



GOVERNANCE AND NOMINATING COMMITTEE MANDATE

1.0 OBJECTIVE

- 1.1 The Governance and Nominating Committee shall provide advice and assistance to the Board in the development, implementation, monitoring and evaluation of the corporate governance policies, practices and procedures of the Corporation and the nomination, assessment and compensation of directors thereof.

2.0 DEFINITIONS

- 2.1 In this Mandate:

- (a) "**Audit Committee**" means the audit committee of the Board;
- (b) "**Board**" means the board of directors of the Corporation;
- (c) "**Chair**" means the Chair of the Committee;
- (d) "**Committee**" means the Governance and Nominating Committee of the Board;
- (e) "**Corporation**" means Fortis Inc. and its subsidiaries;
- (f) "**Director**" means a member of the Board;
- (g) "**Management**" means the senior officers of the Corporation;
- (h) "**Mandate**" means this mandate of the Committee; and
- (i) "**Member**" means a Director appointed to the Committee.

3.0 ESTABLISHMENT AND COMPOSITION OF COMMITTEE

- 3.1 The Committee shall be comprised of three (3) or more Directors, each of whom is independent for the purposes of all applicable laws and stock exchange requirements and none of whom is a member of Management or an employee of the Corporation or any affiliate of the Corporation.

- 3.2 The Committee shall be appointed annually by the Board, provided, however, that if the appointment of Members is not so made, the Directors who are then serving as Members shall continue as Members until he or she resigns or is removed or his or her successor is appointed.
- 3.3 The Board may appoint a Member to fill a vacancy which occurs on the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining Members shall exercise all of the powers of the Committee so long as at least three (3) Members remain in office.
- 3.4 Any Member may be removed from the Committee by a resolution of the Board.
- 3.5 The Board shall appoint a Member to be Chair, provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed. The Board shall periodically rotate the Chair and use reasonable efforts to rotate the Chair every four (4) years.

4.0 COMMITTEE MEETINGS

- 4.1 Meetings of the Committee shall be held at the call of the Chair, or upon the request of any two (2) Members. The time and place of the meetings of the Committee and the procedures for such meetings shall be determined by the Committee; provided, however, that the Committee shall meet at least once in each half of the calendar year.
- 4.2 The President and Chief Executive Officer shall receive notice of, and (unless otherwise determined by the Committee) shall be entitled to attend, all meetings of the Committee.
- 4.3 A quorum at any meeting of the Committee shall be three (3) Members.
- 4.4 Each Member shall have the right to vote on matters that come before the Committee.
- 4.5 Any matter to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee at which such matter is considered. Actions of the Committee may also be taken by an instrument or instruments in writing signed by all of the Members, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- 4.6 The Committee shall conduct sections of its meetings without Management present.

- 4.7 The Committee may invite any Directors, officers or employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.
- 4.8 The Chair shall act as chair of all meetings of the Committee at which the Chair is present. In the absence of the Chair from any meeting of the Committee, the Members present at the meeting shall appoint one of their numbers to act as chair of the meeting.
- 4.9 Unless otherwise determined by the Committee, the Corporate Secretary of the Corporation shall act as secretary of all meetings of the Committee.
- 4.10 The Committee may delegate authority to individual Members or subcommittees if deemed appropriate.

5.0 TERMS OF REFERENCE

- 5.1 The Committee shall oversee issues of corporate governance as they apply to the Corporation by monitoring and reviewing the corporate governance practices of the Corporation on a continuing basis and, whenever considered appropriate, shall report and make recommendations to the Board concerning corporate governance practices including, without limitation:
 - (a) the Corporation's approach to and policies on governance issues, including, without limitation, insider trading, continuous disclosure, ethics and business conduct, environmental and social matters, and cybersecurity;
 - (b) this Mandate, and the mandates of all committees of the Board, which the Committee shall review on a periodic basis;
 - (c) the Mandate of the Board of Directors and Authorization Guidelines which the Committee shall review on a periodic basis;
 - (d) the position descriptions and respective duties of the Chair of the Board and the President and Chief Executive Officer, which the Committee shall review on a periodic basis;
 - (e) the process, or processes, for assessing the effectiveness of the Board as a whole, each committee of the Board and the contribution of individual Directors on a regular basis;
 - (f) the adequacy and form of the compensation of Directors including the administration of any equity or other compensation plans applicable to Directors;

- (g) policies regarding director tenure, retirement and share ownership;
- (h) the size and composition of the Board and, if appropriate, recommendations to the Board that could improve the Board's performance and its ability to make effective decisions;
- (i) communication processes between the Board and Management including monitoring the quality of the relationship between Management and the Board and recommending improvements as necessary;
- (j) disclosure of corporate governance practices and policies prior to publication thereof in annual reports, information circulars or other dissemination to the public; and
- (k) such additional activities within the scope of its responsibilities as the Committee may deem appropriate.

5.2 The Committee shall carry out the Director nomination process including, without limitation:

- (a) develop criteria which reflects the needs of the Board in recruiting new directors;
- (b) provide recommendations to the Board with respect to the following matters: (i) the competencies and skills that the Board, as a whole, should possess, (ii) the competencies and skills each Director possesses, (iii) the competencies and skills that the Board, as a whole, possesses considering the contribution made by each individual Director, (iv) the level of diversity that should be maintained on the Board, in accordance with the Corporation's *Board and Executive Diversity Policy*, (v) the mechanisms that should be adopted to ensure periodic Board renewal, and (vi) the personality, integrity and other qualities of each Director, as these may ultimately determine the boardroom dynamic;
- (c) interview, evaluate and make recommendations to the Board in respect of potential candidates for nomination to the Board; and
- (d) make recommendations in respect of nominations to fill any vacancies of Directors arising between meetings of shareholders.

5.3 The Committee shall maintain, oversee and periodically update a comprehensive orientation program for new Directors, which shall include assisting new Directors to understand:

- (a) the role of the Board and its committees;

- (b) the contribution individual Directors are expected to make (including the commitment of time and resources that the Corporation expects from its Directors); and
 - (c) the nature and operation of the Corporation's business.
- 5.4 The Committee shall maintain, oversee and periodically update a continuing education program for all Directors which shall, among other things:
 - (a) assist Directors to maintain or enhance their skills and abilities as directors; and
 - (b) assist Directors in ensuring that their knowledge and understanding of the Corporation's business remains current.
- 5.5 The Committee shall establish and periodically review a succession plan for the Chair and the chair of each committee of the Board.

6.0 REPORTING

- 6.1 The Chair, or another designated Member, shall report to the Board at each regular meeting on those matters that were dealt with by the Committee since the last regular meeting of the Board.

7.0 REMUNERATION OF COMMITTEE MEMBERS

- 7.1 Members and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Committee.
- 7.2 No Member may earn fees from the Corporation or any of its subsidiaries other than Directors' fees (which fees may include a combination of cash, benefits, deferred share units and common shares or other equity securities of the Corporation). For greater certainty, no Member shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

8.0 ETHICAL AND LEGAL COMPLIANCE

- 8.1 The Committee shall:
 - (a) subject to Board approval, establish a code of business conduct and ethics for the Corporation (the "**Code**") and periodically review and

update the Code to ensure compliance with applicable laws and stock exchange requirements and other recommended best practices in governance;

- (b) receive, review and approve regular reports with respect to compliance with the Code;
- (c) review any departure, or alleged departure, from the Code involving a Director or executive officer of the Corporation and make recommendations to the Board in respect thereof, including whether a waiver from the Code should be granted given the circumstances; and
- (d) make recommendations to the Board regarding the Corporation's disclosure obligations in respect of the Code.

9.0 ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

- 9.1 The Committee shall provide oversight of the Corporation's commitment to environmental and social responsibility in order to identify and monitor the impacts of proposed legislation and other emerging issues and to review the Corporation's internal sustainability reports and other reporting on environmental and social matters.
- 9.2 The Committee shall periodically review programs designed to promote corporate citizenship and shall advise the Board on the status and adequacy of efforts to ensure that the Corporation's business is conducted to meet high standards of environmental and social responsibility. The Corporation is committed to having a positive impact on local communities and society at large. Environmental considerations include, but are not limited to, energy efficiency, carbon reduction, and pollution and waste management. Social considerations include, but are not limited to, human rights, impact on local community, equality and health and safety.

10.0 CYBERSECURITY

- 10.1 The Committee shall provide oversight of the Corporation's information technology use and protection, including, but not limited, to cybersecurity, data governance, privacy and compliance.
- 10.2 The Committee will review with both the Board and Management, at least annually, the Corporation's cybersecurity risk exposures and the steps the Corporation has taken to monitor or mitigate such exposures, including the

Corporation's procedures and any related policies with respect to cybersecurity risk assessment and management.

11.0 OTHER

- 11.1 The Committee shall perform such other functions as may from time to time be assigned to the Committee by the Board.
- 11.2 The Committee may approve, in its sole discretion and in circumstances that it considers appropriate, the engagement by the Committee or any Director of outside advisors or persons having special expertise at the expense of the Corporation.
- 11.3 In the absence of the Chair of the Board, the Chair shall act as Chair of the Board unless otherwise determined by the Board.
- 11.4 This Mandate will be posted on the Corporation's corporate website at www.fortisinc.com.
- 11.5 The Committee shall periodically review its own effectiveness and performance.
- 11.6 The Committee shall review and assess the adequacy of this Mandate periodically and recommend to the Board any changes it deems appropriate.