

WELCOME TO THE
2020 ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS

WE WILL BEGIN OUR BROADCAST SOON

 **FORTIS** INC.

2020 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

MAY 7, 2020

FORTIS INC.



VOTING INSTRUCTIONS

179-925-594

You have voted on 3 of 3 Items

Resolution 1

For - Vote received

For

Against

Withheld

CANCEL

Resolution 2

Withheld - Vote received

For

Against

Withheld

CANCEL

Resolution 3

Against - Vote received

For

Against

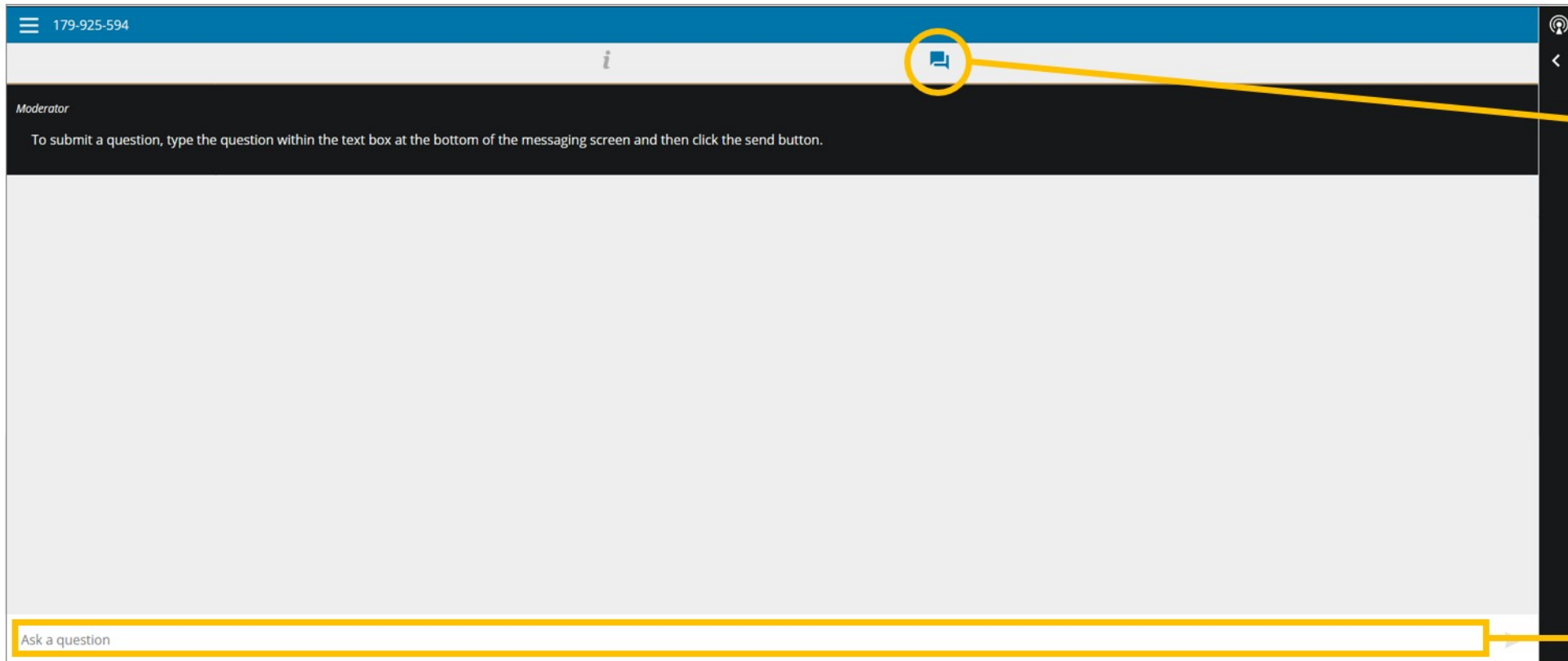
Withheld

CANCEL



Voting Icon

QUESTION INSTRUCTIONS



Type your question

A portrait of Doug Haughey, a middle-aged man with short brown hair, smiling and wearing a dark suit, white shirt, and a blue patterned tie. The background is a blurred office setting with blue light.

DOUG HAUGHEY

CHAIR OF THE BOARD

IDA GOODREAU



FORTIS INC.

