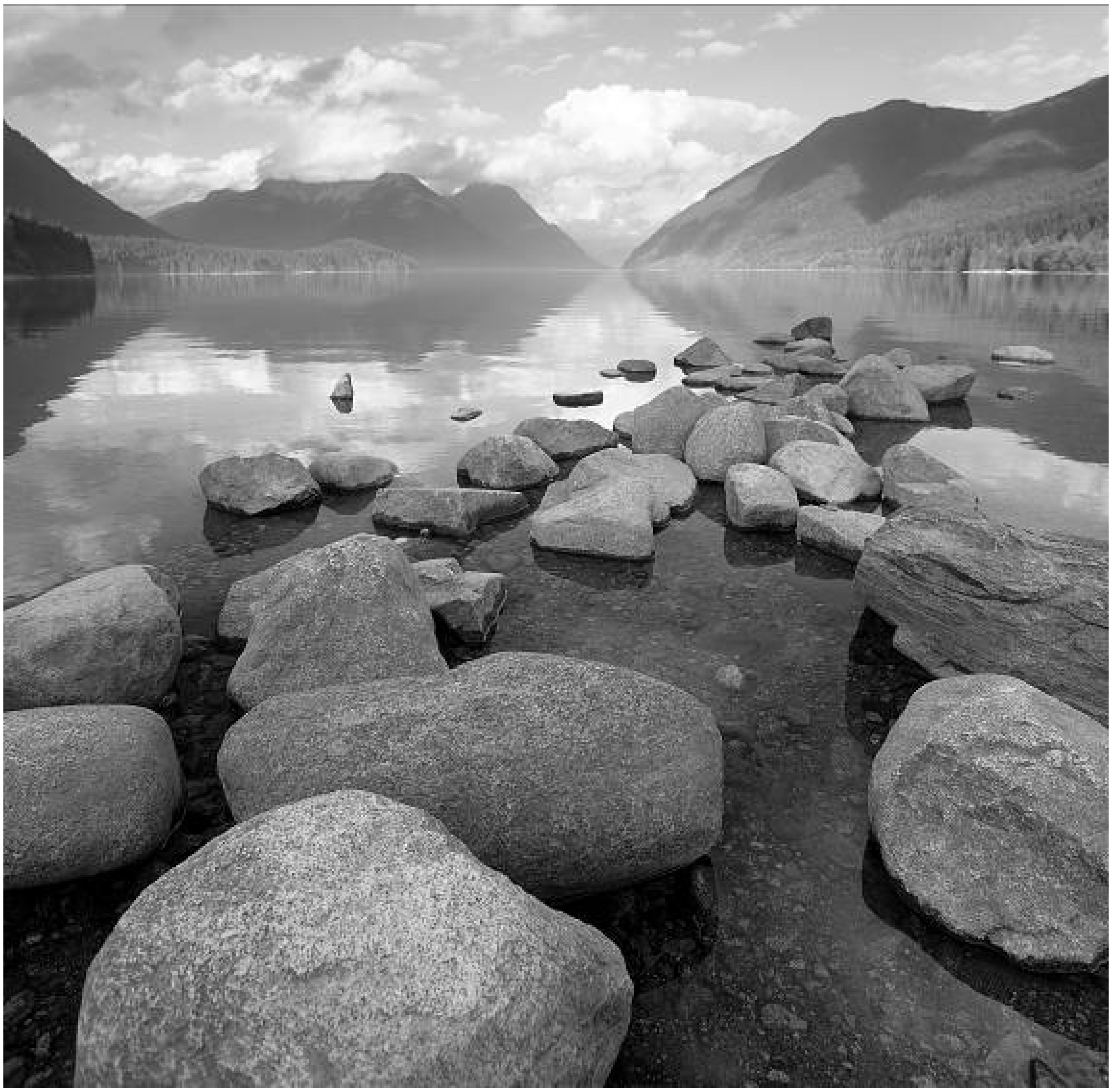

FORTIS INC.

Notice to Shareholders and
Management Information Circular
4 April 2008

FORTIS INC.

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FORTIS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of FORTIS INC. (the "Corporation") will be held in Salon A, Holiday Inn St. John's, 180 Portugal Cove Road, St. John's, Newfoundland and Labrador on Tuesday, 6 May 2008, at the hour of 10:30 a.m. (St. John's time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for its financial year ended 31 December 2007, together with the Report of the Auditors thereon;

2. to elect directors;

3. to appoint auditors and to authorize the directors to fix the auditors' remuneration; and

4. to transact such other business as may properly be brought before the meeting or any adjournment(s) or postponement(s) thereof.

DATED at St. John's, Newfoundland and Labrador, 4 April 2008.

By Order of the Board

Ronald W. McCabe
General Counsel and
Corporate Secretary

NOTES

1. Shareholders who are unable to be present in person at the meeting are requested to sign and return the accompanying form of proxy in the envelope provided for that purpose.

2. Only holders of Common Shares of record at the close of business on 24 March 2008 will be entitled to vote at the meeting, except to the extent that a holder of record has transferred any of such shares after that date and the transferee of such shares establishes proper ownership and requests not later than ten (10) days before the meeting that the transferee's name be included in the list of shareholders eligible to vote at the meeting, in which case such shareholder shall be entitled to vote such Common Shares at the meeting.

3. A shareholder desiring to appoint another representative (who need not be a shareholder of the Corporation) may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the registered office of the Corporation or the principal office of Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, ON, M5J 2Y1 or by toll-free facsimile transmission to 1-866-249-7775 at any time not later than 5:00 p.m. (Toronto time) on 1 May 2008, or with the Chair of the meeting on the day of the meeting or any adjournment(s) or postponement(s) thereof.

FORTIS INC.

MANAGEMENT INFORMATION CIRCULAR

Proxy Solicitation

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the Management of FORTIS INC. (the "Corporation") for use at the Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held in Salon A, Holiday Inn St. John's, 180 Portugal Cove Road, St. John's, Newfoundland and Labrador on Tuesday, 6 May 2008, at the hour of 10:30 a.m. (St. John's time), and at any adjournment(s) or postponement(s) thereof, for the purposes set out in the foregoing notice of meeting.

This solicitation is made by the Management of the Corporation. It is expected that the solicitation will primarily be by mail but proxies may also be solicited personally, by telephone, e-mail, Internet or facsimile by directors, officers and employees of the Corporation, or by such agents as the Corporation may appoint. The Corporation has retained Kingsdale Shareholder Services Inc. in connection with the solicitation of proxies at a cost of $29,925 and reimbursement of disbursements related to the solicitation. The cost of solicitation will be borne by the Corporation.

The directors have set 24 March 2008 as the record date for the Meeting. Except as otherwise stated, the information in this Circular is given as of 31 March 2008.

Revocability of Proxies

Proxies given by shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer thereof duly authorized. Where shares are held in joint or common ownership of any kind, the signature of each owner is required on the form of revocation. **A form of revocation must be deposited either at the registered office of the Corporation or the principal office of the transfer agent at any time not later than 5:00 p.m. (Toronto time) on 1 May 2008 at one of the following addresses:**

Corporation	**Transfer Agent**
Fortis Inc.	***Computershare Trust Company of Canada***
The Fortis Building, Suite 1201	***100 University Avenue, 9th Floor***
139 Water Street	***Toronto, ON***
St. John's, NL	***M5J 2Y1***
A1B 3T2	

If not deliverable to one of the physical locations noted above, a form of revocation may be deposited by toll-free facsimile transmission to 1-866-249-7775 at any time not later than 5:00 p.m. (Toronto time) on 1 May 2008, or with the Chair of the Meeting on the day of the Meeting or not less than 48 hours prior to any adjournment(s) or postponement(s) thereof.

Voting of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Corporation and have consented to act as proxy for the shareholders who so appoint them. **A shareholder desiring to appoint another representative (who need not be a shareholder of the Corporation) may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the registered office of the Corporation or the principal office of Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 or by toll-free facsimile transmission to 1-866-249-7775 at any time not later than 5:00 p.m. (Toronto time) on 1 May 2008, or with the Chair of the Meeting on the day of the Meeting or not less than 48 hours prior to any adjournment(s) or postponement(s) thereof.**

The form of proxy affords the shareholder an opportunity to specify that the shares registered in the shareholder's name will be voted, or withheld from voting, in respect of the election of directors and the appointment of auditors and the authorization of the directors to fix the remuneration of the auditors.

On any ballot that may be called for, the shares represented by proxies in favour of Management nominees will be voted or withheld from voting in respect of the election of directors and the appointment of auditors and the authorization of the directors to fix the remuneration of the auditors in accordance with the specifications made by each shareholder.

If a proxy does not specify how a proxy nominee is to vote in respect of the matters set forth in the proxy, the shares represented by proxies in favour of Management nominees will be voted *FOR* the election of the directors listed hereafter, the appointment of auditors named herein and the authorization of the directors to fix the remuneration of the auditors.

The form of proxy confers discretionary authority on the proxy nominee with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. At the time of printing this Circular, Management does not know of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any such amendment, variation or matter should properly come before the Meeting, the shares represented by proxies in favour of Management nominees will be voted on such matters in accordance with the best judgment of the proxy nominee.

Voting Shares and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of First Preference Shares and an unlimited number of Second Preference Shares, in each case, issuable in series, without nominal or par value. As of 31 March 2008, the following Common Shares and Preference Shares were issued and outstanding:

Capital	Issued and Outstanding	Votes per Share
Common Shares	156,753,899	1
First Preference Shares, Series C	5,000,000	0
First Preference Shares, Series E	7,993,500	0
First Preference Shares, Series F	5,000,000	0

Only holders of Common Shares of record at the close of business on 24 March 2008, will be entitled to vote at the Meeting, except to the extent that a holder of record has transferred shares after that date and the transferee of such shares establishes proper ownership and requests not later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders entitled to vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, no shareholder beneficially owns, controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS

Financial Statements

The Consolidated Financial Statements of the Corporation for the year ended 31 December 2007 are on pages 78 through 133 of the 2007 Fortis Inc. Annual Report which is being mailed to all of the registered shareholders and those beneficial shareholders who have requested it with this Circular. These documents are also available on the Fortis Inc. website at *www.fortisinc.com* and on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at *www.sedar.com*.

