



BOARD SHAREHOLDER ENGAGEMENT

December 15, 2022

FORWARD-LOOKING INFORMATION

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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, including, without limitation: the successful execution of the capital plan, including its expected cleaner energy investments; and the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation. 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 the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this presentation. 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.

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Board Update

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Sustainability

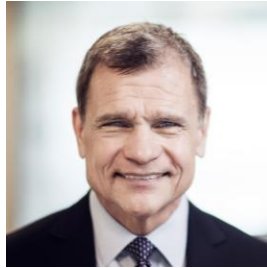
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Introductions and Board Participants



Douglas J. Haughey
Chair of the Board



Jo Mark Zurel
Incoming Chair
of the Board



Maura J. Clark
Chair of Audit
Committee



Pierre J. Blouin
Chair of Governance &
Sustainability Committee



Julie A. Dobson
Chair of Human
Resources Committee



Meeting Objectives

- Introduce incoming Board Chair and Committee Chairs
- Highlight recent Board advancements and priorities
- Feedback and questions from you

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Purpose Statement – Delivering a Cleaner Energy Future

Our Values:



We never
compromise
on **safety**



We value
our **people**



We keep
it **local**



We act with
courage and
integrity



We are
community
champions



We aim for
excellence
every day

Board's Role:

Oversee strategy and risk for the purpose of delivering long term sustainable value for our shareholders and other stakeholders

Three Distinct Characteristics of Fortis:

- 1 We are an energy delivery business
- 2 We have regulatory and geographic diversity
- 3 We have a decentralized business model with local leadership

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2022 Board Advancements At A Glance

Strategy

- ✓ Focused on organic growth and delivery of cleaner energy
- ✓ 49 years of consecutive dividend increases
- ✓ Announced 4-6% dividend growth guidance through 2027

Succession Planning

- ✓ New director appointed in 2022
- ✓ Key executive positions filled following retirements
- ✓ Ad hoc Board Chair Selection Committee announced incoming Board Chair

Sustainability

- ✓ Released inaugural TCFD and Climate Assessment Report
- ✓ Established 2050 Net-Zero Target
- ✓ 2022 Sustainability Report, aligned with SASB
- ✓ Carbon reduction targets linked to executive compensation

Leadership diversity

- ✓ Linked executive compensation to diversity, equity and inclusion metrics
- ✓ Executing on Board diversity targets
- ✓ Disclosure of Fortis-wide workforce representation data

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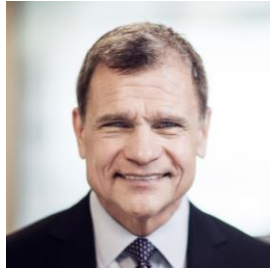
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Board of Directors



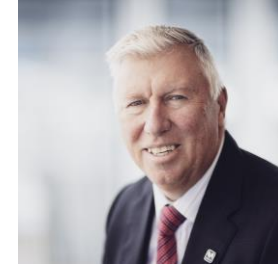
Douglas J. Haughey
Chair of the Board



David G. Hutchens



Tracey C. Ball



Pierre J. Blouin



Paul J. Bonavia



Lawrence T. Borgard



Maura J. Clark



Lisa Crutchfield



Margarita K. Dilley



Julie A. Dobson



Lisa L. Durocher



Gianna M. Manes



Jo Mark Zurel

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Diverse Board

- ✓ **Independent Chair**
- ✓ **12 of 13** directors are independent
- ✓ **54%** of directors are female; **16%** identify as a visible minority
- ✓ Average board tenure of **4.9 years**
- ✓ **70%** of Fortis utilities have either a female president or female board chair
- ✓ Ongoing **Board-shareholder engagement** program
- ✓ **Decentralized business model** with each subsidiary governed by its own board of directors



Board Targets

- ✓ At least **40%** of the board's independent directors represented by women
- ✓ At least **two directors who are a visible minority and/or Indigenous** person



Governance Practices

- ✓ Board Assessment
- ✓ Tenure and Term Limits (age 72 or 12 years of service)
- ✓ Board Diversity Policy
- ✓ Director Education
- ✓ Skills Matrix

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Governance Overview

Governance Model

- ✓ Holding company with significant subsidiaries governed by their own board of directors comprising of a majority of independent directors
- ✓ Subsidiary boards provide oversight and administration of their governance and operations regarding customer needs, regulatory environment and business objectives, while operating within the parameters of Fortis strategy and policy

