



## ANTI-CORRUPTION POLICY

---

### 1. Commitment to Ethical Business Conduct

Fortis Inc. (the "**Corporation**") is committed to the highest standards of ethical business practice. This principle is reflected in the Corporation's *Code of Conduct* (the "**Code of Conduct**"). The Corporation believes that following high standards of ethics and integrity is simply the right way to do business. This *Anti-Corruption Policy* (the "**Policy**") is critical to maintaining our corporate reputation and protecting the interests of our securityholders, employees, customers, suppliers, business partners, stakeholders and the communities we serve.

### 2. Purpose of Policy and Interaction with Code of Conduct

The Corporation conducts business in jurisdictions that have both foreign and domestic "anti-corruption" legislation. In Canada, the *Corruption of Foreign Public Officials Act* ("**CFPOA**") and *Criminal Code* include offences relating to corrupt practices. Examples of other anti-corruption legislation include the U.S. *Foreign Corrupt Practices Act* ("**FCPA**") and the U.K. *Bribery Act*. Generally, these laws seek to combat corruption, particularly in the context of interactions with foreign public officials (and private counterparties in the case of the U.K. *Bribery Act*), and prohibit business conduct that involves acting dishonestly or inappropriately in pursuit of business or personal objectives.

The purpose of this Policy is to reaffirm the Corporation's compliance with applicable domestic and foreign anti-corruption legislation where it conducts business, and its commitment to such compliance, by establishing rules and providing guidance for conducting business in accordance with such legislation.

This Policy supplements and is to be interpreted in a manner compatible with the Code of Conduct. In the event of any inconsistency in the requirements under the two documents, or with applicable anti-corruption legislation, the most stringent requirements will be followed.

### 3. Scope and Application of Policy

This Policy applies to the employees, contractors, officers, and members of the board of directors, of the Corporation (collectively the "**Agents**"). "Third Parties" (as defined below) retained by the Corporation must also follow the guiding principles in this Policy, as explained in more detail below.

This Policy governs dealings with foreign and domestic public officials, as well as individuals and non-governmental and commercial entities with whom the Corporation does or proposes to do business.

The Corporation's subsidiaries are also subject to this Policy, but may choose to adopt their own separate anti-corruption policies and/or operational procedures provided they are consistent with the guiding principles and provisions below.

Each subsidiary has discretion to determine its appropriate compliance framework based on a risk assessment and tailored to its particular circumstances (e.g., home operating jurisdiction(s), nature of operations, and level and location of actual or anticipated foreign activity). In this regard, the Corporation's management has approved and adopted *Anti-Corruption Procedures*, which supplement this Policy and provide practical guidance on how the Policy is to be operationalized by the Corporation. The *Anti-Corruption Procedures* may be updated periodically by the Corporation's management as required in their discretion to ensure this Policy operates effectively.

#### **4. Guiding Principles**

The business of the Corporation must be conducted in accordance with the following guiding principles, which apply to all dealings with foreign and domestic public officials, as well as individuals and non-governmental and commercial entities with whom the Corporation does or proposes to do business (which includes non-profit activities):

- (a) **Bribery and Improper Payments:** The Corporation and its Agents must not directly or indirectly agree to offer, offer or facilitate any bribe, payment, kickback or reward to any party to secure an improper advantage or concession, or to cause the party to violate a legal duty or misuse their position; nor will the Corporation or its Agents directly or indirectly receive or accept any bribe, payment, kickback or reward from any party for similar purposes.
- (b) **Facilitation Payments:** The Corporation and its Agents must not directly or indirectly make payments to expedite or secure the performance by a public official of any act of a routine nature that is part of the public official's duties or functions.
- (c) **Lobbying:** When dealing with public officials, the Corporation and its Agents must comply with the requirements of all applicable local lobbying legislation or regulations, including any registration and reporting obligations.
- (d) **Gifts, including Meals and Entertainment:** Gifts may only be offered or received in the context of appropriate business conduct, and in accordance with the following rules:

- i. Gifts to exert influence or seek special treatment are prohibited;
- ii. Gifts are only appropriate where reasonable and customary;
- iii. Lavish gifts or gifts of cash or cash equivalents are prohibited;
- iv. Gifts shall be of modest value;
- v. Gifts shall only be given on an infrequent, non-recurring basis; and
- vi. Gifts shall be given in a transparent manner.