Election of Directors

The Articles of the Corporation provide for a minimum of three (3) and a maximum of fifteen (15) directors. All directors of the Corporation are elected annually to serve until the next Annual Meeting of Shareholders or until their successors shall have been duly elected or appointed. The Board currently consists of eleven members; however, Mr. Chafe will not be standing for re-election in accordance with the Director Tenure Policy described on page 14 of this Circular. The shareholders of the Corporation will be asked to elect ten (10) directors for the ensuing year. The present term of office of each director of the Corporation will expire immediately prior to the election of directors at the Meeting. Each person whose name follows is proposed to be elected as a director of the Corporation to serve until the earlier of the next Annual Meeting of Shareholders or until his or her successor is elected or appointed.

Details pertaining to each of the nominees can be found on pages 6 through 11 of this Circular. All of the ten (10) nominees listed below were duly elected as directors at the last Annual Meeting of Shareholders held on 8 May 2007. The ten (10) nominees proposed for election as directors are as follows:

Peter E. Case	*H. Stanley Marshall*	*Michael A. Pavey*
Frank J. Crothers	*John S. McCallum*	*Roy P. Rideout*
Geoffrey F. Hyland	*Harry McWatters*	
Linda L. Inkpen	*David G. Norris*	

If any of the proposed nominees should for any reason be unable to serve as a director of the Corporation, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion unless the shareholder has specified in the proxy that the shares are to be withheld from voting in the election of directors.

Management and the Board recommend that shareholders vote FOR these nominees. The persons named in the enclosed Proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies that authority to do so is withheld.

Appointment of Auditors and Authorization of the Directors to Fix the Auditors' Remuneration

The Board, on the recommendation of its Audit Committee, proposes to nominate Ernst & Young LLP as the auditors of the Corporation to hold office until the close of the next Annual Meeting of Shareholders. Ernst & Young LLP was first appointed auditors of the Corporation at the Annual Meeting of Shareholders in May 2003.

The directors negotiate with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. Such fees are based upon the complexity of the matters dealt with and the time expended by the auditors in providing services to the Corporation. Management believes that the fees negotiated in the past with the auditors of the Corporation have been reasonable in all circumstances and would be comparable to fees charged by other auditors providing similar services.

The fees paid by the Corporation to Ernst & Young LLP, the Corporation's auditors, during each of the last two (2) fiscal years for audit, audit-related, tax and non-audit services were as follows:

Fortis Inc. External Auditor Service Fees ($000's)		
Ernst & Young LLP	**2007**	2006
Audit Fees	**1,822.1**	1,114.1
Audit-related Fees	**603.7**	239.9
Tax Fees	**181.9**	232.8
Non-audit Fees	**-**	-
Total	**2,607.7**	1,586.8

The increase in external auditor service fees in 2007, as compared to 2006, reflects the expanded scope of the external audit following the May 2007 acquisition of Terasen Inc. and audit-related work performed during 2007 associated with debt and equity financings at the corporate and subsidiary levels.

Management and the Board recommend that shareholders vote FOR the appointment of Ernst & Young LLP as the auditors of the Corporation for 2008 and FOR the authorization of the Board to fix the remuneration of the auditors for 2008. The persons named in the enclosed Proxy intend to vote FOR the appointment and FOR the authorization of the Board to fix the remuneration of the auditors unless the shareholder specifies that authority to do so is withheld.

Other Matters

Management knows of no matters to come before the Meeting other than the business referred to in the Notice of Meeting. However, if any other matters should be properly brought before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the proxy nominee.

Shareholders entitled to vote at the next annual meeting to be held in 2009 and who wish to submit proposals in respect of any matter to be raised at such meeting must ensure that the Corporation receives their proposals not later than 5 February 2009.

BOARD OF DIRECTORS

Nominees for Election as Directors

Ten (10) persons are being nominated for election as directors at the Meeting. All of the nominees were each elected to their present term of office at the Annual Meeting of Shareholders held on 8 May 2007. Each nominee's biography below sets forth all of the other reporting issuers on which the respective nominee serves as a director.

PETER E. CASE

Corporate Director
Freelton, Ontario

Age: 53
Director since: May 2005

Independent

Mr. Case retired in February 2003 as Executive Director, Institutional Equity Research at CIBC World Markets. During his 17-year career as senior investment analyst with CIBC World Markets and BMO Nesbitt Burns and its predecessors, Mr. Case's coverage of Canadian and selected U.S. pipeline and energy utilities was consistently rated among the top rankings.

He was awarded a Bachelor of Arts and a Master of Business Administration from Queen's University and a Master of Divinity from Wycliffe College, University of Toronto.

Mr. Case was appointed to the Board of FortisOntario Inc. in March 2003 and is Chair of that company's Audit Committee. Mr. Case does not serve as a director of any other reporting issuer.

Board/Committee Membership	Attendance		Securities Held (1)	
Board of Directors	13 of 13	100%	Common Shares	10,500
Audit	8 of 8	100%	DSUs	3,530
			Total	14,030

Options Held *(Director option grants discontinued in 2006.)*

Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options (2)
11 May 2005	11 May 2015	12,000	$18.113	12,000	$133,170

FRANK J. CROTHERS

Chairman & CEO
Island Corporate Holdings
Nassau, Bahamas

Age: 63
Director since: May 2007

Not Independent

Mr. Crothers is Chairman and Chief Executive Officer of Island Corporate Holdings Limited, a private Bahamas-based investment company with diverse interests throughout the Caribbean, North America, Australia and South Africa. Over the past 35 years, Mr. Crothers has served on many public and private sector boards. For over a decade, he was on the board of Harvard University Graduate School of Education and also served a three-year term as Chairman of CARILEC, the Caribbean Association of Electrical Utilities. Mr. Crothers is the former president of P.P.C. Limited which was acquired by the Corporation on 28 August 2006.

Mr. Crothers is a director of Belize Electricity.

Details of Mr. Crothers' service on the boards of other reporting issuers are provided on page 15 of this Circular.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	6 of 7	86%	Common Shares *	10,000
			DSUs	4,549
			Total	14,549
Options Held *(Director option grants discontinued in 2006.)*				
NIL – Mr. Crothers was elected to the Board following the cessation of option grants to directors.				

* *Mr. Crothers is an indirect holder of US$31 million of the Corporation's 5.5% Subordinated Convertible Debentures, due 7 November 2016, that are convertible into 1,064,926 Common Shares of the Corporation.*

GEOFFREY F. HYLAND

Corporate Director
Caledon, Ontario

Age: 63
Director since: May 2001

Independent

Mr. Hyland retired as President and Chief Executive Officer of ShawCor Ltd. in June 2005 after 37 years of service.

He graduated from McGill University with a Bachelor of Engineering (Chemical) and from York University with a Master of Business Administration.

Mr. Hyland is a director of FortisOntario.

Details of Mr. Hyland's service on the boards of other reporting issuers are provided on page 15 of this Circular.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	11 of 13	85%	Common Shares	32,000
Human Resources	3 of 3	100%	DSUs	11,685
			Total	43,685

Options Held *(Director option grants discontinued in 2006.)*

Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options [2]
1 March 2005	1 March 2015	12,000	$18.405	12,000	129,660
10 March 2004	10 March 2014	12,000	$15.280	12,000	167,160
13 March 2003	13 March 2013	12,000	$12.810	12,000	196,800
	Total	36,000		36,000	$493,620

LINDA L. INKPEN

Medical Practitioner
St. Philips, Newfoundland and Labrador

Age: 60
Director since: April 1994

Independent

Dr. Inkpen has been a physician in private practice since 1975. She has served as a Commissioner of the Royal Commission on Employment and Unemployment, Province of Newfoundland and Labrador and is past President of the College of the North Atlantic. She is Chair of the Medical Advisory Committee of the St. John's area hospitals. Dr. Inkpen was named a member of the Order of Canada in 1998 and awarded the Queen's Jubilee Medal.

She graduated from Memorial University of Newfoundland with a Bachelor of Science, a Bachelor of Education, a Bachelor of Medical Science and a Doctor of Medicine.

Dr. Inkpen was appointed Chair of the Board of Fortis Properties Corporation in 2000. She does not serve as a director of any other reporting issuer.

Board/Committee Membership	Attendance		Securities Held (1)	
Board of Directors	13 of 13	100%	Common Shares	25,115
Governance & Nominating	4 of 4	100%	DSUs	11,685
			Total	36,800

Options Held *(Director option grants discontinued in 2006.)*					
Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options (2)
1 March 2005	1 March 2015	16,000	$18.405	16,000	172,880
10 March 2004	10 March 2014	16,000	$15.280	16,000	222,880
	Total	32,000		32,000	$395,760

H. STANLEY MARSHALL

President & CEO
Fortis Inc.
Paradise, Newfoundland and Labrador

Age: 57
Director since: October 1995

Not Independent

Mr. Marshall is President and Chief Executive Officer of the Corporation. He joined Newfoundland Power Inc. in 1979 and was appointed President and Chief Executive Officer of Fortis Inc. in 1996.

Mr. Marshall graduated from University of Waterloo with a Bachelor of Applied Science (Chem. Eng.) and from Dalhousie University with a Bachelor of Laws. He is a member of the Law Society of Newfoundland and Labrador and a Registered Professional Engineer in the Province of Newfoundland and Labrador.

Mr. Marshall is a director of the Corporation's utility subsidiaries in British Columbia, Alberta and the Caribbean as well as Fortis Properties Corporation.

Details of Mr. Marshall's service on the boards of other reporting issuers are provided on page 15 of this Circular.

