



FORTIS INC.

Board Shareholder Engagement
November 2018

Empowering, Sustaining and Executing

growth

IN OUR REGULATED ENERGY INFRASTRUCTURE SYSTEMS

Forward-Looking Information

Fortis includes "forward-looking information" in this presentation within the meaning of applicable Canadian securities laws and "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, collectively referred to as "forward-looking information". Forward-looking information included in this presentation reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "target", "will", "would" and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking information, which include, without limitation: targeted average annual dividend growth through 2023; the Corporation's forecast capital expenditures for period 2019 through 2023; and the Corporation's forecast rate base for the period 2019 through 2023.

Forward-looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time to time in the forward-looking information. Such risk factors or assumptions include, but are not limited to: the implementation of the Corporation's five-year capital investment plan; no material capital project and financing cost overrun related to any of the Corporation's capital projects; sufficient human resources to deliver service and execute the capital program; the realization of additional opportunities; the impact of fluctuations in foreign exchange; the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation; reasonable decisions by utility regulators and the expectation of regulatory stability and no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by Fortis with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information in this presentation is given as of the date of this presentation and Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information referenced is in Canadian dollars and references to rate base refer to mid-year rate base.

AGENDA

1 FORMAL PRESENTATION

Business and Strategy Overview

Doug Haughey, Fortis Inc. – Chair of the Board

Board Structure

Doug Haughey, Fortis Inc. – Chair of the Board

Corporate Governance

Ida Goodreau, Fortis Inc. – Chair of the Governance and Nominating Committee

Executive Team Overview

Jo Mark Zurel, Fortis Inc. – Chair of the Human Resources Committee

2 STAKEHOLDER FEEDBACK

3 Q&A





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Business & Strategy Overview

Leading North America Utility

BUSINESS & STRATEGY OVERVIEW

10
Locally Operated
Utilities
=
1 Strong
North
American
Company

- ITC
- UNS Energy
- FortisBC
- FortisAlberta
- Newfoundland Power
- Central Hudson
- FortisOntario
- Caribbean Utilities
- Maritime Electric
- FortisTCI



High Quality & Diverse Utility Portfolio

BUSINESS & STRATEGY
OVERVIEW

~97% REGULATED
UTILITY ASSETS

10 UTILITY OPERATIONS
Canada, U.S. & Caribbean

\$26.1 BILLION
MIDYEAR 2018
RATE BASE

~60% EARNINGS FROM THE U.S.

~92% TRANSMISSION &
DISTRIBUTION

3.3 MILLION
UTILITY CUSTOMERS
2.0M Electric & 1.3M Gas

Note: All information as at September 30, 2018, except earnings and transmission and distribution are as at December 31, 2017.

Strategic Initiatives Timeline

BUSINESS & STRATEGY
OVERVIEW

1885-2012



Focused on Canada

2013-2016



U.S. Acquisition Strategy

2017-Current



Focused on Organic Growth
in North America

Proven Strategy

BUSINESS & STRATEGY
OVERVIEW



6%

Average Annual Dividend
Growth Target through 2023

STRATEGY

Leverage the operating model, footprint
of our utilities, operating expertise,
reputation and financial strength to
develop growth opportunities



Focus on
Organic Growth

AREAS OF FOCUS:

Utility Capital
Investment
Plan

Investment
Grade Credit
Ratings

System Resiliency
& Cybersecurity

Sustainability &
Delivery of
Cleaner Energy

Customer &
Regulatory
Relationships

Energy Infrastructure,
LNG Expansion &
Energy Storage

2019-2023 Business Plan Highlights

BUSINESS & STRATEGY
OVERVIEW



\$17.3B

5-Year
Capital Plan



6-7%

Rate Base
Growth



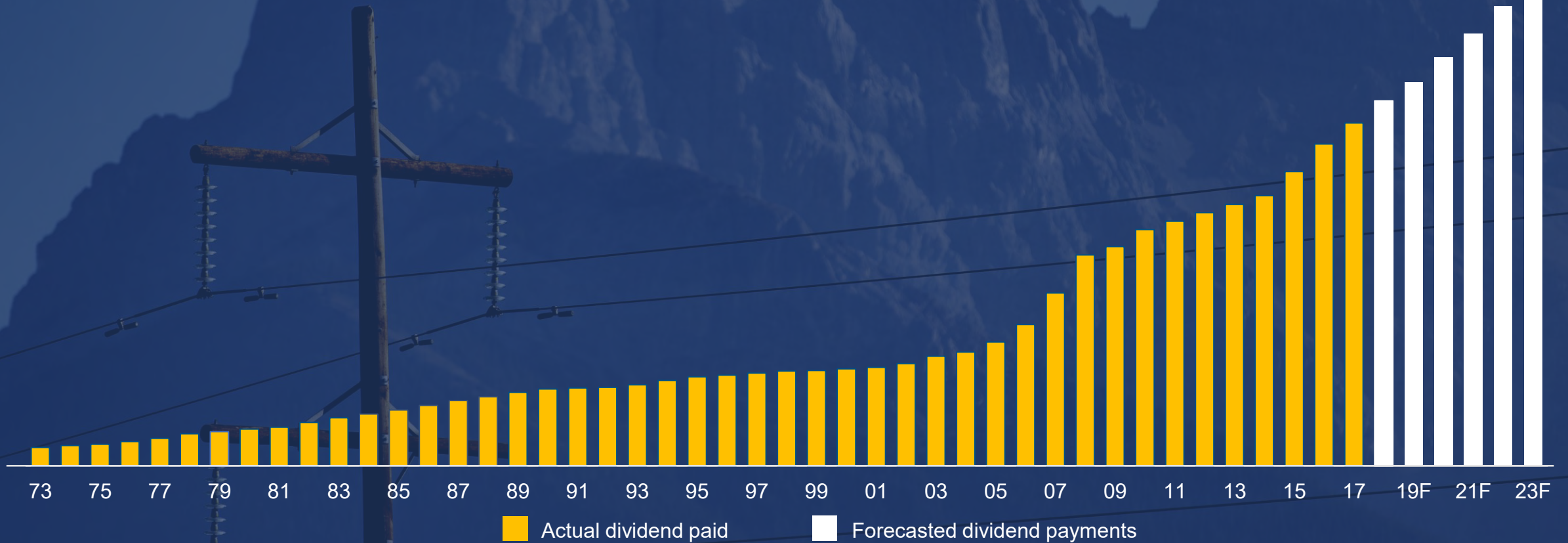
6%

Average Annual
Dividend Growth
Target to 2023

45 Years of Dividend Growth

BUSINESS & STRATEGY
OVERVIEW

6% guidance generates annual dividend payment of \$2.27 in 2023





FORTIS INC.

Board Structure

BOARD STRUCTURE



Douglas J. Haughey
Chair of the Board



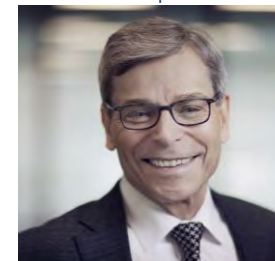
*Barry V. Perry**
President & CEO,
Fortis



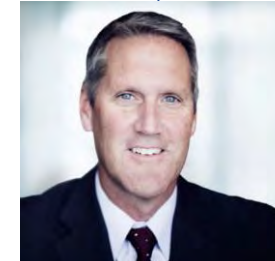
Tracey C. Ball
Chair of the Audit
Committee



Pierre J. Blouin



Paul J. Bonavia



Lawrence T. Borgard



Maura J. Clark



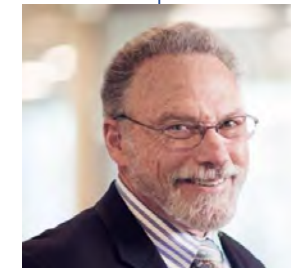
Margarita K. Dilley
Chair of Central Hudson Gas
and Electric Company



Julie A. Dobson



Ida J. Goodreau
Chair of the Governance and
Nominating Committee



*Joseph L. Welch**
Chair of ITC Holdings
Corp.



