BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Joint Application of ITC Great Plains, LLC, and its Parent Company, ITC Holdings Corp., Together With Fortis Inc., FortisUS Inc., ITC Investment Holdings Inc. and Element Acquisition Sub Inc., for an Order Approving the Acquisition by Fortis Inc. of the Majority of All Classes of the Stock of ITC Holdings Corp., and its Subsidiary Companies, Including ITC Great Plains, LLC.	)	Docket No. 16- ITCE-512-ACQ

JOINT APPLICATION FOR TRANSACTION APPROVAL AND EXPEDITED TREATMENT

I. INTRODUCTION

1. ITC Great Plains, LLC ("ITC Great Plains"), on behalf of itself and its parent company ITC Holdings Corp. ("ITC Holdings"), together with Fortis Inc. and its subsidiaries, including FortisUS Inc. ("FortisUS"), ITC Investment Holdings Inc. ("ITC Investment") and Element Acquisition Sub Inc. ("Element," and along with Fortis Inc. FortisUS, and ITC Investment, "Fortis"), (collectively, Fortis and ITC Holdings are referred to herein as "Joint Applicants")[1] jointly submit this application pursuant to K.S.A. §§ 66-101, 66-104, 66-131, 66-136, and 66-1401 *et seq*., requesting approval by the State Corporation Commission of the State of Kansas ("Commission" or "KCC") of a transaction involving an upstream change in ownership of ITC Great Plains. The Joint Applicants have agreed that (a) Element will merge with and into ITC Holdings, with ITC Holdings as the surviving company, and (b) each share of

[1] **Exhibit A** contains a list of FortisUS United States energy affiliates and provides a brief description of the primary business in which the respective affiliate is engaged.

common stock of ITC Holdings will be cancelled; and, in addition (c) Finn Investment Pte. Ltd. or another direct or indirect and wholly-owned subsidiary of GIC (Ventures) Pte. Ltd. ("GIC Ventures") will acquire an indirect 19.9 percent interest in ITC Holdings through its investment in ITC Investment (collectively, the "Transaction").[2] Following consummation of the Transaction, ITC Holdings will be an indirect, majority-owned subsidiary of FortisUS and will be minority-owned, indirectly, by a direct or indirect and wholly-owned subsidiary of GIC Ventures by virtue of its 19.9 percent minority interest in ITC Investment. Each of ITC Holdings' subsidiaries, including ITC Great Plains, will be majority-owned, indirectly, by Fortis Inc. through FortisUS, and minority-owned, indirectly, by a direct or indirect and wholly-owned subsidiary of GIC Ventures.

2. Fortis is a widely-held publicly traded company on the Toronto Stock Exchange ("TSX") that owns utility assets, and is highly qualified to become the indirect majority owner of ITC Holdings, and its operating companies, including ITC Great Plains. Fortis is a North American electric and natural gas utility holding company that provides regulated distribution service to over 3 million customers, in five Canadian Provinces, two states in the United States, two Caribbean countries, and Belize. As Mr. Barry V. Perry, President and Chief Executive Officer of Fortis, explains, Fortis' regulated utility operating companies operate under a decentralized standalone business model, and have strong customer service and community involvement.[3] Fortis also intends to utilize its decentralized standalone model in this

[2] For ease of reference, "Finn" is used herein to refer to Finn Investment Pte. Ltd. or such other GIC Ventures subsidiary.

[3] *See, e.g.*, Direct Testimony of Barry V. Perry, President and Chief Executive Officer of Fortis Inc. ("B. Perry Direct Testimony") at pp. 11-12.

Transaction, which is consistent with its previous history in acquiring utilities.[4] As Mr. Karl W. Smith, Executive Vice President and Chief Financial Officer of Fortis, explains, Fortis is financially sound and capable of carrying out the financial and other commitments relating to the Transaction.[5] Fortis intends to preserve and build upon the existing strengths of ITC Great Plains.

3. Expedited approval of the Transaction is warranted here because the Transaction does not involve the merger of two public utilities that are rate-regulated by the Commission; rather, it involves a change in ownership at the holding company level that will not change the operations, offices or personnel of ITC Great Plains. Therefore, many of the traditional state and local concerns with regard to mergers are not implicated by the Transaction.

4. As discussed in further detail below, the Transaction promotes the public interest. Upon consummation, the Transaction will result in an upstream ownership change of ITC Great Plains. Today, ITC Great Plains is indirectly and wholly owned by ITC Holdings, which in turn is publicly held. After consummation of the Transaction, ITC Great Plains will still be wholly owned by ITC Holdings, but ITC Holdings will be indirectly majority-owned by Fortis Inc. and indirectly minority-owned by a direct or indirect and wholly-owned subsidiary of GIC Ventures. The operations of ITC Great Plains will continue as a stand-alone transmission-only company, and it will retain its focus on transmission investment and operational excellence.