Board/Committee * Membership	Attendance		Securities Held (1) **	
Board of Directors	13 of 13	100%	Common Shares	395,405
Audit	8 of 8	100%		
Nominating & Governance	4 of 4	100%		
Human Resources	3 of 3	100%		

* *Mr. Marshall attends committee meetings in his capacity as President & CEO as required and is not a member of the committees.*
** *Options are granted to Mr. Marshall in his capacity as CEO of the Corporation and are detailed on pages 18 and 19 of this Circular.*

JOHN S. McCALLUM

Professor of Finance
University of Manitoba
Winnipeg, Manitoba

Age: 64
Director since: July 2001

Independent

Mr. McCallum has been a Professor of Finance at the University of Manitoba since July 1973. He served as Chairman of Manitoba Hydro from 1991 to 2000 and as Policy Advisor to the Federal Minister of Finance from 1984 to 1991.

Mr. McCallum graduated from University of Montreal with a Bachelor of Arts (Economics) and a Bachelor of Science (Mathematics). He was awarded a Master of Business Administration from Queen's University and a PhD in Finance from University of Toronto.

Mr. McCallum was appointed Chair of the Governance and Nominating Committee on 11 May 2005. He is a director of FortisBC Inc. and FortisAlberta Inc. and chairs the Audit, Risk and Environment Committees of both companies.

Details of Mr. McCallum's service on the boards of other reporting issuers are provided on page 15 of this Circular.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	13 of 13	100%	Common Shares	4,000
Chairs Governance & Nominating	4 of 4	100%	DSUs	18,934
Audit	8 of 8	100%	Total	22,934

Options Held *(Director option grants discontinued in 2006.)*					
Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options [2]
11 May 2005	11 May 2015	4,000	$18.113	4,000	44,390
1 March 2005	1 March 2015	12,000	$18.405	12,000	129,660
10 March 2004	10 March 2014	12,000	$15.280	12,000	167,160
13 March 2003	13 March 2013	12,000	$12.810	12,000	196,800
15 May 2002	15 May 2012	12,000	$12.035	12,000	206,100
	Total	52,000		52,000	$744,110

HARRY McWATTERS

President
Sumac Ridge Estate Wine Group
Summerland, British Columbia

Age: 62
Director since: May 2007

Independent

Mr. McWatters is the founder and President of Sumac Ridge Estate Wine Group. He is President of Black Sage Vineyards Ltd., Hawthorne Mountain Vineyards Limited, and Okanagan Valley Estate Wine Cellars Ltd. and is responsible for government and industry relations in western Canada for Vincor Canada.

Mr. McWatters was elected to the Board of FortisBC Inc. on 6 September 2005 and appointed Chair of that company's Board on 1 June 2006. He became a director of Terasen Inc. on 1 November 2007 and does not serve as a director of any other reporting issuer.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	7 of 7	100%	Common Shares	1,100
Governance & Nominating	2 of 2	100%	DSUs	4,549
			Total	5,649
Options Held *(Director option grants discontinued in 2006.)*				
NIL – Mr. McWatters was elected to the Board following the cessation of option grants to directors.				

DAVID G. NORRIS

Corporate Director
St. John's, Newfoundland and Labrador

Age: 60
Director since: May 2005

Independent

Mr. Norris has been a financial and management consultant since 2001 prior to which he was Executive Vice President, Finance and Business Development, Fishery Products International Limited. Previously, he held Deputy Minister positions with the Department of Finance and Treasury Board, Government of Newfoundland and Labrador.

Mr. Norris graduated with a Bachelor of Commerce from Memorial University of Newfoundland and a Master of Business Administration from McMaster University.

On 2 May 2006, Mr. Norris was appointed Chair of the Audit Committee of the Corporation. He has been a director of Newfoundland Power Inc. since 2003 and was appointed Chair of that company's Board on 26 April 2006. Mr. Norris was appointed to the Board of Fortis Properties Corporation in 2006.

He does not serve as a director of any other reporting issuer.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	13 of 13	100%	Common Shares	5,679
Chairs Audit	8 of 8	100%	DSUs	10,561
Human Resources	3 of 3	100%	Total	16,240

Options Held *(Director option grants discontinued in 2006.)*

Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options [2]
11 May 2005	11 May 2015	12,000	$18.113	12,000	$133,170

MICHAEL A. PAVEY

Corporate Director
Moncton, New Brunswick

Age: 60
Director since: May 2004

Independent

Mr. Pavey retired as Executive Vice President and Chief Financial Officer of Major Drilling Group International Inc. in September 2006. Prior to joining Major Drilling Group International Inc. in 1999, he held senior executive positions with a major western Canadian integrated electric utility.

Mr. Pavey graduated from University of Waterloo with a Bachelor of Applied Science (Mechanical Engineering) and from McGill University with a Master of Business Administration.

He retired from the Board of Maritime Electric Company, Limited in February 2007 after a six (6) year term which included three (3) years of service as Chair of that company's Audit and Environment Committee.

Mr. Pavey does not serve as a director of any other reporting issuer.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	13 of 13	100%	Common Shares	2,000
Human Resources	3 of 3	100%	DSUs	10,917
			Total	12,917

Options Held *(Director option grants discontinued in 2006.)*

Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options [2]
1 March 2005	1 March 2015	12,000	$18.405	12,000	129,660
12 May 2004	12 May 2014	12,000	$15.228	10,000	139,720
	Total	24,000		22,000	$269,380

ROY P. RIDEOUT

Corporate Director
Halifax, Nova Scotia

Age: 60
Director since: March 2001

Independent

Mr. Rideout retired as Chairman and Chief Executive Officer of Clarke Inc. in October 2002. Prior to 1998, he served as President of Newfoundland Capital Corporation Limited and held senior executive positions in the Canadian airline industry.

Mr. Rideout graduated with a Bachelor of Commerce from Memorial University of Newfoundland and obtained designation as a Chartered Accountant.

He is the Chair of the Human Resources Committee and has held that position since May 2003.

Details of Mr. Rideout's service on the boards of other reporting issuers are provided on page 15 of this Circular.

Board/Committee Membership	Attendance		Securities Held [1]	
Board of Directors	12 of 13	92%	Common Shares	31,516
Chairs Human Resources	3 of 3	100%	DSUs	15,108
Governance & Nominating	4 of 4	100%	Total	46,624

Options Held *(Director option grants discontinued in 2006.)*

Grant Date	Expiry Date	Options Granted	Exercise Price	Total Unexercised Options	Value of Unexercised Options [2]
1 March 2005	1 March 2015	16,000	$18.405	16,000	172,880
10 March 2004	10 March 2014	16,000	$15.280	16,000	222,880
13 March 2003	13 March 2013	12,000	$12.810	12,000	196,800
15 May 2002	14 May 2012	12,000	$12.035	12,000	206,100
	Total	56,000		56,000	$798,660

(1) *Represents Common Shares and/or Deferred Share Units, detailed on page 13 of this Circular and further described below under Compensation of Directors, beneficially owned controlled or directed, directly or indirectly. This information has been furnished by the respective nominee.*

(2) *Calculated using the closing price of Common Shares at 31 March 2008 of $29.21.*

Compensation of Directors

During 2007 directors, other than Mr. Marshall, were compensated with a combination of annual retainer, meeting attendance fees and Deferred Share Units ("DSUs"). In 2004, the Board introduced the Directors' Deferred Share Unit Plan ("DSU Plan") as an optional vehicle for directors to elect to receive credit of their annual cash retainer in DSUs. The Board may also determine from time to time that special circumstances exist that would reasonably justify the grant of DSUs to a director as compensation in addition to any regular retainer or fee to which the director is entitled. During 2006, the Board elected to discontinue the grant of stock options to directors and initiated an annual grant of DSUs.

The following table describes the director compensation structure in place during 2007 as compared to the previous three (3) years:

	2007	2006	2005	2004
Annual Non-Executive Board Chair Retainer	$125,000	$125,000	$125,000	$75,000
Annual Director Retainer (cash or optional DSUs)	$35,000	$35,000	$30,000	$25,000
Annual Committee Chair Retainer (cash or optional DSUs)	$15,000	$15,000	$15,000	$10,000
Annual Retainer paid in DSUs (equity component)	$30,000	$30,000	Nil (1)	Nil (1)
Board and Committee Meeting Attendance Fee	$1,500	$1,500	$1,500	$1,500

(1) *The adoption of the grant of DSUs as the equity component of directors' compensation commenced in 2006. Prior to 2006, directors were granted options pursuant to the Corporation's stock option plans.*

The following table summarizes director compensation for 2007:

Individual Director Compensation – 2007

	Annual Retainer (Cash) $	Annual Retainer (Optional DSUs) (1)(2) $	Annual Retainer (Mandatory DSUs) (2)(3) $	Meeting Fees (Cash) (4) $	Total Compensation $
Peter E. Case	35,000	-	30,000	31,500	96,500
Bruce Chafe (5)	125,000	-	30,000	42,000	197,000
Frank J. Crothers		22,822	30,000	9,000	61,822
Geoffrey F. Hyland	-	35,000	30,000	21,000	86,000
Linda L. Inkpen	-	35,000	30,000	25,500	90,500
H. Stanley Marshall (6)	-	-	-	-	-
John S. McCallum	-	50,000	30,000	37,500	117,500
Harry McWatters		22,822	30,000	13,500	66,322
David G. Norris	-	50,000	30,000	36,000	116,000
Michael A. Pavey	-	35,000	30,000	24,000	89,000
Roy P. Rideout	-	50,000	30,000	28,500	108,500
Total	$160,000	$300,644	$300,000	$268,500	$1,029,144

(1) *These amounts represent the annual Board and Committee Chair retainers of directors who elected to receive DSUs in payment of their 2007 cash retainers.*

(2) *During 2007, the cumulative DSU holdings of participants increased by the notional reinvestment of dividends. The net amount expensed by the Corporation for DSUs related to notional dividends and decreased share value to $28.99, as at 31 December 2007, was $22,647. This amount is not included in the above table.*

(3) *These amounts represent the annual equity compensation in the form of DSUs granted to directors. During 2006, the equity component of the Corporation's annual director compensation was changed from the granting of stock options to the issuance of DSUs. The DSU values are included in the cumulative holdings of the respective directors as detailed in the table on page 13 of this Circular.*

(4) *The meeting fees represent $1,500 per Board or Committee meeting attended in person or by telephone by the director as disclosed in the particulars of director nominees on pages 6 through 11 of this Circular.*

(5) *Mr. Chafe will be retiring as Chair and not standing for re-election as director at the Meeting in accordance with the Director Tenure Policy detailed on page 14 of this Circular.*

(6) *Mr. Marshall, as CEO, does not receive compensation as a director of the Corporation.*

DSUs granted in lieu of cash payment of annual retainer are credited to participating directors as of 1 January of each year by dividing the total applicable annual retainer by the daily average of the high and low board lot trading prices of the Common Shares on the TSX for the last five (5) trading days immediately preceding the grant of the DSUs. Additional DSUs are credited on the quarterly dividend payment dates as notional dividends are assumed to be reinvested.