MEETING PARTICIPANTS



BARRY PERRY

President and
Chief Executive Officer



JOCELYN PERRY

Executive Vice President,
Chief Financial Officer



JIM REID

Executive Vice President,
Chief Legal Officer and Corporate Secretary

MEETING AGENDA

Appointment of Secretary and Scrutineers

Financial Statements

Election of Directors

Appointment of Auditors

Approve the Adoption of Advance Notice By-Law

Advisory Vote on Approach to Executive Compensation

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APPOINTMENT OF SECRETARY AND SCRUTINEERS

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RECEIVE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

VOTING PROCEDURE

A portrait of Joseph Welch, an older man with grey hair, a beard, and glasses, smiling. He is wearing a dark suit, a striped shirt, and a patterned tie. The background is a blurred office setting.

JOSEPH WELCH

FORTIS INC.

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ELECTION OF DIRECTORS



Tracey C. Ball



Pierre J. Blouin



Paul J. Bonavia



Lawrence T. Borgard



Maura J. Clark



Margarita K. Dilley



Julie A. Dobson



Douglas J. Haughey



Barry V. Perry



Jo Mark Zurel

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APPROVE THE ADOPTION OF ADVANCE NOTICE BY-LAW

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ADVISORY VOTE ON APPROACH TO EXECUTIVE COMPENSATION

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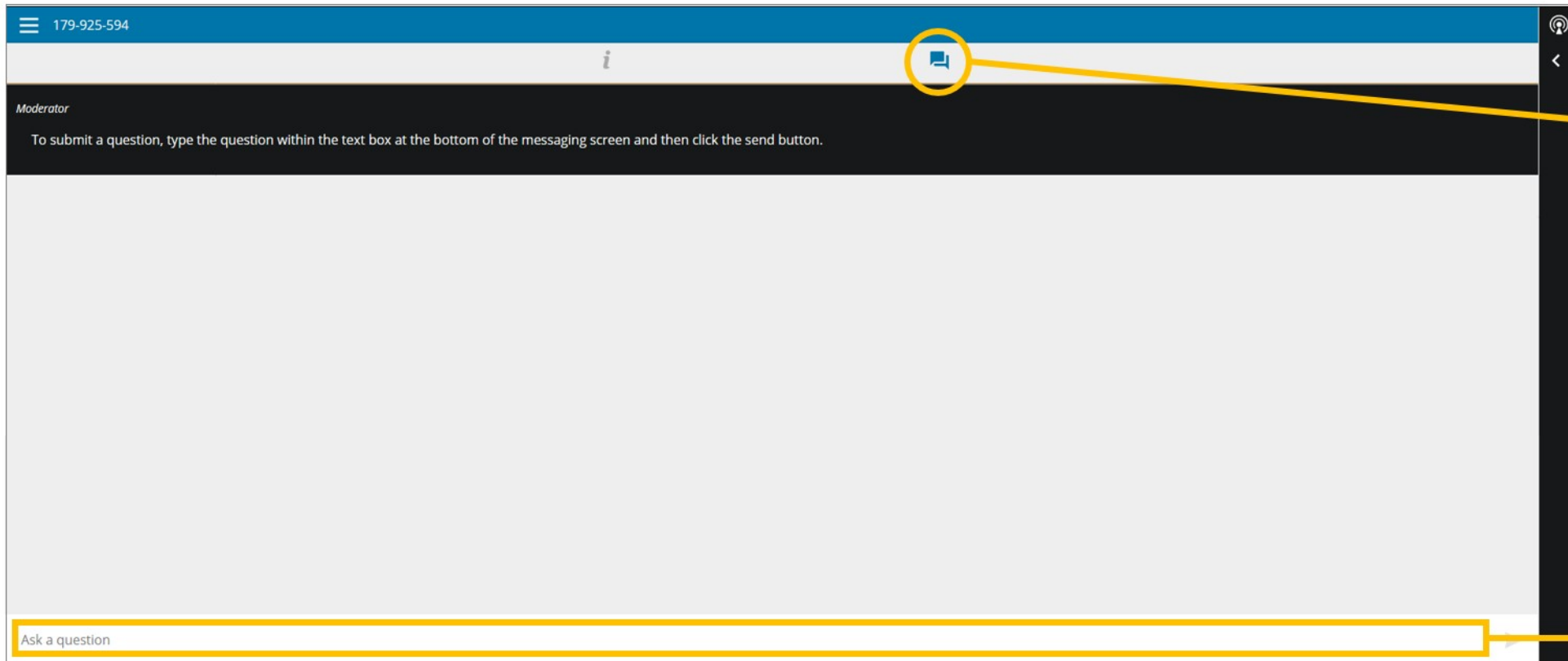
VOTING RESULTS

FORTIS

FORTIS



QUESTION INSTRUCTIONS



Question Icon

Type your question

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 Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information 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 includes, without limitation: forecast capital expenditures for 2020 and the period from 2020 through 2024; the expectation that there be capital shifting from year to year; FortisBC's 2030 GHG emission goal; TEP renewable energy target; and targeted average annual dividend growth through 2024.

