



HUMAN RESOURCES COMMITTEE MANDATE

1.0 PURPOSE AND AUTHORITY

- 1.1 The Human Resources Committee assists the Board in fulfilling its oversight responsibilities relating to, among other things, the development, implementation and monitoring of sound human resources strategies, policies and practices for the Corporation, including preparing, reviewing, recommending and administering policies, plans and programs in respect of recruitment, retention, compensation, benefits and succession planning of Executive Personnel.

2.0 DEFINITIONS

2.1 In this Mandate:

- (a) "**Board**" means the board of directors of the Corporation;
- (b) "**CEO**" means the President and Chief Executive Officer of the Corporation;
- (c) "**Chair**" means the Chair of the Committee;
- (d) "**Committee**" means the Human Resources Committee of the Board;
- (e) "**Corporation**" means Fortis Inc.;
- (f) "**Director**" means a member of the Board;
- (g) "**Executive Compensation Policy**" means the policy establishing the Corporation's approach to compensation of Executive Personnel, including the type, nature and application of compensation programs and policies;
- (h) "**Executive Leadership Team**" means the senior officers of the Corporation that report directly to the CEO and such other members of management as determined by the CEO;
- (i) "**Executive Personnel**" means the Executive Leadership Team and Vice Presidents of the Corporation and such members of management as determined by the CEO;

- (j) "**Governance and Sustainability Committee**" means the governance and sustainability committee of the Board;
- (k) "**Mandate**" means this mandate of the Committee; and
- (l) "**Member**" means a Director appointed to the Committee.

3.0 ESTABLISHMENT AND COMPOSITION OF COMMITTEE

- 3.1 The Committee shall be comprised of three (3) or more Directors, each of whom is "independent" within the meaning of all applicable laws and stock exchange requirements. No member shall be Executive Personnel or an employee of the Corporation or any affiliate of the Corporation.
- 3.2 Members shall be appointed annually by the Board, or at other times as may be necessary, provided, however, that if the appointment of Members is not so made, each Director then serving as a Member shall continue as a Member until he or she resigns or is removed or his or her successor is appointed.
- 3.3 The Board may appoint a Member to fill a vacancy which occurs on the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining Members may exercise all of the powers of the Committee so long as at least three (3) Members remain in office.
- 3.4 Any Member may be removed from the Committee or replaced by a resolution of the Board.
- 3.5 The Board shall appoint a Chair on the recommendation of the Governance and Sustainability Committee, or such other Committee as the Board may authorize, provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed. The Board shall periodically rotate the Chair and shall use reasonable efforts to rotate the Chair every four (4) years.

4.0 COMMITTEE MEETINGS

- 4.1 The Committee shall meet at least quarterly and shall meet at such other times during the years as it deems appropriate. Meetings of the Committee shall be held at the call of the Chair, or upon the request of any two (2) Members. The time and place of the meetings of the Committee and the procedures for such meetings shall be determined by the Committee.

- 4.2 The CEO shall receive notice of and, unless otherwise determined by the Chair, shall attend all meetings of the Committee.
- 4.3 A quorum at any meeting of the Committee shall be three (3) Members.
- 4.4 Each Member shall have the right to vote on matters that come before the Committee.
- 4.5 Any matter to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee at which such matter is considered. Actions of the Committee may also be taken by an instrument or instruments in writing signed by all of the Members, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- 4.6 The Committee shall conduct *in camera* sessions of its meetings without management present at each meeting of the Committee.
- 4.7 The Chair shall act as chair of all meetings of the Committee at which the Chair is present. In the absence of the Chair from any meeting of the Committee, the Members present at the meeting shall appoint one of their number to act as chair of the meeting.
- 4.8 Unless otherwise determined by the Chair, the Corporate Secretary of the Corporation shall act as secretary of all meetings of the Committee.
- 4.9 The Committee may invite any Directors, officers or employees of the Corporation or any person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.
- 4.10 The Committee may delegate authority to individual Members or subcommittees if deemed appropriate.

5.0 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

A. Human Resources Strategy

- 5.1 The Committee shall oversee the Corporation's overall human resource and talent management strategies, policies and plans and their effectiveness for the management and development of Executive Personnel and the employees.
- 5.2 The Committee shall have responsibility to:
 - (a) oversee and assess the integrity of the Executive Personnel, in coordination with the CEO;

- (b) oversee and review the Corporation's workplace diversity and inclusion strategy, plans and practices;
- (c) oversee the alignment of the Corporation's human resources programs with the Corporation's strategy, risk management framework and corporate performance;
- (d) oversee the Corporation's approach to and policies for recruiting, developing, retaining and motivating Executive Personnel and related executive compensation and human resources matters; and
- (e) oversee the orderly development and succession planning of Executive Personnel.