The annual grant of DSUs, that comprises the equity component of the Corporation's annual directors' compensation, is credited to all directors who are not officers of the Corporation as of the grant date at the daily average of the high and low board lot trading prices of the Common Shares on the TSX for the last five (5) trading days immediately preceding the grant of the DSUs. On 8 May 2007, directors who were not officers of the Corporation were each granted 1,064 DSUs at a price of $28.19, equivalent to approximately $30,000 in value. Additional DSUs are credited on the quarterly dividend payment dates as notional dividends are assumed to be reinvested.

Upon retirement from the Board, a director participant in the DSU Plan will receive a cash payment equivalent to the number of DSUs credited to the notional account multiplied by the daily average of the high and low board lot trading prices of the Corporation's Common Shares on the TSX for the last five (5) trading days immediately preceding the date of payment.

Director Equity Ownership

Effective 1 January 2006, the Board amended its policy regarding equity ownership by directors to change the minimum requirement from 8,000 Common Shares or DSUs to the Common Share or DSU equivalent in value of three (3) times the annual retainer (inclusive of mandatory DSU grant) within four (4) years from the later of the effective date of the amended policy or the date the person was first elected to the Board. As of the date of this Circular, all of the nominees proposed for re-election meet the minimum equity ownership level.

The table below shows the Common Share and DSU holdings of each of the directors as at 31 March 2008 and comparable holdings for the previous year.

	Equity Ownership 31 March 2007		**Equity Ownership 31 March 2008**		**Net Change in Equity Ownership**		**Market Value of Equity Ownership 31 March 2008**	**Multiple of 2007 Annual Retainer (*x*)**
Director	Common Shares	DSUs	Common Shares	DSUs	Common Shares	DSUs		
P. E. Case	10,500	1,344	10,500	3,530	-	2,186	409,816	6.3
F. J. Crothers	-	-	10,000	4,549	10,000	4,549	424,976	8.0
G. F. Hyland	20,000	7,714	32,000	11,685	12,000	3,971	1,276,039	19.6
L. L. Inkpen	25,115	7,714	25,115	11,685	-	3,971	1,074,928	16.5
H. S. Marshall	330,202	-	395,405	-	65,203	-	11,549,780	(1)
J. S. McCallum	4,000	14,227	4,000	18,934	-	4,707	669,902	8.4
H. McWatters	-	-	1,100	4,549	1,100	4,549	165,007	3.1
D. G. Norris	5,640	6,117	5,679	10,561	39	4,444	474,370	5.9
M. A. Pavey	-	6,971	2,000	10,917	2,000	3,946	377,306	5.8
R. P. Rideout	31,516	10,521	31,516	15,108	-	4,587	1,361,887	17.0

(1) *Multiple of 2007 annual retainer is not applicable to Mr. Marshall as he does not receive compensation as a director of the Corporation. He is compensated as President and CEO of Fortis Inc. and his Common Share ownership value as a multiple of his 2007 base salary is outlined on page 22 of this Circular.*

Director Tenure Policy

The Board adopted a director tenure policy in 1999 which is reviewed on a periodic basis and was most recently affirmed at a meeting of the Board held in September 2007. The tenure policy provides that Directors of the Corporation are to be elected for a term of one (1) year, and, except in exceptional circumstances determined by the Board, be eligible for re-election until the Annual Meeting of Shareholders next following the earlier of the date on which they achieve age seventy or the tenth anniversary of their initial election to the Board. This policy became effective prospectively in 1999 and did not apply to Dr. Inkpen's service prior to 1999. The policy does not apply to Mr. Marshall whose service on the Board is related to his tenure as CEO.

Directors' and Officers' Liability Insurance

Directors' and officers' liability insurance has been purchased for the benefit of the directors and officers of the Corporation. This policy is renewable effective 1 July each year. The premium for such insurance in respect of 2007 was $442,279. The insurance coverage obtained under the current policy is $125 million in respect of any one incident, subject to a $500,000 deductible for securities claims and a $250,000 deductible for other claims.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors and Management of Fortis Inc. acknowledge the critical importance of good corporate governance practices in the proper conduct of the affairs of the Corporation. The Corporation's corporate governance practices comply with the Corporate Governance Guidelines promulgated in National Policy 58-201. Disclosure of the Corporation's approach to corporate governance in compliance with Form 58-101F1 (under National Instrument 58-101) is set out in the Disclosure of Corporate Governance Practices annexed as Schedule A on page 29 of this Circular.

The Board of Directors

The Board has concluded that eight (8) of the ten (10) nominees presented for election as directors as outlined in "Board of Directors" on pages 6 through 11 of this Circular, are independent in accordance with the definition of independence set out in Section 1.4 of Multilateral Instrument 52-110 - Audit Committees. Messrs. Marshall and Crothers are not considered independent by reason of their direct or indirect material relationship with the Corporation. Mr. Marshall is the President and CEO of the Corporation. Prior to his election to the Board and within the last three (3) years, Mr. Crothers was an executive officer, Vice Chair of Caribbean Utilities Company, Ltd., a subsidiary of the Corporation. He relinquished his executive officer position with the subsidiary on 30 August 2007.

Currently, there is only one (1) instance where directors of the Corporation serve as directors on the same board of another reporting issuer, other than a subsidiary of the Corporation. Messrs. Marshall and McCallum are both directors of Toromont Industries Ltd. The following table sets forth the current directors who serve on the boards of other reporting issuers together with their committee involvement:

Director	**Reporting Issuer**	**Committee**
F. J. Crothers	Abaco Markets Limited C.A. Bancorp Inc. Caribbean Utilities Company, Ltd. Fidelity Merchant Bank & Trust Limited Franklin Templeton Resources Nunisco Resources Limited Talon Metals Corp. Victory Nickel Inc.	Audit - Nominating and Corporate Governance Audit Nominating; Audit Audit Audit Audit
G. F. Hyland	Enerflex Systems Income Fund Exco Technologies Limited SCITI Total Return Trust ShawCor Ltd.	Audit; Governance Human Resources (Chair); Audit; Governance and Nominating Independent Review (Chair); Audit -
H. S. Marshall	Toromont Industries Ltd. Caribbean Utilities Company, Ltd.	Human Resources Nominating and Corporate Governance
J. S. McCallum	IGM Financial Inc. Toromont Industries Ltd. Wawanesa	Related Party and Conduct Review (Chair); Audit; Public Policy; Governance and Nominating Audit (Chair); Corporate Governance Investment; Human Resources
R. P. Rideout	NAV CANADA	Human Resources and Compensation (Chair); Governance and Nominating

The Board annually appoints from amongst its members three (3) standing committees: the Governance and Nominating Committee, Audit Committee and the Human Resources Committee. The Corporation does not have an executive committee of the Board. Each committee has a written mandate which sets out in detail the activities or areas of the Corporation’s business to which the committee is required to devote its attention. All committees are currently composed of independent and unrelated directors. Mr. Marshall attends committee meetings in his capacity as CEO of the Corporation and is not a member of any committee. Mr. Crothers is not a member of any committee because his relationship as an executive officer of a subsidiary of the Corporation during the preceding three-year period renders him not independent in accordance with the definition of independence prescribed by Section 1.4 of Multilateral Instrument 52-110 and consequently he will not be asked to serve on any committee until after the annual meeting in 2011.

Governance and Nominating Committee

The mandate of the Governance and Nominating Committee requires the committee, among other things, to:

(i) develop and recommend to the Board the Corporation’s approach to corporate governance issues;

(ii) propose to the Board new nominees for election to the Board;

(iii) carry out procedures specified by the Board for assessing the effectiveness of the Board, the directors and each Board committee;

(iv) approve the engagement of an outside expert, or experts, by an individual director at the Corporation's expense; and

(v) review and make recommendations to the Board with respect to the adequacy and form of the compensation of directors.

The members of the Governance and Nominating Committee, who are all independent and unrelated, were John S. McCallum (Chair), Bruce Chafe, Linda L. Inkpen, Harry McWatters and Roy P. Rideout.

Audit Committee

The Audit Committee provides assistance to the Board by overseeing the external audit of the Corporation's annual financial statements and the accounting and financial reporting and disclosure processes of the Corporation. Details regarding the Audit Committee and its charter can be found in Section 12 of the Corporation's 2007 Annual Information Form which can be viewed at either *www.fortisinc.com* or on SEDAR *at www.sedar.com*.

The members of the Audit Committee, who are all independent and unrelated, were David G. Norris (Chair), Peter E. Case, Bruce Chafe and John S. McCallum.

Human Resources Committee

The mandate of the Human Resources Committee requires the committee, among other things, to:

(i) assist and advise the Board and CEO in appointing senior management;

(ii) monitor programs for training and developing senior management and planning for succession within the ranks of senior management;

(iii) oversee the form and adequacy of the compensation and benefits provided by the Corporation to its senior management; and

(iv) administer the Corporation's stock option plans.

The members of the Human Resources Committee, who are all independent and unrelated, were Roy P. Rideout (Chair), Bruce Chafe, Geoffrey F. Hyland, David G. Norris and Michael A. Pavey.

