

Note: After the Annual Meeting of Shareholders, Fortis became aware of the following questions, intended for the Question and Answer period of the meeting from one individual shareholder.

1. *“I read on the company’s web site that our holding company and our large operating subs are investment grade. What is the credit rating of our smaller subs especially those in the Caribbean? Do we have any concerns in the Caribbean?”*

Answer:

Our portfolio of regulated utilities have strong investment-grade credit ratings with the majority in the high “BBB” to “A” low range. Our credit ratings are noted in the table below.

Company	S&P Global	Moody’s	DBRS
Fortis Inc.	A-	Baa3	A (low)
ITC Holdings Corp.	A-	Baa2	n/a
ITC Regulated Subsidiaries	A	A1	n/a
TEP	A-	A3	n/a
Central Hudson	A-	A3	n/a
FortisBC Energy	n/a	A3	A
FortisBC Electric	n/a	Baa1	A (low)
FortisAlberta	A-	Baa1	A (low)
Newfoundland Power	n/a	A2	A
Maritime Electric	BBB+	n/a	n/a
Caribbean Utilities	BBB+	n/a	A (low)
Fortis Turks and Caicos	BBB-	n/a	n/a

Although our utilities in the Caribbean (as noted in the table above), have been negatively impacted by COVID-19, resulting in lower sales following the decline in the tourism sector, we do not have any concerns regarding their outlook. These utilities have recovered from severe weather events in the past and we are seeing an improvement in those local economies.

2. *“Our annual report talked about the increased capital expenditures over the past five years from \$2.1B to \$4.2B but yet our adjusted basic earnings per share over the last five years has only increased from \$2.33 to \$2.57. Can you explain why our EPS has not significantly increased compared to the additional capital expenditures?”*

Answer:

2020 EPS growth was tempered by a few significant items. In late 2019, we took advantage of favourable market conditions and accelerated the equity funding of our capital plan and issued \$1.2 billion in equity. These actions placed us in a strong liquidity position at the onset of the pandemic although it negatively impacted EPS.

Additionally, we incurred financial impacts of approximately \$0.05 associated with the COVID-19 pandemic. This primarily includes direct pandemic costs and lower sales in the Caribbean.

Lastly, the COVID-19 pandemic resulted in a delay in Tucson Electric Power’s general rate application negatively impacting 2020 EPS. The general rate application concluded in late 2020 and a non-fuel rate increase of US\$58 million was approved with new rates effective January 2021.

3. *“Based on your comments are you still confident that you can meet the five-year annual dividend growth rate of 6%?”*

Answer:

Yes. Our 6% average annual dividend growth guidance through 2025 is supported by our 6% rate base outlook to 2025. Our 6% rate base guidance is predicated on our balanced, low-risk and highly executable capital plan of \$19.6 billion for 2021-2025.

We also have a number of incremental opportunities to expand and extend our growth which include: further expansion of the electric transmission grid in the United States to facilitate the interconnection of cleaner energy including infrastructure investments associated with the proposed American Jobs Plan; liquefied natural gas infrastructure in British Columbia; and the acceleration of cleaner energy infrastructure investments across our jurisdictions.

4. *“Now Mr. Chairman let’s talk about governance. Some of the Fortis directors serve together on the board of a subsidiary. I see this as a conflict of interest or at least an appearance of a conflict of interest, an independence issue and if they receive directors fees from the sub a “double dip” issue. Will you undertake to review and change this policy so that no independent director of Fortis also serves on a Fortis sub?”*

Answer:

Fortis is a strong advocate for good governance, and we continue to advance our governance and disclosure practices accordingly. We have no plans to undertake a review to change our director structure as we view our governance structure as a strength in providing effective oversight at the local level and Fortis Inc. level.

Furthermore, this structure ensures that subsidiary boards exercise effective independent oversight and administration of their governance and operations with regard to their particular customer needs, regulatory environment and business objectives, while operating within the broad parameters of Fortis policies and best practices.

Fortis is a holding company and each of our significant operating subsidiaries is governed by its own board of directors comprised of a majority of independent directors. In addition to independent directors, subsidiary boards generally include the subsidiary’s CEO for operating expertise, one or more directors or officers of Fortis and one other CEO from a Fortis operating subsidiary.

Director compensation for service on these operating subsidiary boards is determined by the subsidiary boards, in consultation with independent director compensation consultants, having regard to the duties and responsibilities of those individual directors to the subsidiary company they serve.

5. *“Mr. Chairman –the total cost of compensation to named executives increased by 50% over the last five years. What kind of pay increase did our unionized and non- unionized employees receive over this period?”*

Answer:

Beyond our named executive officers, we haven’t provided disclosures on pay increases associated with the remainder of the workforce. With many of our 9,000 employees possessing specialized skills and training to serve our 3 million customers across North America, we are committed to providing fair and competitive compensation for all employees, reflecting market trends and the required experience and competencies. Fortis competes in the various labour markets, often with different pay levels and local considerations. 52% of our employees participate in a collective agreement and we maintain positive and constructive relationships with labour associations and unions.

Increases in total compensation awarded over the past five years to named executive officers are the result of: our growth over the period to become a top utility in North America; necessary increases in compensation to pay competitively, at approximately the median of our compensation comparator group; and the fact that two of the named executives in 2018, 2019 and 2020 are U.S. residents, with compensation and related benefits denominated in US dollars. Our executive compensation strategy is designed to support our strategy as a premium North American energy delivery company. We make sure pay is competitive, so we can attract and retain top talent and reward our executives for performance and their contribution.

6. “Now a question to Mr. Blouin as Chair of the Governance committee – You committee recommended that Mr. Haughey be approved for a two-year extension over the maximum director term limit. Your stated reasons I understand but were you surprised and caught off guard with the resignation of Mr. Perry as it relates to your senior management succession planning?”

Answer:

The board, on the recommendation of the governance and sustainability committee, approved a two-year extension of Douglas J. Haughey's maximum term limit to manage the transitions of the Chair and CEO roles.

When Barry first announced his retirement and provided notice to the Board, it was noticed that his departure would coincide closely with the end of the Chair's tenure. To ensure continuity, the Governance Committee requested that Mr. Haughey extend his tenure to manage the transitions of the Chair and CEO roles.

In respect of succession, the Board considers succession planning for the CEO as a continual process, and one of its most critical functions. The succession planning program, which is visited regularly by the Board, identifies, develops and assesses individuals across Fortis who may be candidates for executive positions in the future.

Following Mr. Perry's personal decision to retire, a comprehensive process was undertaken and Mr. Hutchen's was appointed as President and Chief Executive Officer.

Forward Looking Information:

Fortis includes forward-looking information in this document 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 2021-2025; and targeted average annual dividend growth through 2025.

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; the successful execution of the five-year capital expenditure plan; no material capital project or financing cost overruns; and sufficient human resources to deliver service and execute the capital expenditure plan. 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 document. 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.