Board Composition

- ✓ Majority independent directors (12 of 13)
- ✓ Diversity Policy to ensure all aspects of diversity are considered
- ✓ Skills matrix utilized to manage the mix of skills and experience

Independence

- ✓ Independent Board Chair separate from CEO
- ✓ All three board committees are 100% independent
- ✓ Regular sessions of independent directors
- ✓ Tenure Policy ensures regular Board renewal

Compensation

- ✓ Annual advisory vote on executive pay
- ✓ Benchmarking done for competitiveness
- ✓ Compensation clawback policy to mitigate risk
- ✓ Share ownership requirements for directors and executives
- ✓ Regular compensation risk assessments

Director Elections

- ✓ Directors elected annually
- ✓ Directors elected individually, not by slate
- ✓ Majority voting policy to ensure directors receive shareholder support

Ethics and Education

- ✓ Core policies include Code of Conduct, Anti-Corruption, Speak-up and Respectful Workplace
- ✓ Board education program for ongoing development
- ✓ Annual board assessment process to ensure board effectiveness

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Board Strategy

Overview

- ✓ Board continuously engaged on the development and execution of strategy
- ✓ Regular communication between the Board Chair and CEO (and other executives)
- ✓ Strategy discussion at every Board meeting and annual in-depth strategy session

Strategy Builds on Durable Competitive Advantages

- ✓ Focus on regulated energy delivery
- ✓ Governance defined by local leadership
- ✓ Regulatory and geographic diversity
- ✓ ESG Leadership

Key Strategic Priorities

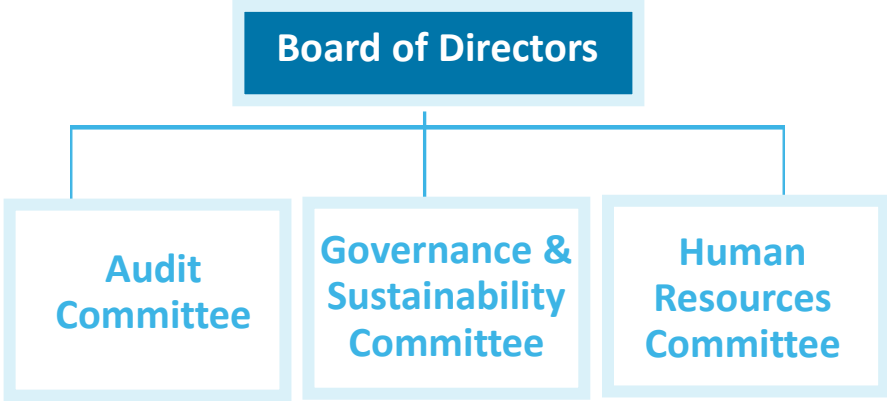
- ✓ Capex supporting cleaner energy: renewables, storage and low/zero emission transportation
- ✓ Talent, culture and long-term succession planning at the board and executive level
- ✓ Investing in resiliency, the smart grid, electrification and cybersecurity
- ✓ Environmental and social performance, inclusivity and diversity progress

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Committee Structure



Responsibility Matrix	Board	Governance & Sustainability Committee	Human Resources Committee	Audit Committee
Strategy	✓			
Executive Succession Planning	✓		✓	
ESG		✓		
Board Assessment and Renewal		✓		
Talent & Diversity			✓	
Executive Compensation			✓	
Health & Safety	✓			
Risk Management & Financial Oversight				✓
Cybersecurity		✓		
Stakeholder Engagement	✓			

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Enterprise Risk Management (ERM) & Cybersecurity

ERM

- ✓ The Board is responsible for oversight of the material risks and related mitigation strategies
- ✓ The Board, through the Audit Committee, oversees ERM program
 - ✓ ERM at the subsidiary level is overseen by each subsidiary's board
 - ✓ Every year the board receives an ERM risk assessment report prepared by management that outlines strategic risks and related risk mitigation strategies
 - ✓ Material risks identified at the subsidiaries form part of the risk assessment