EXECUTIVE COMPENSATION REPORT

Compensation of Named Executive Officers

The following table sets forth information concerning the annual and long-term compensation earned for services rendered during each of the last three (3) financial years by the CEO of the Corporation and each of the other most highly compensated executive officers of the Corporation (the "Named Executive Officers") as defined in National Instrument 51-102F6 – Statement of Executive Compensation.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation (1) ($)**	**Securities Under Options Granted (2)(3) (#)**	**Long-Term Incentive Plans Granted (3)(4) (#)**	**All Other Compensation (5) ($)**
H. STANLEY MARSHALL	2007	725,000	1,000,000	-	77,156	19,570	389,622
President and	2006	675,000	742,500	-	73,561	28,400	173,418
Chief Executive Officer	2005	650,000	715,000	-	88,292	16,520	149,978
BARRY V. PERRY	2007	315,000	300,000	-	33,524	-	140,730
Vice President, Finance and	2006	300,000	210,000	-	32,694	-	112,385
Chief Financial Officer	2005	280,000	200,000	-	38,032	-	95,311
RONALD W. McCABE	2007	215,000	150,000	-	11,440	-	42,935
General Counsel and	2006	207,000	93,150	-	13,535	-	41,047
Corporate Secretary	2005	200,000	90,000	-	16,300	-	37,790

(1) *Perquisites and other personal benefits, securities and property are not disclosed as they did not exceed the minimum disclosure threshold which is the lesser of $50,000 or 10% of the total annual salary and bonus of the Named Executive Officer.*

(2) *Options to acquire Common Shares of Fortis Inc. Options granted in 2007 vest at a rate of 25% per annum commencing 7 May 2008.*

(3) *The figures for "Securities Under Options Granted and Long-Term Incentive Plans Granted" for 2005 reflect the Corporation's 4-for-1 stock split effective 21 October 2005.*

(4) *Long-Term Incentive Plan grants during the year related to the Performance Share Unit Plan outlined in the "Long-Term Incentive Plan Awards in Most Recently Completed Financial Year" table on page 18 of this Circular.*

(5) *The amounts reported include the dollar value of insurance premiums paid by the Corporation with respect to term life and disability insurance as well as interest benefits on stock option loans. The amounts reported include directors' fees paid by subsidiaries to Messrs. Marshall and Perry. The amounts reported include notional contributions to the Corporation's defined contribution pension arrangements described on pages 22 and 23 of this Circular in respect of Messrs. Perry and McCabe and, commencing in 2007, for Mr. Marshall who had previously participated in the Corporation's defined benefit pension arrangements as described on page 22 of this Circular.*

The following table sets forth details of all Long-Term Incentive Plan awards during the financial year ended 31 December 2007. The particulars of the Performance Share Unit Plan ("PSUP") are described in the Stock Options and Performance Share Units ("PSUs") section of "Report on Executive Compensation" on page 24 of this Circular.

Long-Term Incentive Plan Awards in Most Recently Completed Financial Year

Name	Performance Share Units (#)	Performance or Other Period Until Maturation or Payout
H. STANLEY MARSHALL	19,570	7 May 2010

The Human Resources Committee considered the initial PSU award made on 11 May 2004 at its meeting of 7 May 2007. The Committee reviewed performance since the grant against the pre-defined payout criteria relating to the successful closing of the acquisition of FortisAlberta and FortisBC, separation of the utilities into distinct operations, attainment of reasonable regulatory outcomes and delivery of financial performance in line with acquisition expectations, while maintaining reasonably successful results for the Corporation as a whole. The Committee concluded that the Mr. Marshall succeeded in achieving the performance criteria and authorized full payment pursuant to the PSUP after 11 May 2007 in the amount of $579,320.

The following table sets forth all grants of stock options to the Named Executive Officers under the 2006 Stock Option Plan during the financial year ended 31 December 2007.

Option Grants During the Most Recently Completed Financial Year

Name	Securities Under Options Granted (#) Common Shares [(1)]	% of Total Options Granted to Employees in Financial Year [(2)]	Exercise Price [(3)] ($/Security)	Market Value of Securities Underlying Options on the Date of Grant [(3)] ($/Security)	Expiration Date
H. STANLEY MARSHALL	77,156	10.2	28.19	28.19	7 May 2014
BARRY V. PERRY	33,524	4.4	28.19	28.19	7 May 2014
RONALD W. McCABE	11,440	1.5	28.19	28.19	7 May 2014

(1) *Options vest at the rate of 25% per annum commencing 7 May 2008.*

(2) *Represents percentage of total options granted to eligible employees of the Corporation and its subsidiaries under the 2006 Stock Option Plan during 2007.*

(3) *Exercise price and market value are the volume weighted average trading prices of the Common Shares determined on the TSX during the last five trading days immediately preceding the date of grant as calculated using Bloomberg.*

The following table sets forth details of all exercises of options by the Named Executive Officers during the financial year ended 31 December 2007 and the financial year-end number and value of unexercised options on an aggregated basis.

Aggregate Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at Financial Year End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options at Financial Year End ($) Exercisable/ Unexercisable
H. STANLEY MARSHALL	61,000	886,635	279,204 / 201,833	3,923,816 / 1,210,701
BARRY V. PERRY	23,680	338,269	80,060 / 86,878	1,033,535 / 511,142
RONALD W. McCABE	10,394	170,618	65,616 / 34,405	983,315 / 220,810

Equity Compensation Plan Information as at 31 December 2007

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding options issued and outstanding)
Equity compensation plans approved by security holders	3,691,771	$18.86	4,790,394

Security Based Compensation Arrangements

The Corporation currently has in place the 2006 Stock Option Plan, 2002 Stock Option Plan, the Executive Stock Option Plan (collectively the “Option Plans”) and the Employee Share Purchase Plan (“ESPP”). Under the 2006 Stock Option Plan, officers and certain key employees (collectively “Eligible Persons”) of the Corporation or its subsidiaries are eligible to receive grants of stock options (“Options”) that may be exercised to purchase Common Shares issued from treasury. Directors are not eligible to receive option grants under the 2006 Stock Option Plan. Upon approval of the 2006 Stock Option Plan of the Corporation by the Shareholders on 2 May 2006, stock option grants ceased to be made under the 2002 Stock Option Plan. At 31 December 2007, unexercised options remained outstanding under the 2002 Stock Option Plan and Executive Stock Option Plan. The 2002 Stock Option Plan and the Executive Stock Option Plan will cease to exist when all of the outstanding options are exercised or expire on or before 28 February 2016 and 15 May 2011, respectively.

The number of Options outstanding under the Option Plans at 31 December 2007 and 31 March 2008 was as follows:

Option Plan	Options Outstanding 31 December 2007	Options Outstanding 31 March 2008 [(1)]	% of Common Shares Issued and Outstanding	
			31 December 2007	31 March 2008
2006 Stock Option Plan	743,304	1,570,808	0.48	1.00
2002 Stock Option Plan	2,836,045	2,744,301	1.82	1.75
Executive Stock Option Plan	112,422	109,602	0.07	0.07
Total Options	**3,691,771**	**4,424,711**	**2.37**	**2.82**

[(1)] *Shares remaining in reserve for options to be issued under the Corporation’s stock option plans are limited to 3,131,734 Common Shares, which represents 2.0% of the total number of issued and outstanding Common Shares and are all issuable pursuant to the Corporation’s 2006 Stock Option Plan. In aggregate, options granted and outstanding, combined with shares remaining in reserve for issuance of stock options pursuant to the Corporation’s stock options plan are limited to 7,556,445 Common Shares, which represents 4.8% of the total number of issued and outstanding Common Shares.*

Under the ESPP, employees of the Corporation and its subsidiaries that are employed on other than a probationary, temporary or seasonal basis (each a “Permanent Employee”) are entitled to purchase Common Shares on terms which include the contribution by the employer of 10% of the purchase price of such shares. The 2006 Stock Option Plan and the ESPP were approved by the shareholders of the Corporation on 2 May 2006 and 7 December 1987, respectively, and have not been amended in the last financial year of the Corporation.

These plans are summarized as follows.

2006 Stock Option Plan

The 2006 Stock Option Plan was approved by the Shareholders on 2 May 2006 for the grant of Options to Eligible Persons. Directors are not eligible to participate in the 2006 Stock Option Plan. No Options shall be granted under the 2006 Stock Option Plan if, together with any other security based compensation arrangement established or maintained by the Corporation, such granting of options could result, at any time, in (a) the number of Common Shares issuable to insiders of the Corporation, at any time, exceeding 10% of the issued and outstanding Common Shares and, (b) the number of Common Shares issued to insiders of the Corporation, within any one (1) year period, exceeding 10% of the issued and outstanding Common Shares.

The 2006 Stock Option Plan is administered by the Human Resources Committee. Pursuant to the 2006 Stock Option Plan, the determination of the exercise price of Options is made by the Committee at a price not less than the volume weighted average trading price of the Common Shares of the Corporation determined by dividing the total value of the Common Shares traded on the TSX during the last five (5) trading days immediately preceding the date by the total volume of the Common Shares traded on the TSX during such five (5) trading days. Options may not be amended to reduce the Option Price. The Committee determines: (i) which Eligible Persons are granted Options; (ii) the number of Common Shares covered by each Option grant; (iii) the price per share at which Common Shares may be purchased; (iv) the time when the Options will be granted; (v) the time when the Options will vest; and (vi) the time at which the Options will be exercisable (up to seven (7) years from the date of grant).

Options granted under the 2006 Stock Option Plan are personal to the Eligible Person and not assignable, other than by testate succession or the laws of descent and distribution. In the event that a person ceases to be an Eligible Person, the 2006 Stock Option Plan will no longer be available to such person. The grant of Options does not confer any right upon an Eligible Person to continue employment or to continue to provide services to the Corporation.

