



MAJORITY VOTING POLICY

1.0 OBJECTIVE

- 1.1 The Board of Directors (the "**Board**") of Fortis Inc. (the "**Corporation**") believes that each of its members should carry the confidence and support of its shareholders. Allowing shareholders to vote for or withhold from voting for each nominee director enables shareholders to express their support for individual directors.

2.0 APPLICATION OF POLICY

- 2.1 This Majority Voting Policy (the "**Policy**") extends to all elections of directors of the Corporation from and after the effective date thereof. Future nominees for election to the Board will be asked to subscribe to this Policy before their names are put forward.

3.0 FORMS OF PROXY

- 3.1 Forms of proxy or voting instruction forms for the election of directors at a shareholders' meeting will enable each shareholder to vote "for", or "withhold" from voting, separately for each nominee.

4.0 BALLOTS FOR ELECTION OF DIRECTORS

- 4.1 At the meeting, the Chair of the Board (the "**Chair**") will call for a vote by ballot and the scrutineers will record with respect to each nominee the number of votes cast "for" his or her election and the number of votes "withheld" from voting. Prior to receiving the scrutineers' report on the ballot, the Chair may announce the vote results based on the number of proxies received by the Corporation. Forthwith following the meeting, the Corporation shall issue a press release disclosing the detailed voting results for the election of each director and, if any nominee is not elected by at least a majority of the votes cast with respect to his or her election, provide a copy of that press release to the Toronto Stock Exchange (the "**TSX**").

5.0 REQUIREMENT FOR ELECTION

- 5.1 Each director should be elected by the vote of a majority of the shares represented in person or by proxy at any meeting for the election of directors.

6.0 PROCEDURE IF MAJORITY WITHHELD VOTE

- 6.1 If any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "**Majority Withheld Vote**"), for purposes of this Policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law, and that nominee shall immediately submit his or her resignation to the Board for consideration following the meeting. The Board will refer the resignation to the Governance and Nominating Committee (the "**Committee**") for consideration. The Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept such resignation. In considering whether or not to recommend acceptance of the resignation, the Committee will consider all factors deemed relevant by the Committee. The Committee shall recommend acceptance of the resignation unless there are exceptional circumstances that would warrant rejecting or delaying the acceptance of the offer of resignation.
- 6.2 Any director who tenders his or her resignation shall not participate in any meeting of either the Committee or the Board at which such director's resignation is considered. If a sufficient number of the Committee members receive a Majority Withheld Vote in the same election such that the Committee no longer has a quorum, then the remaining directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and make a recommendation to the Board. If the directors who did not receive a Majority Withheld Vote in the same election do not constitute a quorum for a Board meeting, then each director who received a Majority Withheld Vote may: (a) attend a Board meeting if his or her attendance is needed to constitute quorum, in which case such director(s) shall not speak or otherwise participate in any part of such meeting where his or her resignation is discussed or considered or a related resolution is voted upon; and (b) participate in any such Board meeting to determine whether or not to accept each resignation offer other than such director's own resignation offer.
- 6.3 The Board shall review, consider and act on the Committee's recommendation within 90 days following the applicable shareholders' meeting, after considering and evaluating the factors considered by the Committee and any other factors the Board considers relevant. The Board

shall accept the offer of resignation unless there are exceptional circumstances that would warrant rejecting or delaying the acceptance of the resignation offer, as determined by the Board in accordance with its fiduciary duties to the Corporation and its shareholders. The resignation shall be effective immediately upon its acceptance by the Board.

- 6.4 The Corporation shall promptly (and in any event within 90 days of the shareholders' meeting) issue a press release announcing the Board's decision with respect to each director resignation tendered pursuant to this Policy, and provide a copy of such press release to the TSX. If the Board declines to accept any such resignation, the press release shall fully state the reasons for such decision.
- 6.5 In the event any director fails to tender his or her resignation in accordance with this Policy, the Board will not re-nominate the director. The Board is not limited in any action it may take if a director's resignation is accepted, including appointing a new director to fill the vacancy.

7.0 EXEMPTION FOR CONTESTED ELECTION OF DIRECTORS

- 7.1 This Policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected or where proxy materials have been circulated in support of the election of one or more nominees who are not included among the nominees supported by the Board.

8.0 POLICY REVIEW

- 8.1 This Policy shall be reviewed periodically.