Jo Mark Zurel
Chair of the Human
Resources Committee

* Not independent

Committee Structure

BOARD STRUCTURE



Strong and Experienced Board of Directors

BOARD STRUCTURE

100% are financially literate

10 of 12 directors are independent

Average tenure ~4 years

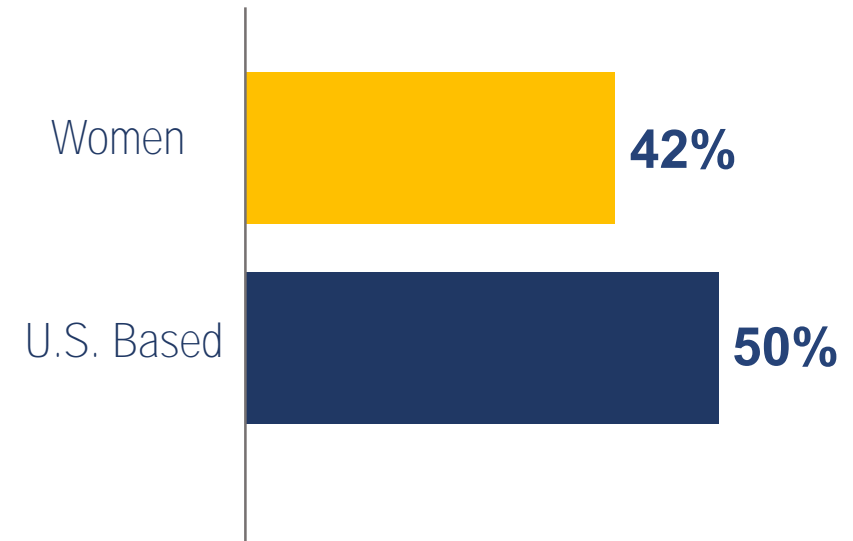
10 have utility/energy experience

11 have governance & risk management experience

9 have executive compensation experience

100% have senior executive experience

Representation on the Board





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Corporate Governance

Corporate Governance Approach

CORPORATE GOVERNANCE

Committed to best corporate governance practices:

Responsibility Matrix	Board	Governance & Nominating Committee	Human Resources Committee	Audit Committee
Strategy	✓			
Executive Succession Planning			✓	
Executive Compensation			✓	
Board Assessment and Renewal		✓		
Sustainability		✓		
Risk Management and Financial Oversight				✓
Cybersecurity		✓		
Social <ul style="list-style-type: none">• Customer & Stakeholder Engagement• Health & Safety• Employee & Community Relations	✓			

Strong Performance

- ISS and Glass Lewis Supportive of All Resolutions for Past Four Years
- 2017 Governance Gavel Award for "Best Disclosure of Corporate Governance and Executive Compensation Practices"

New Policies

- Board Shareholder Engagement
- Anti-Corruption
- Respectful Workplace

Board Assessment and Renewal

CORPORATE GOVERNANCE

Annual Assessment of Board and Committee Process

- Comprehensive survey and interviews to assess individual and overall board performance



Tenure Policy

- Policy limits Board to 12 years of service or 72 years of age
- Allows for planned and thoughtful Board renewal and strengthens independence

Board Drives the Board Renewal Process

- GNC oversees director recruitment and nomination process to fill vacancies
- Use external and independent search firm to help identify and evaluate potential candidates
- Focus on skills matrix and demographic metrics

Risk Management and Financial Oversight

CORPORATE GOVERNANCE

Risk Management Overview

- Highly regulated businesses
- Board oversees enterprise risk management across the organization

Financial Reporting

- Independent Audit Committee supported by experienced management
- Subsidiaries have majority independent Audit Committees and their own external auditors
- Internal Audit function at Fortis has oversight throughout organization
- SOX compliant



Prioritizing Cybersecurity

CORPORATE GOVERNANCE



Risk
Management



Asset
Management



Identity &
Access



Threat &
Vulnerability



Situational
Awareness



Information
Sharing



Incident
Response



Supply Chain



Workforce



Cybersecurity
Program

Leadership & Oversight

- Oversight by Governance and Nominating Committee
- Fortis Inc. Chief Information Officer appointed in 2017