If the term of an Option granted pursuant to the 2006 Stock Option Plan, held by an Eligible Person, expires during a blackout period (being a period during which the Eligible Person is prohibited from trading in the securities of the Corporation pursuant to securities regulatory requirements or the Corporation’s written policies then applicable), then the term of such Option or unexercised portion thereof shall be extended and shall expire ten (10) business days after the end of the blackout period.

Options granted pursuant to the 2006 Stock Option Plan have a maximum term of seven (7) years from the date of grant and the Options will vest over a period of not less than four (4) years from the date of grant, provided that no option will vest immediately upon being granted. Options granted pursuant to the 2006 Stock Option Plan will expire no later than three (3) years after the termination, death or retirement of an Eligible Person. Loans to Eligible Persons for the exercise of Options are prohibited by the 2006 Stock Option Plan.

Employee Share Purchase Plan

Employees of the Corporation and its subsidiaries are encouraged to share in the financial performance of the Corporation by investing in Common Shares of the Corporation as facilitated through the ESPP for all Permanent Employees and stock option plans for senior management. The ESPP is available to Permanent Employees and persons who retire upon becoming eligible to do so under the terms of their employer's pension plan and who were participants in the ESPP at the time of their retirement ("Retirees"). As at 31 December 2007, the total number of Common Shares issued and outstanding under the ESPP was 1,376,372 and the remaining number of Common Shares reserved for issuance under the ESPP was 831,156. This represents 0.9% and 0.5%, respectively, of the total number of issued and outstanding Common Shares. As at 31 March 2008, the total number of Common Shares issued and outstanding under the ESPP was 1,472,347 and the remaining number of Common Shares reserved for issuance under the ESPP was 724,112. This represents 0.9% and 0.5%, respectively, of the total number of issued and outstanding Common Shares.

Permanent Employees participating in the ESPP may inform their employer that they wish to participate in the ESPP by completing an employee participation form. The proposed investment in Common Shares cannot be less than $100 and cannot exceed, in the aggregate, in any calendar year, 10% of the Permanent Employee's base salary for the year. A Retiree's participation will be limited to the reinvestment of dividends on Common Shares recorded for participation in the ESPP. The benefits of the ESPP are not assignable.

The purchase price of the Common Shares under the ESPP is 90% of the average market price, being the average of the high and low prices of the Corporation's Common Shares actually traded on the TSX on the five (5) trading days immediately preceding the investment date on which not less than 100 Common Shares were traded. The Permanent Employee's employer contributes the remaining 10% by way of a contribution of Common Shares acquired in the open market by Computershare Trust Company of Canada, the trustee under the ESPP.

Where payments received by the employer from the Permanent Employee are less than the amounts directed to be invested, the Employer will make a loan (an "Employee Loan") to the Permanent Employee for the amount of the balance. The Permanent Employee must repay that amount, without interest, over a term not exceeding 52 weeks immediately following the date of the loan. The full amount of an Employee Loan outstanding becomes due and payable immediately upon termination of employment. Upon termination of employment, any compensation owing to the Permanent Employee will be applied to repayment of the Employee Loan.

All Common Shares purchased and retained under the ESPP are registered in the name of Computershare Trust Company of Canada, as trustee, for the benefit of the Permanent Employees participating in the plan. Certificates for Common Shares purchased through an Employee Loan will not be provided to the Permanent Employee until such Employee Loan is repaid in full. Otherwise, certificates for Common Shares held by a Permanent Employee under the ESPP are provided upon written request to the Corporation or upon termination of the Permanent Employee's participation in the ESPP.

CEO and Executive Share Ownership Guidelines

The Board adopted a policy in 2003 that requires the CEO to acquire Common Shares of a value equivalent to three (3) times annual base salary within three (3) years of being appointed to the position of CEO. Rather than prescribe minimum holdings for other officers, the Board elected to encourage share ownership by participants in the 2006 Stock Option Plan by adopting a guideline in the 2007 Executive Compensation Policy that would limit annual option grants to any executive who has been granted options for at least five (5) years to the lesser of the number of options prescribed under the Executive Compensation Policy related to the particular position rating of the individual and the minimum number of shares actually owned by the executive since the beginning of the previous calendar year. This guideline becomes effective with the option grants expected to be made in 2009. The current share ownership of the Named Executive Officers compared to a multiple of their 2007 annual base salary is as follows:

Fortis Share Ownership of Named Executive Officers

Name	Shares Owned at 31 March 2008 [(1)] (#)	Value of Shares [(2)] ($)	Common Share Value as a Multiple of Base Salary (*x*)
H. STANLEY MARSHALL	395,405	11,549,780	15.9
BARRY V. PERRY	92,254	2,694,739	8.6
RONALD W. McCABE	63,675	1,859,947	8.7

[(1)] *Represents both direct and indirect ownership of Fortis Common Shares, as reported by each officer.*
[(2)] *Calculated using the closing price of Common Shares at 31 March 2008 of $29.21.*

Pension Arrangements

Mr. Marshall's participation in a Defined Benefit Registered Pension Plan (the "DB RPP") and the Defined Benefit Supplemental Plan for Stan Marshall (the "DB SERP") (collectively the "DB Plans") ceased with respect to contribution and accrual of benefit on 31 December 2006. Commencing 1 January 2007, the Corporation contributes an amount, which is matched by Mr. Marshall up to the maximum registered retirement savings plan ("RRSP") contribution limit, as allowed by the Canada Revenue Agency, to a self-directed RRSP for Mr. Marshall. Commencing 1 January 2007, he also participates in the non-contributory Supplemental Employee Retirement Plan ("SERP").

Defined Benefit Plans

The effect of the combination of the DB Plans is to entitle Mr. Marshall to receive an annual payment following retirement equal to 70% of his highest three-year average annual base salary and annual cash bonus. Based on actual compensation to 31 December 2006, the annual pension that would have been paid, as of 31 December 2007, to Mr. Marshall if his retirement had commenced on 1 January 2008 was $970,000, assuming the normal form of pension payments for life with 50% payable to a surviving spouse. The annual benefit that will be paid to Mr. Marshall upon retirement under the DB Plans is subject to actuarial adjustment relating to delayed commencement of Mr. Marshall's retirement after 1 January 2007.

All payments to Mr. Marshall under the DB SERP will be paid from the Corporation's operating funds and are not secured through a trust fund.

Other Retirement Arrangements

Messrs. Perry and McCabe do not participate in a defined benefit pension plan and Mr. Marshall's participation in the DB Plans ceased, other than in regards to his entitlement to pension payment on retirement, in 2007. In 2007, the Corporation contributed to self-directed RRSPs for Messrs. Perry and McCabe, which contribution was matched by them up to the maximum RRSP contribution limit of $19,000, as allowed by the Canada Revenue Agency. Mr. Marshall's contribution to an RRSP in 2007 was limited to $600 by reason of the pension adjustment related to his participation in the DB Plans during 2006. In accordance with the terms of the SERP, an additional notional contribution of $9,200 was credited to Mr. Marshall's notional SERP account.

Defined Contribution Plan - SERP

Messrs. Marshall, Perry and McCabe participate in the SERP. The SERP provides for the accrual by the Corporation of an amount equal to 13% of the annual base salary and annual cash bonus in excess of the allowed maximum for contribution to an RRSP to an account which will accrue interest equal to the rate of a 10-year Government of Canada Bond plus a premium of 1% to 3% dependent upon years of service. At the time of retirement, the notional amounts accumulated under the SERP may be paid to the participant in one lump sum or in equal payments over fifteen (15) years. As at 31 March 2008, the balances accrued due to the Named Executive Officers pursuant to the SERP were as follows:

Summary of Supplemental Employee Retirement Plan (1)

Name	Opening Balance at 1 January 2007	Ending Balance at 31 December 2007	Balance at 31 March 2008
H. STANLEY MARSHALL	Nil	191,035	253,473
BARRY V. PERRY	212,230	274,632	295,429
RONALD W. McCABE	151,223	181,093	191,141

(1) *All payments to be made under the SERP will be paid from the operating funds of the Corporation as the SERP is not secured through a trust fund or letter of credit.*

EMPLOYMENT AGREEMENTS

The Corporation has entered into agreements with each of Messrs. Marshall, Perry and McCabe which provide, in effect, that in the event the employment of any such individual is terminated by the Corporation, for other than just cause, the Corporation shall pay to such individual an amount equal to three (3) times that individual's then current annual base salary. In addition, the terms of the employment contract between the Corporation and Mr. Marshall provide that he may elect to terminate his service under the agreement at any time within two (2) years of a defined change in control of the Corporation. In such circumstances, the Corporation shall pay to Mr. Marshall an amount equal to three (3) times his then current annual base salary.

COMPOSITION OF THE COMPENSATION COMMITTEE

The compensation committee functions of the Corporation were fulfilled by the Human Resources Committee. Roy P. Rideout, Bruce Chafe, Geoffrey F. Hyland, David G. Norris and Michael A. Pavey, all of whom are independent and unrelated directors, constituted the Human Resources Committee during 2007. The Committee is charged with the responsibility to review, recommend and administer the compensation policies in respect of the Corporation's Named Executive Officers. The Committee's recommendations regarding base salaries and annual bonus levels are submitted to the Board for approval. The Committee held three (3) meetings during 2007.

REPORT ON EXECUTIVE COMPENSATION

The Corporation's executive compensation policies are designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

The Human Resources Committee regularly reviews survey data and reports in respect of a wide group of Canadian industrial companies gathered by independent professional compensation consultants, and meets privately with such consultants. The Corporation undertakes a triennial review of its Executive Compensation Policy by both the primary compensation consultant and another compensation consultant. The latest triennial review was conducted in the fall of 2006 and lead to the implementation, effective 1 January 2007, of the 2007 Executive Compensation Policy. The Corporation engages Hay Group Limited ("Hay") as its primary compensation consultant. The Corporation paid fees of $26,145 to Hay in respect of compensation consulting services related to 2007. The Corporation also engages Mercer Human Resources Consulting ("Mercer") to consult on certain pension and compensation issues and to perform certain administrative and actuarial functions related to the Corporation's pension programs. The fees earned by Mercer for consulting services and pension administration during 2007 were $38,330 and $100,150, respectively.