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 assumptions include, but are not limited to: no material impact from the COVID-19 pandemic; reasonable outcomes for regulatory proceedings and the expectation of regulatory stability; the successful execution of the five-year capital expenditure plan; no material capital project or financing cost overruns; sufficient human resources to deliver service and execute the capital expenditure plan; no significant variability in interest rates; 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.

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

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BARRY PERRY PRESIDENT AND CEO



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OUR SERVICE IS ESSENTIAL



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EMPLOYEE SAFETY GUIDES EVERY DECISION WE MAKE



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LOCAL TEAMS FOCUSED ON THE NEEDS OF THEIR COMMUNITIES



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**WE ALL MOVE FORWARD
WHEN WE GIVE BACK**

UniSource Energy
SERVICES
TEP
Tucson Electric Power

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“ALL IN” TO KEEP THE LIGHTS ON AND THE GAS FLOWING



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ON SOLID FOOTING AS WE ENTERED 2020

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JOCELYN PERRY
EXECUTIVE VICE PRESIDENT,
CHIEF FINANCIAL OFFICER

FORTIS INC.

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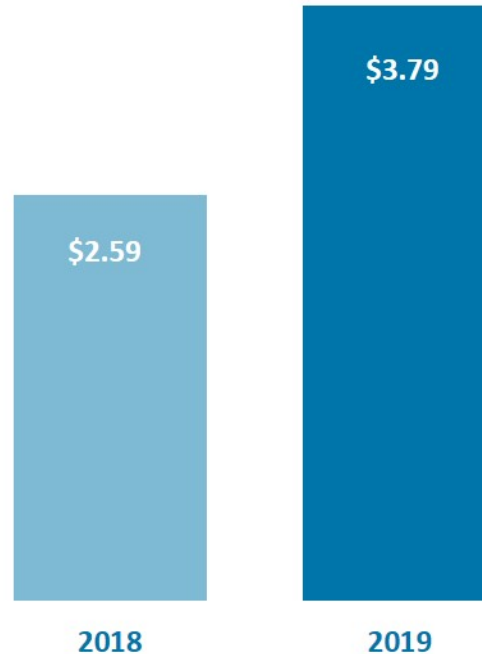
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2019 RESULTS

Reported EPS



Adjusted EPS ⁽¹⁾



(1) Non-US GAAP Measure

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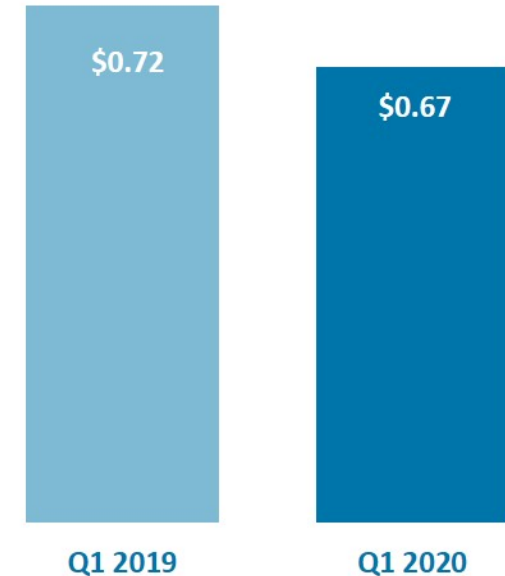
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\$1.2 billion equity issuance
completed in late 2019 contributed
to a higher weighted share count
for Q1 earnings per share.

Q1 2020 RESULTS

Reported EPS



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STRONG BALANCE SHEET

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OUR GROWTH PLATFORM IS RESILIENT