Cybersecurity Oversight

- ✓ Our cybersecurity strategy is based on our cybersecurity risk management program (CRMP), leveraging insights across the group and building a culture of security
 - ✓ Vice President, Chief Information Officer coordinates the CRMP program with the leaders of each subsidiary's IT group
 - ✓ Program mirrors the structure of our ERM framework and focuses on key risks including asset and identity management, threat and vulnerability analysis, situational awareness, information sharing, incident response, supply chain and insider threats
- ✓ Governance and Sustainability Committee, on behalf of the Board, is responsible for oversight of cybersecurity and receives a report on cybersecurity and technology at each regularly scheduled meeting
- ✓ No reportable cybersecurity breaches since we began reporting on cybersecurity in 2018

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ESG Leadership

Environmental

- ✓ 93% energy delivery assets
- ✓ Scope 1 GHG emissions reduction target of 75% by 2035 compared to 2019 levels and net zero by 2050
- ✓ In 2021, 4% of rate base and 5% of total revenues related to coal-fired electricity; TEP retired 170 MW of coal generation capacity in June 2022; expect to be coal-free by 2032
- ✓ Five-year capital plan includes \$5.9B for cleaner energy investments
- ✓ Executive compensation linked to climate targets
- ✓ In 2021, TEP added 450 MW of wind and solar power and 30 MW of energy storage system
- ✓ FortisBC focused on exceeding its target to reduce customer emissions 30% by 2030 to meet British Columbia's GHG reduction target of 40%

Social

- ✓ Strong safety culture and commitment to employee well-being
- ✓ More than \$10M of community investment in 2021
- ✓ Economic and business development in the communities we serve
- ✓ Focus on Indigenous partnerships and businesses
- ✓ Focus on just transition
- ✓ Fortis-wide Diversity, Equity and Inclusion Advisory Council established
- ✓ Signatory of the BlackNorth Initiative in efforts to end anti-Black systemic racism

Governance

- ✓ Independent Chair; 12 of 13 directors are independent
- ✓ 54% of directors are female; 16% identify as a visible minority
- ✓ Average board tenure of 4.9 years
- ✓ 70% of Fortis utilities have either a female president or female board chair
- ✓ Board-shareholder engagement ongoing with Board and committee chairs
- ✓ Decentralized business model and focus on independent governance with each subsidiary governed by its own board of directors

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Sustainability: A Year of Execution Reporting to Inform Stakeholders

Inaugural 2022 TCFD and Climate Assessment Report

- Climate scenarios looking at how climate-related risks are incorporated into risk management, long-term strategy and financial planning
- Transition and physical risk assessed



2022 Sustainability Report

- Over 35 new key performance indicators
- Fortis aligned with GRI, TCFD and SASB



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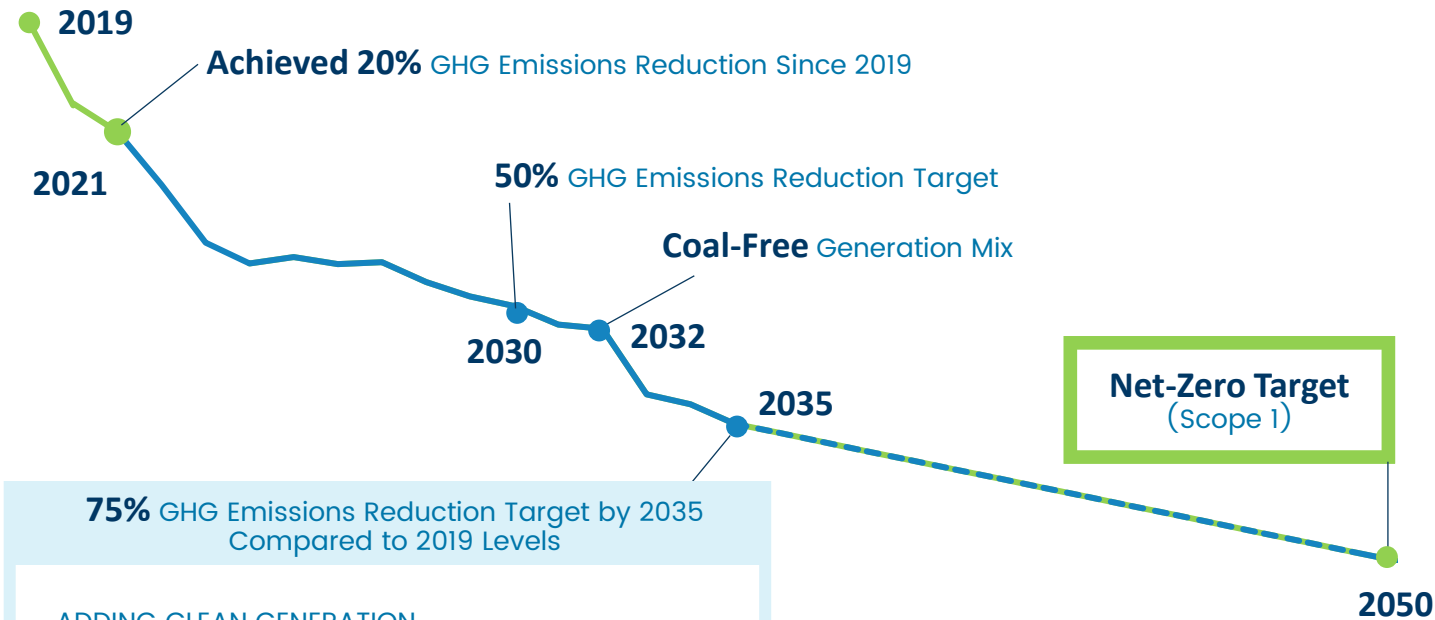
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Sustainability: A Year of Execution Pathway to Net-Zero



