



BOARD AND EXECUTIVE DIVERSITY POLICY

1. Purpose and Scope

The leadership and workforce of Fortis Inc. (the "**Corporation**") and its subsidiaries comprise many qualified individuals with diverse skills, backgrounds, experiences and personal characteristics. The Corporation values and recognizes the benefits of this diversity, which include greater organizational strength, improved leadership and increased innovation.

This Diversity Policy (the "**Policy**") defines the Corporation's policy on diversity within its Board of Directors (the "**Board**") and executive leadership. This Policy should be read in conjunction with our "*Inclusion and Diversity Commitment*", which more generally outlines the Corporation's commitment to creating a workplace which values and encourages inclusion and diversity.

2. Diversity Objectives

In this Policy, diversity refers to all the characteristics that make individuals different from each other. It includes but is not limited to characteristics or factors such as gender, culture and ethnicity, age, sexual orientation, ability and disability, and geographic background. The Corporation supports the spirit and intent of applicable human rights, employment equity and anti-discrimination laws. See the Corporation's *Code of Conduct*.

The Board has delegated to its Governance and Nominating Committee (the "**GNC**") and Human Resources Committee ("**HRC**") responsibility to oversee and ensure implementation of this Policy, including establishing measurable objectives for achieving diversity, where appropriate, and annually assessing achievement against established diversity objectives, and reporting to the Board.

3. Diversity on the Board

Diversity is an important consideration in determining the Board's composition. The Corporation believes that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance and performance, and effective decision-making.

When identifying and selecting nominees for our Board the GNC will:

- (a) consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities;
- (b) consider diversity criteria including gender, culture and ethnicity, age, sexual orientation, ability and disability, and geographic background;

- (c) seek to maintain a Board in which each gender represents at least thirty three percent (33%) of independent directors; and
- (d) use qualified independent external advisors as appropriate to assist in evaluating candidates on merit against objective criteria, considering the benefits of diversity.

The GNC's diversity objectives are supported by the Director Tenure provisions of the Corporation's *Board of Director Governance Guidelines*, which encourage ongoing Board renewal and regular consideration of diversity by the GNC.

4. Diversity in Executive Leadership

Diversity is also an important element of executive leadership. Accordingly, diversity, inclusive of gender, is a key factor in the Corporation's *Talent Management Strategy*, which seeks to identify, mentor and develop current executives and employees for more senior positions in the Fortis organization. As part of its mandate to monitor the *Talent Management Strategy*, the HRC ensures Policy objectives are applied when implementing the *Talent Management Strategy* and when identifying and evaluating external candidates for executive leadership positions.

5. Gender Diversity

Gender diversity is integral to the Corporation's Board and executive leadership diversity strategy.

As required by applicable corporate and securities laws, the Corporation's annual proxy circular informs shareholders and other stakeholders about the Corporation's diversity commitment by describing:

- (a) the Policy's objectives and key provisions;
- (b) measures taken to effectively implement the Policy;
- (c) annual and cumulative progress in achieving Policy objectives;
- (d) whether and how the Board or the GNC measures Policy effectiveness;
- (e) how the Board or GNC considers female representation on the Board when identifying and nominating candidates for Board election or re-election;
- (f) how the Corporation considers female representation in executive officer positions when making appointments;
- (g) voluntary targets adopted (if any) to foster Board diversity (in particular, gender diversity) and, if applicable, annual and cumulative progress in achieving the targets; and

(h) the number and percentage of Board members who are women.

6. Policy Review

The GNC reviews and updates this Policy as needed.