- (e) **Books and Records and Internal Controls:** The Corporation and its Agents must employ and adhere to internal controls under which books, records and accounts are maintained which accurately and fairly reflect the substance of the Corporation's business transactions, and must not misstate facts, omit relevant information or alter or delay the creation of business records to mislead or to assist others in doing so. Where applicable, such books, records and accounts will be subject to external audit in accordance with local legal requirements.

## **5. Use of Third Parties**

As the Corporation often works with external parties to achieve its business objectives, the guiding principles contained in this Policy are also applicable to third party entities and individuals retained to procure or transact business on behalf of the Corporation outside Canada, including, but not limited to, consultants, advisors, contractors, local agents, lobbyists and suppliers ("**Third Parties**"). Corporation personnel arranging such retainers must inform Third Parties regarding the requirements of this Policy and the related *Anti-Corruption Procedures*, and obtain written confirmation from the Third Parties that they have read, understood and undertake to fully comply with this Policy and related procedures, or the Third Party's own substantially similar anti-corruption policy(s) acceptable to the Corporation, as if they were Agents, including where applicable, in any written contracts governing the provision of services by Third Parties.

## **6. Training and Education**

The Corporation will determine its requirements for anti-corruption training based on a risk assessment considering its particular circumstances, and will implement such training and education program(s) as may be appropriate. Training requirements will be initially assessed within three months of the coming into effect of the first iteration of this Policy, and re-assessed periodically thereafter and updated, as necessary. Education regarding this Policy will also be incorporated into the new employee orientation process.

## **7. Compliance and Enforcement**

All persons subject to this Policy must strictly adhere to its terms and, in doing so, exercise reasonable vigilance while performing all work-related functions. In this regard, particular attention should be paid to business activities which are proposed in new jurisdictions or with new business partners.

Any actual or potential violations of this Policy or applicable laws must be reported promptly under the Corporation's *Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing* ("**Whistleblower Policy**"). No retaliatory action will be taken against any person for providing good faith information, either internally or to a government authority, or for participating in any proceeding concerning alleged violations of this Policy.

Agents of the Corporation are encouraged to promptly report actual or suspected violations of this Policy to their immediate supervisor, a member of senior management or the Administrator designated under the Whistleblower Policy to ensure the Corporation can investigate and promptly resolve any such violations.

To facilitate reporting of potential violations of this Policy or applicable laws, the Corporation has retained the services of NAVEX Global, a third-party provider of confidential, anonymous reporting services, accessible by telephone at 1-866-294-5534 (in Canada and the United States) or through the internet at [www.FortisInc.ethicspoint.com](http://www.FortisInc.ethicspoint.com).

## **8. Discipline**

Any person who (i) violates this Policy or its related procedures, (ii) has direct knowledge of actual or potential violations of this Policy or its related procedures and fails to report them, or (iii) hinders or misleads investigations regarding potential violations of this Policy or its related procedures, may be subject to disciplinary action, up to and including termination of their employment with the Corporation. Similarly, any Third Parties who engage or who are discovered to have previously engaged in similar conduct will be subject to review and possible termination.

## **9. Audits**

Audits will be conducted from time to time to monitor the operation of this Policy and its related procedures. Such activities will be coordinated with Internal Audit.

## **10. Questions**

Any questions relating to this Policy, the *Anti-Corruption Procedures* and/or the requirements of applicable anti-corruption legislation should be directed to the Director, Regulatory and Compliance.