75% GHG Emissions Reduction Target by 2035 Compared to 2019 Levels

ADDING CLEAN GENERATION
3,400 MW Planned Additions of Wind, Solar and Storage from 2022-2035

PLANNED COAL RETIREMENTS

2022	2027	2031	2032
-170 MW	-387 MW	-110 MW	-406 MW
San Juan	Springerville Unit #1	Four Corners	Springerville Unit #2

✓

- Actual GHG Emissions Reduction
- Forecast GHG Emissions Reduction
- Illustrative Emissions Reduction

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Executive Succession

Leadership Transition

- Human Resources Committee is responsible for the development and succession of senior management which is reviewed regularly by the Board
- Annual review completed of enterprise-wide talent pipeline for key executive roles
- Oversight provided for talent management programs to identify high potential employees and support long-term succession needs

(1) Effective January 2022, Gary Smith's role was expanded to include cybersecurity and technology functions in addition to oversight of Eastern Canadian and Caribbean operations and leadership in key areas such as safety, reliability and capital investment across the entire organization, following the retirement of Jim Laurito.

(2) Effective July 2022, Jim Reid assumed oversight of sustainability, human resources, communications and government relations, in addition to his legal and governance portfolio, following the retirement of Nora Duke.

2022 Executive Changes



Gary Smith
EVP, Operations & Innovation⁽¹⁾



Jim Reid
EVP, Sustainability & CLO⁽²⁾

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Executive Compensation

Objectives

- Fair compensation
- Linked to performance
- Aligned with shareholders

Approach

- Total direct compensation reviewed annually with external advisors
- Annual setting of incentive pay targets with ongoing monitoring of performance and results
- Regularly scheduled risk assessment of compensation program by external consultant

2022 Compensation Changes

Long-Term Incentives

- ✓ Eliminated new stock option awards for Canadian executives to harmonize incentive mix for all executives
- ✓ Implemented double trigger change of control provisions for equity-based compensation
- ✓ Carbon reduction metrics added to performance share unit plan

Short-Term Incentives

- ✓ Introduced diversity, equity and inclusion metric to annual incentive; total for sustainability and people category accounts for 40% of corporate performance
- ✓ Increased corporate performance weighting to 90% from 80% and 10% for individual performance

Other Changes

- ✓ Introduced single North American comparator group benchmark for executive compensation
- ✓ Increased share ownership guidelines for President & CEO

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Ongoing Board Priorities

Areas of Focus

- Oversight of strategy and cleaner energy transition
- Enterprise risk management including regulation, cybersecurity, climate adaptation, energy security and affordability
- Talent management
- Continued focus on advancing ESG, including DEI in incentive performance measures
- Ongoing review of executive compensation program/policies to ensure aligned with best practices

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Board Shareholder Engagement
Supportive of Value Proposition



**Board Aligned on
STRATEGY**



**Strong
Governance
MODEL**



**ESG
Leader**



**SAFE,
WELL-RUN
Local Utilities**



**Strong
Executive
TEAM**



**Geographic &
Regulatory
DIVERSITY**



INNOVATIVE



**LOW-RISK
Growth
Profile**



**4-6%
ANNUAL DIVIDEND
Growth Guidance**



FEEDBACK & QUESTIONS