Total annual compensation for the Named Executive Officers is composed of four (4) main components:

- annual base salary;
- short-term incentive in the form of an annual cash bonus;
- long-term incentives in the form of options to purchase Common Shares of the Corporation and a PSU Plan, which is included as a component of the long-term incentives awarded to the CEO only; and
- pension and post-retirement benefits.

Total annual compensation for the Named Executive Officers involves a significant proportion that is at risk by use of short-term and long-term incentive components. In 2007, approximately 66% of the CEO's total target annual compensation was designed to be at risk and approximately 47% of all other Named Executive Officers' target total annual compensation was designed to be at risk. Total annual compensation includes both the cash compensation paid to the Named Executive Officers in the year and the estimated compensation for the long-term incentive components. The value of the long-term incentive components is largely determined using the Black-Scholes pricing model at the date of grant.

The Corporation's executive compensation regime is structured in a manner that emphasizes the greater ability of the CEO to affect corporate performance by making a greater portion of the CEO's compensation dependent upon corporate performance and aligning the interests of the CEO with those of the shareholders. The Board adopted a policy requiring the CEO to own a minimum number of

Common Shares equivalent to three (3) times the CEO's annual base salary within three (3) years of appointment as CEO. Mr. Marshall's ownership of Common Shares exceeds this requirement.

Annual Base Salary: Base salaries for the Named Executive Officers are reviewed by the Committee and established annually in the context of total compensation and by reference to the range of salaries paid generally by comparable Canadian industrial corporations. The Corporation has a policy of paying executives at approximately the median of the salaries paid to executives of comparable Canadian industrial corporations.

Annual Cash Bonus: The Named Executive Officers participate in a short-term incentive plan that provides for annual cash bonuses. The amount of each bonus is determined by the Board upon recommendation of the Committee following annual assessment of corporate and personal performance and is expressed as a percentage of each Named Executive Officer's annual base salary. The bonus plan is reviewed annually by the Board, upon recommendation from the Committee, and is designed around meeting and exceeding the current financial year's business plan and performance targets by specified amounts. The target bonus is earned upon achievement of certain pre-determined financial targets and individual performance objectives. In 2007, the CEO, the CFO and the General Counsel targeted bonuses were set at 65%, 40% and 30% of their respective annual base salaries. The bonus plan contemplates payment at 150% of target when the predetermined objectives are achieved, with an additional 50% of target available to be awarded at the Board's discretion in recognition of individual response to exceptional challenges or opportunities. The Board retains discretion to award a bonus in excess of 200% of target in recognition of exceptional events as was awarded in 2007 in respect of the Terasen acquisition. Each Named Executive Officer's annual bonus is determined by the Board, upon recommendation from the Committee. The relative ability of each Named Executive Officer to impact corporate performance is reflected in the weighting between corporate and individual elements of their evaluation, with 80% of the CEO's bonus primarily dependent upon corporate performance.

Stock Options and PSUs: Under guidelines approved by the Board, each executive may receive one (1) option grant per year. The number of options granted is dependent upon the Named Executive Officers' annual base salary. In 2007, the CEO, the CFO and the General Counsel targeted option grants values were set at 300%, 300% and 150% of their respective annual base salaries.

In 2007, the CEO was granted 19,570 PSUs. Each PSU represents a unit with an underlying value equivalent to the value of the Common Shares of the Corporation. Notional dividends are assumed to accrue to the holder of the PSU and be reinvested on the quarterly dividend payment dates of the Corporation's Common Shares. The PSU maturation period is three (3) years, at which time a cash payment is made to the CEO, after evaluation by the Human Resources Committee of the achievement of pre-determined personal objectives which, in respect of the 2007 grant, were directed at achieving successful integration, including realization of financial results in line with acquisition expectations, of the Terasen and Fortis Turks & Caicos acquisitions into the Fortis Group, and overall successful corporate performance measured by the total return of the Corporation relative to the S&P/TSX Utilities Index over the three-year period. The payment is based on the number of PSUs outstanding multiplied by the daily average of the high and low board lot trading prices of the Corporation's Common Shares on the TSX for the last five (5) trading days immediately preceding the date of payment.

The first grant under the PSU, made upon implementation of the plan in 2004, matured for payment in 2007. The Human Resources Committee evaluated the performance of the CEO against the pre-established payout criteria and determined that he had met the criteria and was entitled to full payout of the cash value of the PSU balance accumulated thereunder. The CEO was paid $579,320 in respect thereof shortly after the third anniversary of the award on 11 May 2007.

Pension Arrangements: Named Executive Officers also participate in various pension arrangements as outlined on pages 22 and 23 of this Circular.

The Committee believes that the Corporation's compensation regime appropriately takes into account the performance of the Corporation and the contribution of the Named Executive Officers toward the realization of that performance.

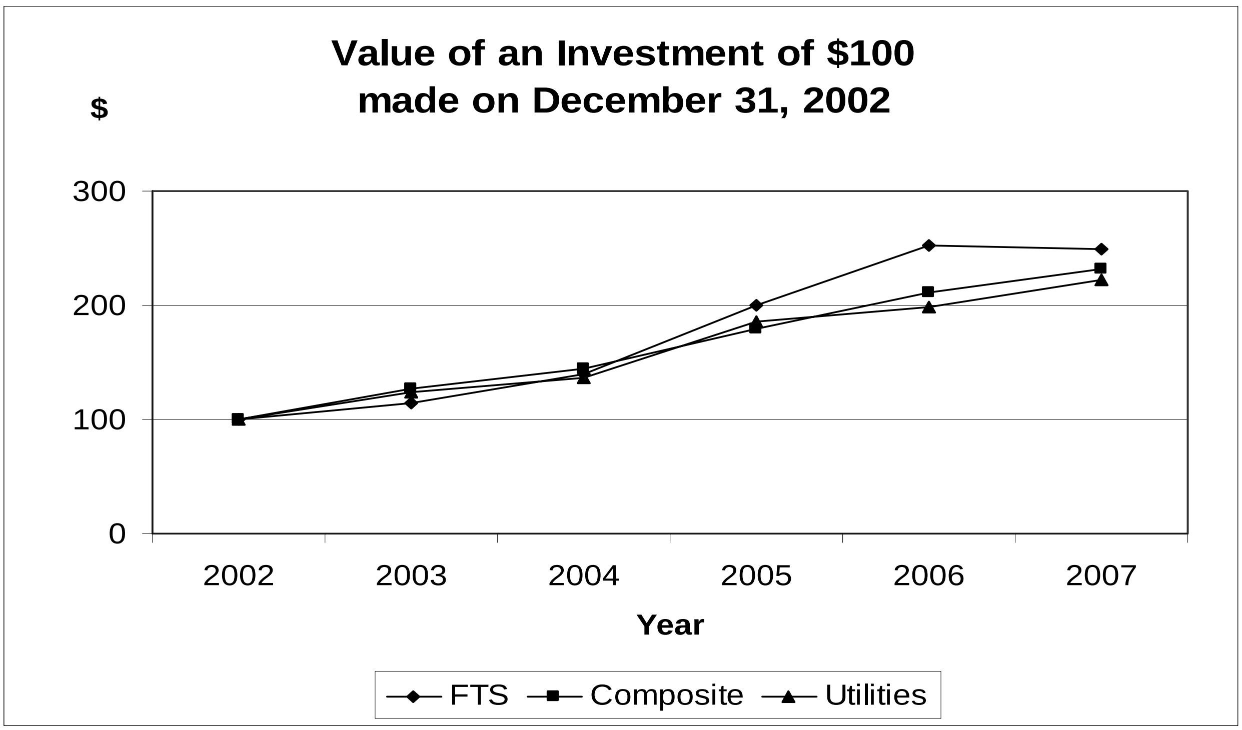
Report presented by the Human Resources Committee:

Roy P. Rideout, Chair   Bruce Chafe   Geoffrey F. Hyland   David G. Norris   Michael A. Pavey

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for $100 invested in the Common Shares of the Corporation on 31 December 2002 with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Utilities Index for the five (5) most recently completed financial years. Dividends declared on the Common Shares of the Corporation are assumed to be reinvested at the closing share price on each dividend payment date. The S&P/TSX Composite Index and S&P/TSX Utilities Index are total return indices and include reinvested dividends.

Five-Year Cumulative Total Return on $100 Investment
Fortis Inc. Common Shares, S&P/TSX Composite Index, S&P/TSX Utilities Index
(31 December 2002 – 31 December 2007)



	2002	2003	2004	2005	2006	2007
Fortis Inc. Common Shares ($)	100	114	139	200	252	250
S&P/TSX Composite Index ($)	100	127	145	180	211	232
S&P/TSX Utilities Index ($)	100	124	136	186	199	222
Increase in total shareholder return from prior year - Fortis Inc. Common Shares (%)	-	14.0	21.9	43.9	26.0	(0.8)

INDEBTEDNESS OF EXECUTIVE OFFICERS, DIRECTORS AND EMPLOYEES

The following table sets forth details of the aggregate indebtedness of all executive officers, directors, employees and former executive officers, directors and employees outstanding at 31 March 2008 to the Corporation and its subsidiaries.

Aggregate Indebtedness

Purpose	To the Corporation or its subsidiaries ($)	To Another Entity ($)
Share Purchases	4,419,489	Nil
Other	3,369,766	Nil

All of the indebtedness reported in the following table was incurred under the Corporation's stock option plans or the ESPP. Optionees, who are employees of the Corporation, or its subsidiaries, are entitled to receive loans for the full value of the shares purchased on the exercise of options under the Executive Stock Option Plan and the 2002 Stock Option Plan; however, loans are no longer permitted under the currently operative 2006 Stock Option Plan. Optionees availing of such financing must pledge the shares acquired with loans to the Corporation, or applicable subsidiary, as security and pay the amount of any dividends received on the related shares as an interest charge. Share option loans must be repaid on the earlier of sale of shares, one (1) year following cessation of employment or ten (10) years. ESPP loans are interest free and are repayable within one (1) year through regular payroll deductions.