B. Executive Compensation and Engagement

5.3 The Committee shall oversee matters relating to the Corporation's human resources and executive compensation by monitoring and reviewing the related policies and practices of the Corporation and general executive compensation developments, trends and practices on a continuing basis. The Committee shall, whenever considered appropriate, report and make recommendations to the Board concerning human resources and executive compensation policies and practices, including with respect to:

- (a) the review, establishment and evaluation of corporate and individual goals, objectives and performance in respect of the CEO;
- (b) the determination of the CEO's compensation level (considering all elements of the compensation package) based on the CEO's performance, market conditions, evaluation and other factors determined relevant by the Committee;
- (c) the engagement of the Executive Leadership Team and their respective specific terms of employment and termination, including compensation, pension, benefits and perquisites of the Executive Leadership Team, taking into consideration the recommendations of the CEO of the Corporation, where appropriate;
- (d) the organizational structure of the executive, and the engagement of any Executive Personnel to a newly formed executive position or on terms which exceed the parameters set forth in the Executive Compensation Policy;
- (e) for greater clarity and with reference to 5.3(c) and 5.3(d), the CEO is responsible for engaging Executive Personnel, other than the Executive

Leadership Team, and setting terms of engagement, including compensation, for them provided the terms of engagement fall within the parameters set forth in the Executive Compensation Policy and the appointment is not to a newly created executive position;

- (f) the overall effectiveness and performance of Executive Personnel;
- (g) the targets used by the Corporation to measure performance for compensation purposes and the competitiveness of the Corporation's approach to executive compensation, including the appropriate comparator group and benchmarking approach; and
- (h) the required reporting to shareholders relating to executive compensation and human resources matters, including required disclosure of compensation matters in the annual Management Information Circular and any other report on compensation that may be required to comply with all applicable laws and regulations and stock exchange requirements.

C. Executive Compensation Policies and Plans

5.4 The Committee shall oversee the overall compensation philosophy of the Corporation and review and recommend to the Board for approval all Executive Personnel compensation policies and plans and any material new incentive compensation, equity, benefit or retirement plans of the Corporation and any related public disclosures.

5.5 The Committee shall have responsibility and authority to:

- (a) design, compose, structure and apply the Executive Compensation Policy, which shall be reviewed periodically by the Committee and which shall form the basis of the executive compensation policy of the Corporation's operating subsidiaries;
- (b) design, implement and administer any and all incentive and equity-based compensation plans and arrangements;
- (c) establish payout criteria, evaluate performance and realization of objectives and authorize awards and payments in accordance with any applicable performance share unit plan of the Corporation or any other similar long-term incentive compensation arrangement;
- (d) establish criteria and authorize awards and payments in accordance with any applicable restricted share unit plan of the Corporation;
- (e) establish criteria and authorize awards of stock options in accordance with any applicable stock option plan of the Corporation; and

- (f) interpret, construe and determine all questions arising out of administration of any and all incentive and equity-based compensation plans and retirement plans of the Corporation, and any such interpretation, construction or determination made in accordance with such plans by the Committee shall be final, binding and conclusive for all purposes.

D. Compensation Alignment and Risk Management

- 5.6 The Committee shall oversee and review the Corporation's compensation policies and programs to maximize alignment between Executive Personnel's interest with:
 - (i) the Corporation's strategy, operating model and enterprise risk management framework;
 - (ii) the Corporation's human resources strategy;
 - (iii) overall corporate performance; and
 - (iv) the interests of shareholders and other key stakeholders.
- 5.7 The Committee shall, as part of the Corporation's overall risk management framework, oversee the risk identification, assessment and management programs relating to the Corporation's executive compensation policies and programs, including to ensure such policies and programs do not encourage excessive or inappropriate risk taking.
- 5.8 The Committee shall annually review and report to the Board on the results of the Corporation's advisory "say-on-pay" vote and shareholder and key stakeholder feedback relating to the Corporation's approach to executive compensation and, as necessary or appropriate, recommend to the Board for approval any material engagement or communications in respect thereof.

E. Compensation Consultants

- 5.9 The Committee may retain, if it deems appropriate, and shall oversee the work, compensation and performance of, any compensation, benefits and/or human resources consultants.
- 5.10 The Committee shall engage one or more primary compensation consultants to assist the Committee in respect of executive compensation matters. In addition to the primary consultant, the Committee may engage, in its discretion, in circumstances that it considers appropriate, additional compensation consultants, legal counsel or other outside advisors or persons having special expertise in the matters of compensation or human resources generally. Any such engagement shall be at the sole expense of the Corporation, made only after taking into consideration all factors relevant to such person's independence from management, including those specified by the New York Stock Exchange and any applicable laws and stock

exchange requirements. The Committee shall have sole authority to approve related fees and retention terms of any outside advisors or experts.

- 5.11 The Committee shall meet periodically with the Corporation's compensation, benefits and/or human resource consultants without Executive Personnel present.

6.0 REPORTING

- 6.1 The Chair, or another designated Member, shall report to the Board at each regular meeting on those matters that were dealt with by the Committee since the last regular meeting of the Board.

7.0 REMUNERATION OF MEMBERS

- 7.1 Members and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Governance and Sustainability Committee.

8.0 GENERAL

- 8.1 This Mandate shall be posted on the Corporation's corporate website at www.fortisinc.com.
- 8.2 The Committee shall periodically review its own effectiveness and performance.
- 8.3 The Committee shall perform any other activities consistent with this Mandate, the Corporation's by-laws and applicable laws, that the Board or the Committee determines necessary or appropriate.
- 8.4 The Committee shall review and assess the adequacy of this Mandate periodically and recommend to the Governance and Sustainability Committee any changes it deems appropriate.