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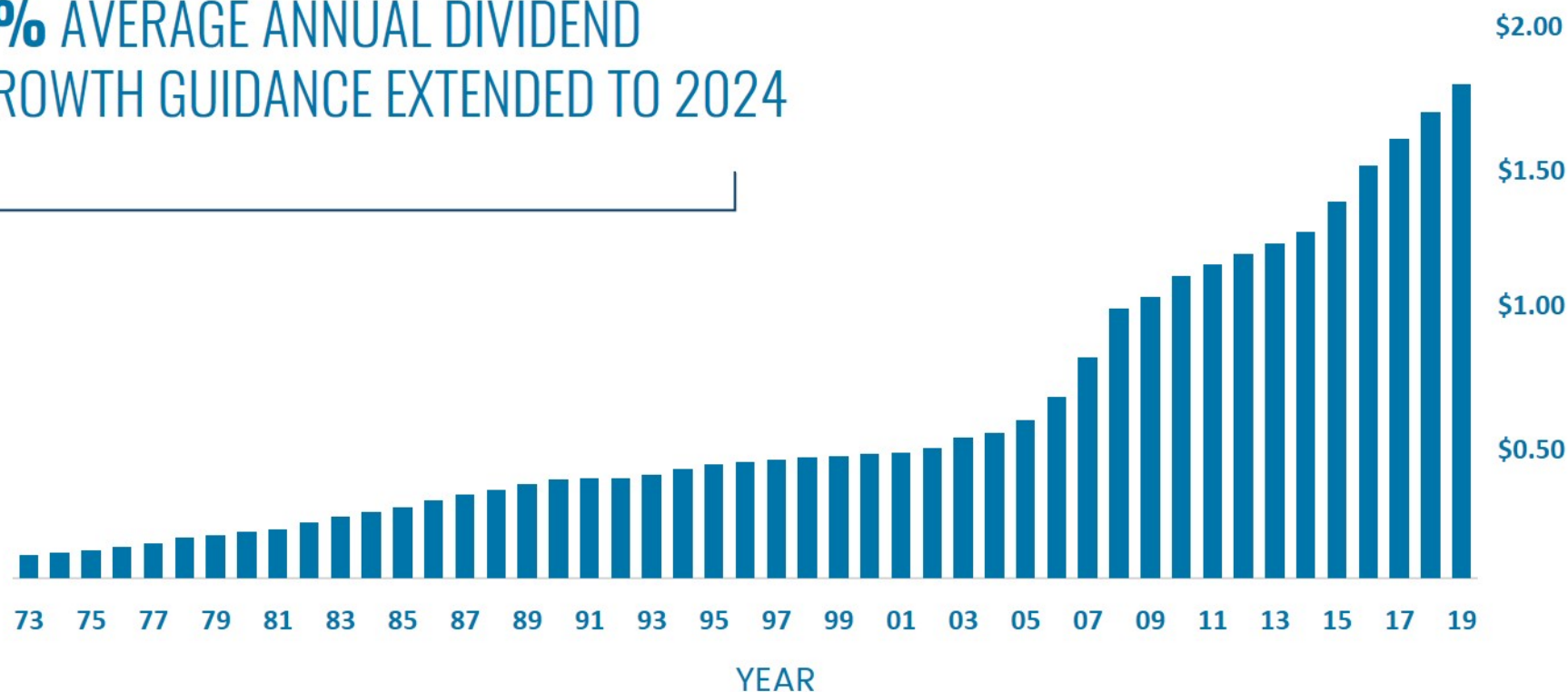
INDUSTRY LEADER IN SAFETY, RELIABILITY, SECURITY AND SUSTAINABILITY



FORTIS INC.