Cyber Risk Management

- NERC CIP Compliance
- C2M2 – Cybersecurity Capability Maturity Model
- Establish metrics and continuous improvements to mitigate risks
- Focused on building a security-minded culture
- Leveraging best practices across utility businesses
- Implementing a Cybersecurity Risk Management Program in 2019 modelled on Enterprise Risk Management Program

Sustainability Oversight

CORPORATE GOVERNANCE



Evolution of Reporting Practices

- Oversight by Governance and Nominating Committee
- Appointed Nora Duke as executive responsible for sustainability
- Enterprise-wide disclosure and communication of key performance indicators (KPIs) and subsidiary initiatives
- Comprehensive Sustainability Report issued in October 2018
- Sustainability Report principles and disclosure guided by:
 - Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
 - Global Reporting Initiative (GRI) Standards
 - Task Force on Climate-Related Financial Disclosures (TCFD)
- Annual KPI reporting and biennial Sustainability Report

Environmental Commitment

CORPORATE GOVERNANCE

5,700MW

Wind Energy Connected by ITC

Yielding Customer Savings of

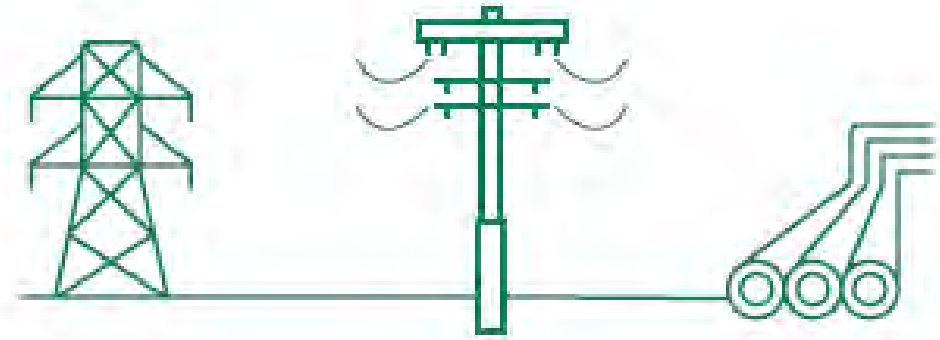
US\$600M⁽¹⁾

(1) Based on independent study by ICF International. Represents savings for 2008 – 2014.

We delivered **19 times** more energy to our customers than we generated in 2017

92%

of our assets are
electricity poles,
wires and natural
gas lines



63% decrease in the carbon intensity
of operations since 2015

Social Commitment

CORPORATE GOVERNANCE

Customers and Stakeholder Engagement

- Our subsidiaries continuously engage with local regulators and stakeholders

Health and Safety

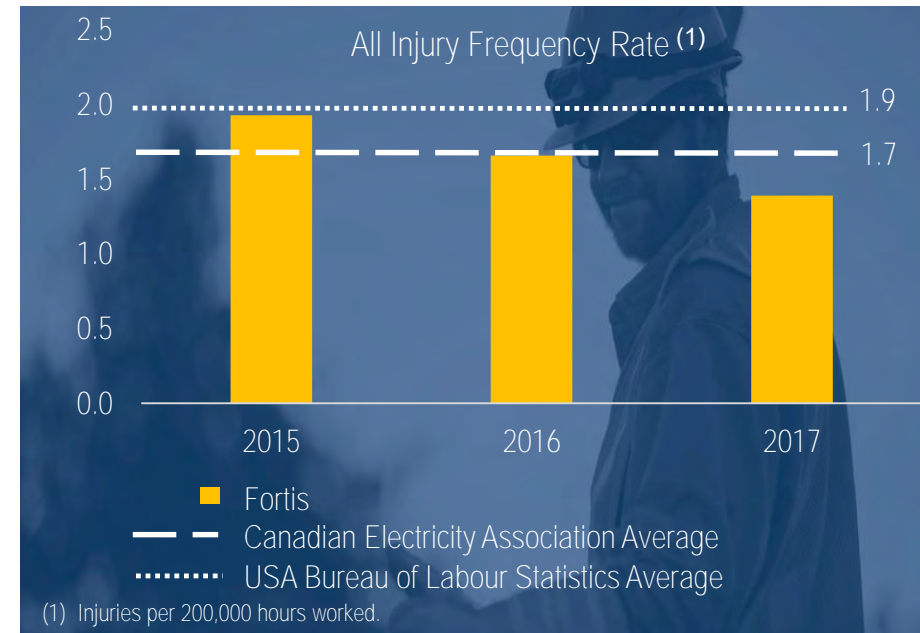
- Fortis and its subsidiaries are committed to a culture of safety as evidenced by our safety record, which has outperformed industry averages in Canada and the U.S.

Employee Relations

- Talent management, labour management, EAP, diversity and workforce training

Community Involvement

- Fortis, its subsidiaries and employees offer their time, energy and financial contributions to hundreds of initiatives in the areas of health, education, environmental stewardship and culture



\$12.5M

invested in communities
that we serve in 2017 and tens of
thousands of volunteer hours



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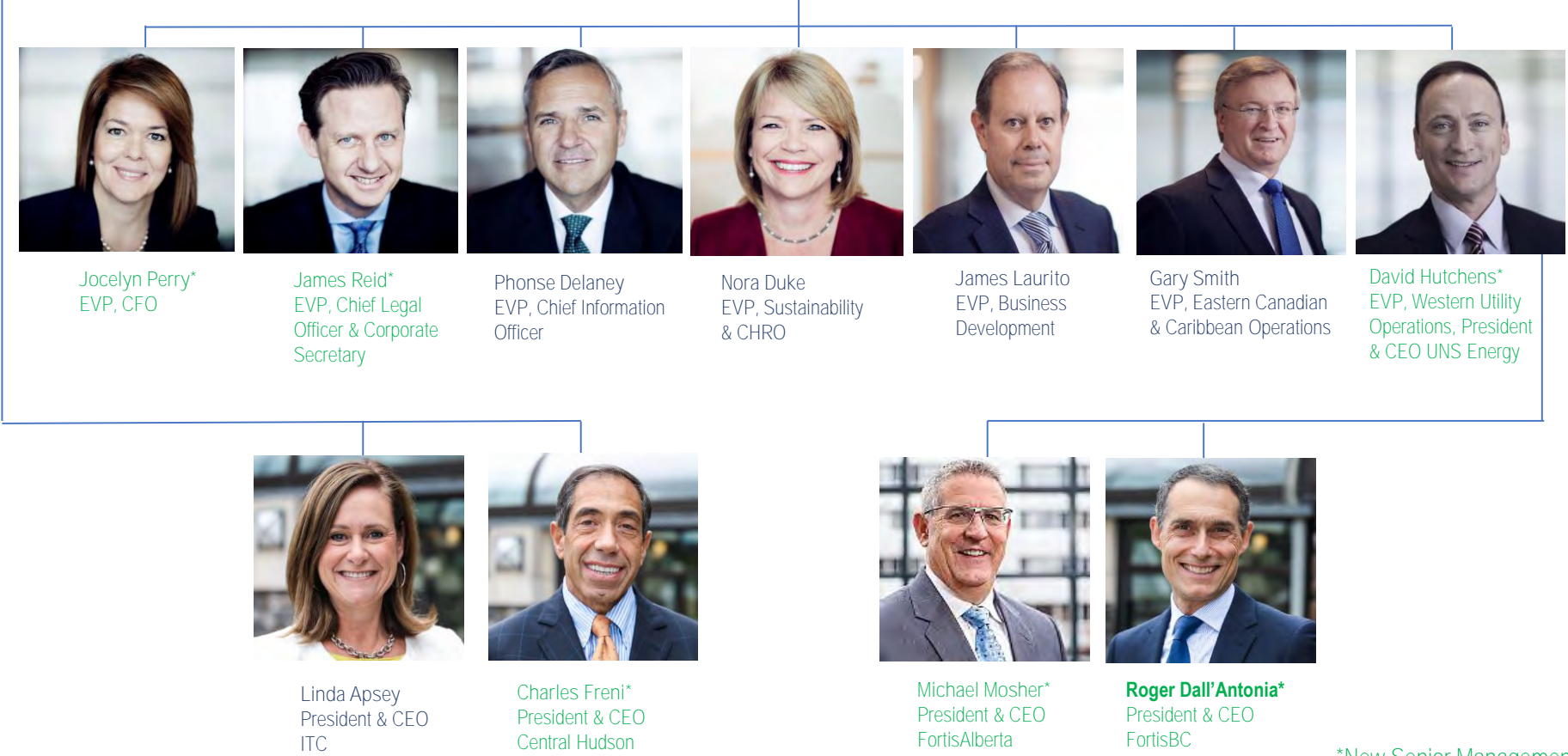
Executive Team Overview

Strong Executive Team



Barry Perry
President & CEO

EXECUTIVE TEAM OVERVIEW



*New Senior Management Appointments over past year

Executive Succession Planning

EXECUTIVE TEAM OVERVIEW

Effective succession planning process:

- Annual review of enterprise-wide talent pipeline for key executive roles
- Oversight of talent management programs to support long-term succession needs
- Monitor emerging or changing executive talent requirements
- Framework for CEO succession process in place

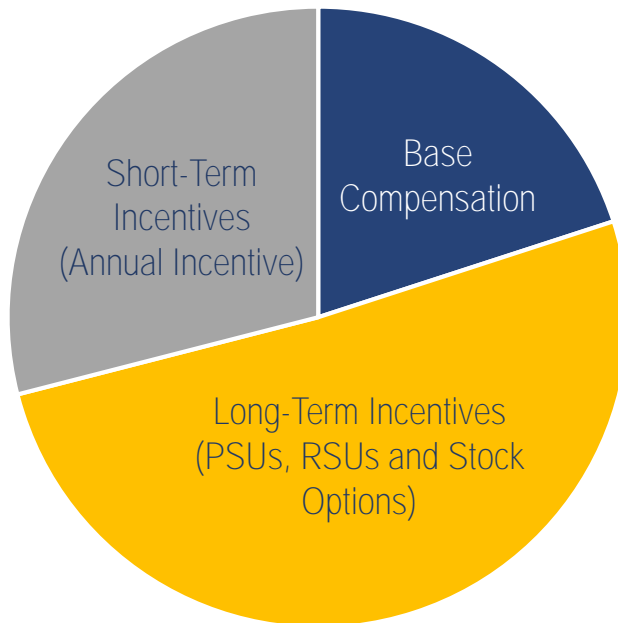
7 of 18 senior management appointments over past year:

- EVP, CFO
- EVP, Chief Legal Officer
- EVP, Western Utility Operations
- President & CEO FortisBC
- President & CEO FortisAlberta
- President & CEO Central Hudson
- President & CEO Newfoundland Power

Executive Compensation

EXECUTIVE TEAM OVERVIEW

Total Direct Compensation



- Compensation Objectives:
 - Fair compensation
 - Linked to performance
 - Aligned with shareholders
- Reviewed annually with a comprehensive review biennially by external advisors
- Biennial review currently ongoing with no major changes in design anticipated
- Annual **“Say on Pay” Vote**
 - 97.49% in 2016, 97.51% in 2017 and 97.85% in 2018



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Conclusion

Board Shareholder Engagement Supportive of Fortis Value Proposition

CONCLUSION

✓ Board Aligned on Strategy

✓ Strong Governance Model

✓ Receptive to Shareholders

✓ Committed to Sustainability

✓ Strong Executive Team

The Board and management are committed to good governance, environmental stewardship and sound business practices. We are also committed to routinely reviewing our governance framework practices and receiving feedback from our shareholders as we grow and expand our investor base. Fortis continues to promote diversity and has committed to having a Board where each gender represents at least one-third of the Board's independent directors – a level we currently meet.

✓ Well-Run Utilities

✓ Highly Regulated

✓ Diversification of Risk

✓ Strong Growth Profile

✓ 6% Dividend Guidance



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Stakeholder Feedback



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Questions