The following table sets forth details of the indebtedness of the Directors and Executive Officers of the Corporation under securities purchase programs at 31 March 2008. There is no indebtedness to the Corporation by executive officers, directors, employees or former executive officers, directors and employees of the Corporation for any purposes other than indebtedness under securities purchase programs.

Indebtedness of Directors and Executive Officers under Securities Purchase Programs

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During 2007 ($)	Amount Outstanding as at 31 March 2008 ($)	Financially Assisted Securities Purchased During 2007 (#)	Security for Indebtedness
H. STANLEY MARSHALL President and Chief Executive Officer	Fortis Inc. As Lender	456,599 [(1)]	187,350	-	N/A [(1)]
BARRY V. PERRY Vice President, Finance and Chief Financial Officer	Fortis Inc. As Lender	34,500	198,825	1,173	The Securities Purchased
RONALD W. McCABE General Counsel and Corporate Secretary	Fortis Inc. As Lender	42,629 [(2)]	53,879	372	The Securities Purchased

(1) Amount of $456,599 represents aggregate loans advanced for the remittance of income tax on behalf of Mr. Marshall relating to the exercise of stock options during 2006 and 2007. No loan was granted by the Corporation to assist in the financing of the underlying securities.

(2) Includes amount of $40,129 advanced for the remittance of income tax on behalf of Mr. McCabe relating to the exercise of stock options during 2007. No loan was granted by the Corporation to assist in the financing of the underlying securities.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at *www.sedar.com*. Financial information relating to the Corporation is provided in its comparative financial statements and management discussion and analysis for the most recently completed financial year. A copy of the Corporation's most recent consolidated financial statements, interim financial statements, management discussion and analysis and Annual Information Form, may be obtained by shareholders, without charge, on SEDAR at *www.sedar.com*, on the Corporation's website at *www.fortisinc.com*, or upon request from the Secretary of the Corporation at the following address:

Fortis Inc.
The Fortis Building, Suite 1201
139 Water Street
St. John's, NL
A1B 3T2

CERTIFICATE

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

St. John's, Newfoundland and Labrador
4 April 2008

Ronald W. McCabe
General Counsel and
Corporate Secretary

SCHEDULE A

FORM 58-101F1

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

All page references in this Schedule A are to the Management Information Circular dated 4 April 2008.

DISCLOSURE REQUIREMENT	COMPLIANCE	GOVERNANCE PROCEDURES FOR FORTIS INC.
1. Board of Directors		
(a) Disclose the identity of directors who are independent. (b) Disclose the identity of directors who are not independent and describe the basis for that determination. (c) Disclose whether or not a majority of directors are independent.	Yes Yes Yes	Eight (8) of ten (10) directors proposed for nomination on pages 6 through 11 are independent in accordance with the Meaning of Independence set out in Section 1.4 of MI-52-110, The Board considers Dr. Inkpen and Messrs. Case, Hyland, McCallum, McWatters, Norris, Pavey and Rideout to be independent. The directors who the Board considers not to be independent are Mr. Marshall who is the President and CEO of the Corporation and Mr. Crothers who was an executive officer of subsidiary Caribbean Utilities Company, Ltd. within the last three (3) years.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Yes	All of the directorships of the nominee directors with other reporting issuers are set out on page 15 of this Circular.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	Yes	The directors meet without Mr. Marshall and other management present at every in-person meeting, and most telephone meetings, of the Board and its Committees. Private sessions during meetings conducted by telephone are held when circumstances warrant. During 2007, the directors of the Board and Committees held the following meetings without Mr. Marshall and other management present: Board 13 Audit 8 Governance and Nominating 4 Human Resources 3
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	Yes	Bruce Chafe was appointed Chair upon the retirement of Dr. Bruneau effective 2 May 2006 and is an independent director. Mr. Chafe will retire at the Meeting and a director who is independent will be appointed non-executive Chair.

DISCLOSURE REQUIREMENT	COMPLIANCE	GOVERNANCE PROCEDURES FOR FORTIS INC.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.	Yes	The attendance record of each director for Board and Committee meetings during 2007 is disclosed in the tables on pages 6 through 11 of this Circular.
2. Board Mandate Disclose the text of the board’s written mandate.	Yes	The text of the Board Mandate is disclosed in Schedule A-1.
3. Position Descriptions (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	Yes	The Board, with the assistance of the Governance and Nominating Committee, has developed a written position description for the Chair of the Board. There are no specific position descriptions for the chair of each Committee; however, there are written mandates for each Committee which delineate the responsibilities of each Committee with which the chair thereof is responsible to comply.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.	Yes	The Board has developed a written position description for the CEO.
4. Orientation and Continuing Education (a) Briefly describe what measures the board takes to orient new directors regarding: (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.	Yes	Each new recruit to the Board meets with management of the Corporation and its subsidiaries for orientation information on Board operation and policies, as well as current and historical data pertaining to the operation of the Corporation and an assessment of current strategic opportunities and issues facing the Corporation.

DISCLOSURE REQUIREMENT	COMPLIANCE	GOVERNANCE PROCEDURES FOR FORTIS INC.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	Yes	Presentations are made to the Board as required on developments in the business and regulatory environment impacting upon the Corporation and its subsidiaries. Board meetings are periodically held at the business locations of the Corporation's subsidiaries affording directors the opportunity to observe operations and meet employees of the operating subsidiaries. Each subsidiary CEO makes an annual presentation to the Board on matters affecting their subsidiary's operation. The Corporation sponsors director attendance at appropriate educational seminars.
5. Ethical Business Conduct		
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	Yes	The Board has adopted a written code of business conduct and ethics for the Corporation.
(i) disclose how a person or company may obtain a copy of the code;	Yes	The code is available on the Corporation's website, *www.fortisinc.com* (under Corporate Governance) or on SEDAR at *www.sedar.com*.
(ii) describe how the board monitors compliance with its code or, if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	Yes	The Board, through the Audit Committee, receives reports on compliance with the code.
(iii) provide a cross reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	Yes	The Board has not granted any waiver of the code in favour of a director or executive officer during the past 12 months and for all of 2007. Accordingly, no material change report has been required to be filed.
(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Yes	The Board does not nominate for election any candidate who has an interest in any business conducted with the Corporation, or its subsidiaries, and requires directors to disclose any potential conflict of interest which may develop. Directors do not undertake any consulting activities for, or receive any remuneration from, the Corporation other than compensation for serving as a director.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	Yes	The Board encourages a culture of ethical conduct by appointing officers of high integrity and monitoring their performance so as to set an example for all employees.

DISCLOSURE REQUIREMENT	COMPLIANCE	GOVERNANCE PROCEDURES FOR FORTIS INC.
6. Nomination of Directors		
(a) Describe the process by which the board identifies new candidates for board nomination.	Yes	The Governance and Nominating Committee is responsible for identifying new candidates for the Board. It annually identifies director skill and experience needs, having regard to projected retirements, and oversees a director recruitment search and nomination process leading to recommendations to the Board for consideration and recommendation for election by the shareholders. All of the Corporation's Canadian utility subsidiaries operate with boards comprised of a majority of independent members which affords the Corporation an opportunity to observe the performance and assess suitability of prospective nominees to the Board in an appropriate environment. Subsidiary boards have been the source of five (5) of the current nominees.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.	Yes	The Governance and Nominating Committee is composed entirely of independent directors.
7. Compensation		
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	Yes	The Governance and Nominating Committee reviews the compensation of directors on a periodic basis in relation to published surveys and private polls of other comparable corporations and recommends adjustments thereto for adoption by the Board. The Human Resources Committee makes recommendations to the Board in respect of compensation of officers.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	Yes	The Human Resources Committee acts as a compensation committee in respect of executive compensation and is composed entirely of independent directors. The Committee makes recommendations to the Board following its review of compensation having regard to published material and consultation with appropriate consultants.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Yes	The Human Resources Committee is responsible for monitoring the compensation practices and policies of the Corporation and making recommendations to the Board with respect thereto. Administration and management of the 2006 Stock Option Plan and predecessor option plans, including the authority to grant options to employees, is the responsibility of the Committee.

DISCLOSURE REQUIREMENT	COMPLIANCE	GOVERNANCE PROCEDURES FOR FORTIS INC.
(d) If a compensation consultant or advisor has been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	Yes	Towers Perrin was retained by the Corporation to assist the Governance and Nominating Committee to develop its recommendation to the Board in respect of director compensation for 2008. The Corporation retains Hay Group Limited ("Hay") and Mercer Human Resources Consulting ("Mercers") to advise in respect of executive compensation and pension matters. Hay undertakes a rating of positions within the Corporation and its subsidiaries and provides reports of median compensation levels applicable to such ratings. Mercers provide consulting advice in respect of pension matters and management support to pension plan administration. Fees paid to the compensation consultants are disclosed on page 24 of this Circular.
8. Other Board Committees If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	Yes	The three standing committees of the Board are Audit, Governance and Nominating and Human Resources.
9. Assessments Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees and its individual directors are performing effectively.	Yes	The Governance and Nominating Committee is responsible for regular assessment of the effectiveness and contribution of the Board, its committees and individual directors. It carries out this responsibility through a periodic confidential survey of each director regarding his or her views on the effectiveness of the Board and the committees which are summarized and reported to the Committee and Chair of the Board. The review includes a section on individual issues which the Committee believes would disclose any concerns relating to an individual director.

SCHEDULE A-1

BOARD MANDATE

FORTIS INC.

Mandate of the Board of Directors

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 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;

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;

6) Set expectations and responsibilities of directors, including attendance at, preparation for and participation in meetings; and,

7) Evaluate and review the performance of the Board, each of its committees and its members.

Any questions and requests for assistance may be directed to the Information Agent:

KINGSDALE
Shareholder Services Inc.

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

North American Toll Free Phone:

1-866-851-3212

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272