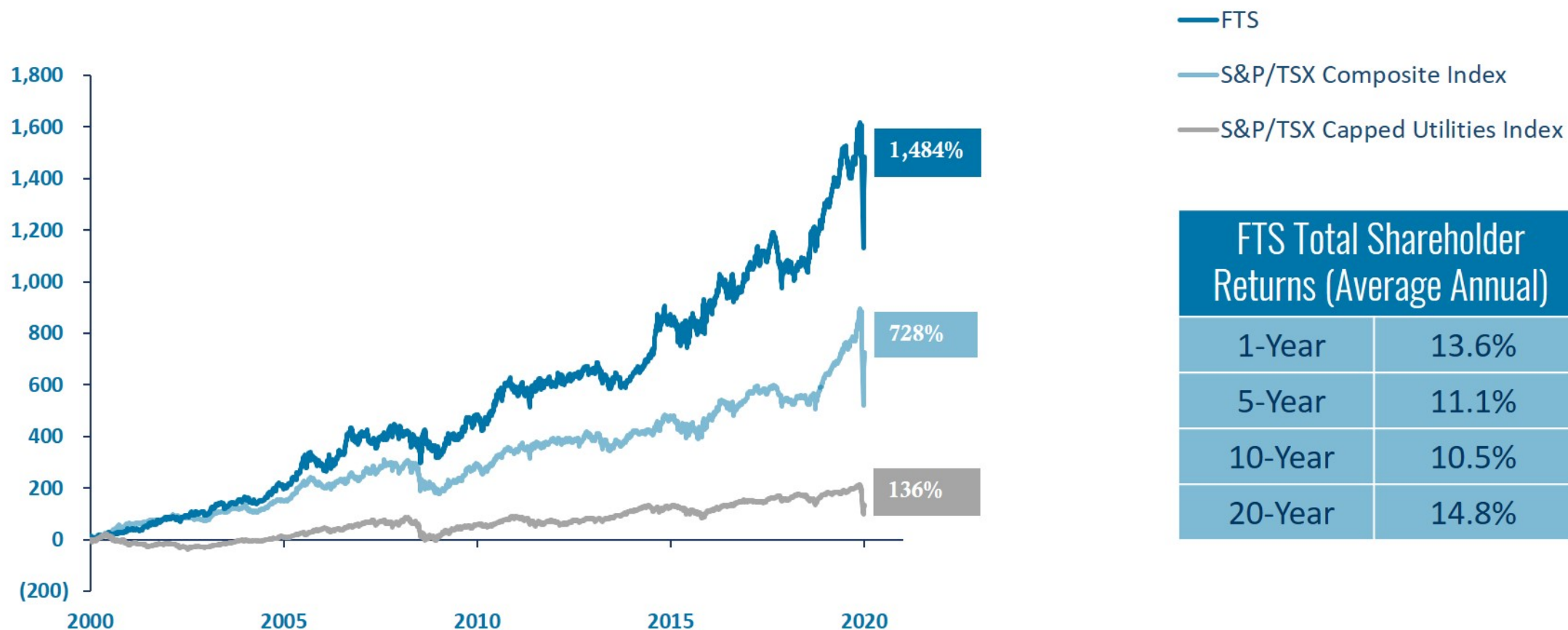
46 YEARS OF CONSECUTIVE DIVIDEND INCREASES

6% AVERAGE ANNUAL DIVIDEND
GROWTH GUIDANCE EXTENDED TO 2024



■ Dividend Payments

SUPERIOR 20-YEAR TOTAL SHAREHOLDER RETURN



Note: Cumulative 20-year total shareholder return as at March 31, 2020.

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FORTIS DELIVERS STRENGTH AND STABILITY FOR SHAREHOLDERS

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QUESTION PERIOD

FORTIS

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APPENDIX



QUARTERLY ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation			
(\$ millions, except as indicated)	Q1 2020	Q1 2019	Q1 2018
Common Equity Earnings ⁽¹⁾	312	311	323
Adjusting Items:			
Unrealized loss on mark-to-market of derivatives ⁽²⁾	3	5	4
Consolidated state income tax election ⁽³⁾	-	-	(30)
Adjusted Common Equity Earnings	315	316	297
Adjusted Earnings per Share (\$)	\$0.68	\$0.74	\$0.70
Weighted Average Shares Outstanding (# millions)	463.9	429.5	422.0

(1) Represents Net Earnings Attributable to Common Equity Shareholders

(2) Represents timing differences related to the accounting of natural gas derivatives at the Aitken Creek natural gas storage facility, included in the Energy Infrastructure segment

(3) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment

ANNUAL ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation		
(\$ millions, as indicated)	2019	2018
Common Equity Earnings ⁽¹⁾	1,655	1,100
Adjusting Items:		
Gain on disposition ⁽²⁾	(484)	-
November 2019 FERC Order ⁽³⁾	(83)	-
US tax reform ⁽⁴⁾	12	-
Unrealized loss on mark-to-market of derivatives ⁽⁵⁾	15	10
Consolidated state income tax election ⁽⁶⁾	-	(30)
Assets held for sale ⁽⁶⁾	-	(14)
Adjusted Common Equity Earnings	1,115	1,066
Adjusted Earnings per Share (\$)	\$2.55	\$2.51
Weighted Average Shares Outstanding (# millions)	436.8	424.7

ANNUAL ADJUSTED EARNINGS RECONCILIATION

Footnotes to Annual Adjusted Earnings Reconciliation

(1) Represents Net Earnings Attributable to Common Equity Shareholders

(2) Gain on disposition of the Waneta Expansion in April 2019, included in the Corporate and Other segment

(3) Represents the net reversal of liabilities established in prior periods related to a FERC order issued in November 2019 , included in the ITC segment

(4) The finalization of US tax reform regulations associated with base-erosion and anti-abuse tax, included in the Corporate and Other segment

(5) Represents timing differences related to the accounting of natural gas derivatives at Aitken Creek natural gas store facility, included in the Energy Infrastructure segment

(6) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment