

POLITICAL ENGAGEMENT POLICY

1.0 OBJECTIVE

- 1.1 Fortis Inc. ("Fortis", the "Corporation", "our" or "we") supports the democratic process. We may engage in public policy discussions where relevant to our operations and beneficial to our stakeholders. We may also contribute to political parties, campaigns or candidates. This Political Engagement Policy (the "Policy") describes how Fortis may engage in the political process, subject to compliance with applicable laws.
- 1.2 This Policy should be read in conjunction with our *Code of Conduct*. Reference should also be made to our *Anti-Corruption Policy* and *Anti-Corruption Procedures*, which set out internal procedures to be followed regarding lobbying activity on behalf of Fortis.

2.0 APPLICATION

- 2.1 This Policy applies to all Fortis directors, officers and employees ("Fortis Personnel").
- 2.2 Fortis requires each of its operating subsidiaries to adopt a political engagement or equivalent policy that is generally consistent with this Policy and complies with applicable law. Our *Subsidiary Political Engagement Guidelines* (the "Guidelines") provide guidance on how this Policy applies to subsidiaries.

3.0 GUIDING PRINCIPLES AND PROHIBITED ACTIVITIES

- 3.1 Fortis political activities shall be conducted in accordance with applicable laws.
- 3.2 Fortis supports parties, candidates and organizations that are generally aligned with our corporate purpose and reflect our values, including acting ethically, and with honesty and integrity.

- 3.3 Political spending or contributions to trade associations or other tax-exempt organizations that engage in the political process shall reflect the Corporation's values, and not those of its individual directors, officers, or employees.
- 3.4 No corporate contribution may be given in anticipation of, in recognition of, or in return for an official act or anything that has the appearance of a gratuity, bribe, trade or *quid pro quo* of any kind.
- 3.5 Fortis will not pressure or coerce Fortis Personnel to make personal political expenditures, and will not reimburse, directly or indirectly, personal political contributions or expenses.
- 3.6 The corporate risks and impacts related to political spending shall be periodically assessed by the Corporation.
- 3.7 Fortis Personnel who are considering seeking an elected or appointed government position must advise the Chief Legal Officer beforehand and review their obligations under the *Code of Conduct*.
- 3.8 Fortis Personnel who engage in political activity in their personal capacity must clearly express that their views are their own, and not those of Fortis.
- 3.9 No Fortis Personnel shall:
- 3.9.1 use or associate their Fortis position or office with any political activity or donation or in any manner through which any such association could be reasonably inferred;
 - 3.9.2 use or donate Fortis property, including business premises, for a political activity; or
 - 3.9.3 engage in campaigning for or promoting any political party or candidate in the workplace or seek to pressure or influence co-workers to vote for any political party or candidate.

4.0 POLITICAL CONTRIBUTIONS

- 4.1 Corporate political contributions must be approved in advance by either the President and Chief Executive Officer or the Executive Vice President, Chief Financial Officer.
- 4.2 Fortis may (i) contribute to any political parties having official party status in the Newfoundland and Labrador legislature and (ii) participate in fund-raising initiatives by such parties.

- 4.3 Canadian federal legislation prohibits contributions to federal political parties and candidates by corporations. However, Fortis may participate in fund-raising initiatives conducted by Canadian federal political parties provided it does not constitute political activity and is otherwise permitted under applicable law.
- 4.4 The Chief Legal Officer will be responsible for the review of the general policy positions of any political party, candidate or organization to which Fortis proposes to contribute in advance to determine whether there is any material misalignment with our values and policies.

5.0 TRADE ASSOCIATIONS AND POLICY ADVOCACY

- 5.1 Fortis may participate in trade associations and other tax-exempt organizations that conduct lobbying and public policy-related activities of relevance to our business. We may also engage directly in public policy discussions, including with public officials. When engaging in such activities, Fortis will comply with applicable lobbying laws, and maintain records of such activities as required under our *Anti-Corruption Policy* and *Anti-Corruption Procedures*.
- 5.2 The Chief Legal Officer shall be responsible for the review of proposed contributions to trade associations and other tax-exempt organizations that conduct lobbying and other public policy-related activities in advance to determine whether there is any material misalignment with our values and policies.
- 5.3 When considered necessary or appropriate, the Chief Legal Officer may request that organizations receiving contributions confirm how such funds are being used.

6.0 OVERSIGHT

- 6.1 Management will annually report to the Fortis Board of Directors on political contributions and contributions to trade associations and tax-exempt organizations that conduct lobbying or public policy-related activities with an assessment of whether there is any material misalignment with our values and policies.
- 6.2 The Governance and Sustainability Committee of the Fortis Board of Directors, which is entirely composed of independent directors, is responsible for oversight of our political activity, and shall periodically:
- 6.2.1 review Management's reports under section 6.1;

6.2.2 review policies and procedures on political expenditures, including this Policy and the Guidelines; and

6.2.3 provide guidance on political engagement as needed.

7.0 DISCLOSURE

7.1 Fortis is committed to transparency and will provide periodic disclosure regarding:

7.1.1 political contributions;

7.1.2 contributions to trade associations and tax-exempt organizations that conduct lobbying or public policy-related activities; and

7.1.3 any findings of material misalignment between the lobbying and policy-related activities of those entities referred to in section 7.1.2 and our corporate values and policies, and any steps taken as a result of such findings.

7.2 Disclosures under section 7.1 will be made for Fortis and its subsidiaries, and will include:

7.2.1 the name of the recipient (candidate, party, campaign, political organization trade association or other tax-exempt organization);

7.2.2 the amount contributed; and

7.2.3 a general description of the purposes for which the contributions were made.

7.3 The Corporation may use materiality thresholds and other criteria to make its disclosure relevant and insightful.

7.4 In addition to the disclosures described in this section 7.0, Fortis will comply with all legal requirements for public disclosure of political contributions and lobbying activities.

8.0 POLICY REVIEW AND DISSEMINATION

8.1 This Policy will be reviewed periodically.

8.2 This Policy will be disseminated to Fortis Personnel and the Corporation's subsidiaries and will be posted on our corporate website.