termination of employment.

8.0 CONFIDENTIALITY

- 8.1 All reports of Incidents will be treated as confidential, whether or not made anonymously, and each such report and the identity of the Reporter will be kept confidential to the extent permissible by law and feasible to permit a proper investigation.
- 8.2 Anonymous reports of Incidents must be supported by sufficient information or evidence to enable a proper investigation since the Investigator will not be able to seek further particulars from the Reporter.

9.0 RETENTION OF RECORDS OF INCIDENTS

- 9.1 Records pertaining to an Incident are the property of the Corporation and shall be retained: (i) in compliance with applicable laws and the Corporation's document retention policies; (ii) subject to safeguards that ensure their confidentiality and, when applicable, the anonymity of the Reporter; and (iii) in such a manner as to maximize their usefulness to the Corporation's overall compliance program.

10.0 CONTACTS

- 10.1 The Investigator designated by the Board is Karen Wade, Director, Internal Audit of the Corporation who may be contacted at 709.737.2910 or by e-mail at kwade@fortisinc.com.
- 10.2 The Chair of the Audit Committee of the Corporation is Tracey Ball who may be contacted at 709.737.5432 or by e-mail at tball@fortisinc.com.
- 10.3 NAVEX Global's EthicsPoint system may be accessed via the internet at www.FortisInc.ethicspoint.com or by telephone from Canada or the United States at 1-866-294-5534.
- 10.4 The above listed contacts shall be posted and kept current on the Corporation's internal website or portal.

11.0 POLICY REVIEW

- 11.1 This Policy shall be reviewed periodically.