5. In addition to undersigned counsel, pleadings, notices, orders and other correspondence concerning this Joint Application should be addressed to:

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[4] *See* B. Perry Direct Testimony at pp. 11, 20.

[5] *See, e.g.*, Direct Testimony of Karl W. Smith, Executive Vice President, Chief Financial Officer of Fortis Inc. ("K. Smith Direct Testimony") at pp. 3-15.

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II. DESCRIPTION OF THE PARTIES

A. Fortis Inc.

6. Fortis Inc. is a publicly traded holding company existing under the laws of Newfoundland and Labrador, Canada, with its principal offices in St. John's, Newfoundland and Labrador.[6] It has total assets of approximately C$29 billion (US$ 23.2 billion) and had fiscal

[6] An organizational chart reflecting the current structure regarding Fortis Inc. is attached hereto as **Exhibit B**.

2015 revenues totaling approximately C$6.7 billion (US$ 5.4 billion).[7] Its regulated holdings include electric distribution utilities in five Canadian provinces, New York, Arizona, and two Caribbean countries and Belize, as well as natural gas utilities in British Columbia, Canada, Arizona and New York. Fortis' long-term business objective is to own and operate well-run regulated electric and natural gas utilities, while always providing a framework for the provision of safe and reliable service to customers. As Mr. Perry explains, Fortis' business philosophy is that effective management of regulated electric and natural gas utilities requires local management and decision-making.[8] Fortis plans to retain the management of ITC Holdings and ITC Great Plains.[9] Fortis will provide ITC Great Plains with additional technical and operational expertise upon which the utility can draw as needed. While Fortis utility subsidiaries are operated and financed on a standalone basis, Fortis will provide ITC Great Plains with the financial support of its much larger organization. In addition, although ITC Great Plains will continue to have standalone credit facilities and senior long-term debt instruments, ITC Great Plains will benefit from the support and broad experience of Fortis in accessing capital and assisting ITC Great Plains to efficiently and cost effectively finance, develop, and own transmission projects.

7. Fortis' regulated utilities are governed, managed, operated and financed on a standalone basis. In the case of Fortis' large regulated utilities, the majority of members of the boards of directors are independent. Each regulated utility has its own executive management

[7] US$ amounts are converted at a USD/CAD exchange rate of 1.25, the Bank of Canada's closing rate on April 29, 2016.

[8] *See* B. Perry Direct Testimony at pp. 11-12.

[9] *Id* at pp.3, 16-18.

based in the jurisdiction served by the utility, and which is accountable to the utility's board of directors.

B. FortisUS

8. FortisUS is a direct subsidiary of FortisUS Holdings Nova Scotia Limited ("FortisUS Holdings"), which is a wholly-owned direct subsidiary of Fortis Inc. Upon consummation of the Transaction, ITC Holdings will be an indirect, majority-owned subsidiary of FortisUS. Currently, FortisUS' subsidiaries include CH Energy Group, Inc. ("CHEG"), which owns Central Hudson Gas & Electric Corporation ("Central Hudson") and Central Hudson Enterprises Corporation ("CHEC"), and UNS Energy Corporation ("UNS Energy"), which owns Tucson Electric Power Company ("TEP"), UNS Electric, Inc. ("UNS Electric"), UNS Gas, Inc. ("UNS Gas"), and UniSource Energy Development Company ("UEDC").

C. ITC Investment and Element

9. Element is a direct, wholly-owned subsidiary of ITC Investment, which in turn is a direct, wholly-owned subsidiary of FortisUS. Element and ITC Investment were expressly formed for the purpose of effecting the Transaction. Element and ITC Investment have no jurisdictional business in Kansas (or the United States and Canada), and Element will be merged out of existence upon the completion of this transaction.

D. Description of ITC Holdings and its Operating Companies

10. ITC Holdings is a publicly traded holding company incorporated under the laws of Michigan, with its principal office in Novi, Michigan. ITC Holdings owns and operates International Transmission Company d/b/a ITC*Transmission*, Michigan Electric Transmission Company, LLC ("METC"), ITC Midwest LLC ("ITC Midwest"), and ITC Great Plains

(collectively, the "ITC Operating Companies").[10] Each of the ITC Operating Companies is an independent, stand-alone transmission company engaged exclusively in the development, ownership, and operation of electrical transmission facilities. Functional control of the ITC Operating Companies' transmission systems is held by a Regional Transmission Operator ("RTO"); namely, the Southwest Power Pool, Inc. ("SPP") or Midcontinent Independent System Operator, Inc. ("MISO"), depending upon the location of the assets. The RTO independently administers the ITC Operating Companies' respective systems in accordance with the RTO's Open Access Transmission Tariff ("OATT"), as approved by the Federal Energy Regulatory Commission ("FERC"). Through the ITC Operating Companies, ITC Holdings owns, maintains, and operates approximately 15,600 miles of high-voltage transmission lines in Michigan, portions of Iowa, Minnesota, Illinois, Missouri, Kansas, and Oklahoma, serving a combined peak load exceeding 26,000 MW. The ITC Operating Companies' customers include investor-owned utilities, municipalities, cooperatives, power marketers, and alternative energy suppliers.

11. In addition, the ITC Operating Companies devote a significant amount of investment resources into upgrading the electric power transmission grid to improve reliability, reduce transmission constraints, allow renewable and other generating facilities to interconnect to its transmission system, and expand access to power markets to further competition in wholesale electricity markets.

[10] ITC Holdings' business model and mission is the development of transmission assets to provide for the safe and reliable operation of the electric grid. Consistent with that approach, ITC Holdings has several subsidiaries providing focused, project-specific transmission services. These energy subsidiaries of ITC Holdings are described in **Exhibit C.**

12. Of the ITC Operating Companies, only ITC Great Plains is under the functional control of the SPP. ITC*Transmission*, METC, and ITC Midwest are under the functional control of MISO. Each of the ITC Operating Companies provides transmission service in accordance with their FERC-approved formula rate tariff. As such, FERC has exclusive jurisdiction over the rates for transmission services provided by the ITC Operating Companies. MISO or SPP, as appropriate, are responsible for independently administering the transmission tariff for transmission services provided by the ITC Operating Companies. MISO and SPP are also responsible for billing and collecting fees for the transmission services provided.

E. ITC Great Plains, LLC

13. ITC Great Plains, a Kansas certificated electric utility,[11] is a wholly-owned direct subsidiary of ITC Grid Development, LLC, which in turn is a wholly-owned direct subsidiary of ITC Holdings. ITC Great Plains is an independent, transmission-only limited liability company organized under Michigan law and based in Topeka, Kansas. ITC Great Plains was formed in 2006 by ITC Holdings, obtained its Kansas certificate in 2007, and became regulated by FERC in 2009.

14. FERC retains exclusive jurisdiction over the rates ITC Great Plains may charge for use of its transmission system by approving the terms and conditions set forth in ITC Great Plains' SPP formula rate tariff.

15. ITC Great Plains is a Transmission Owner and Transmission Using Member of SPP and has turned functional control of its transmission assets over to SPP. ITC Great Plains

[11] *See* Docket Nos. 07-ITCE-380-COC, 08-ITCE-544-COC, 08-ITCE-936-COC, 08-ITCE-937-COC, 08-ITCE-938-COC, 09-ITCE-508-COC, 10-ITCE-350-COC, 11-ITCE-142-COC, 12-ITCE-222-COC, 13-ITCE-271-COC, and 14-ITCE-210-COC.

also has a FERC-approved SPP formula rate template and implementation protocols. SPP is responsible for independently administering ITC Great Plains' transmission system in accordance with the SPP OATT.

16. ITC Great Plains owns approximately 440 miles of transmission lines rated at a voltage of 345 kilovolts, as well as approximately 1,900 transmission towers and poles. In Kansas, ITC Great Plains owns approximately 420 circuit miles of transmission lines. It owns station assets, such as transformers and circuit breakers, at eight substations which either interconnect or connect ITC Great Plains' transmission system with generation or distribution facilities owned by third parties. It also owns monitoring and metering equipment and other equipment necessary to safely operate its transmission system. ITC Great Plains' transmission facilities are located on land either held in fee, rights of way, or easements.

17. ITC Great Plains is subject to regulatory oversight in two states: Kansas and Oklahoma. In Kansas, ITC Great Plains is a "public utility" and an "electric public utility" pursuant to K.S.A. §§ 66-101a, 66-104, and 66-131. The KCC has previously issued orders approving the issuance of a limited certificate of convenience to ITC Great Plains for the purposes of building, owning and operating certain SPP transmission projects in Kansas.[12] In addition to its certificate of authority, the KCC has jurisdiction over the siting of electric transmission lines. ITC Great Plains is also subject to the regulatory oversight of the Kansas Department of Health and Environment for compliance with all environmental standards and regulations relating to the construction phase of any transmission line.

III. DESCRIPTION OF THE TRANSACTION

[12] *Id.*

18. The terms of the Transaction are set forth in the Agreement and Plan of Merger, dated as of February 9, 2016, by and among FortisUS, Element, Fortis Inc., and ITC Holdings (the "Merger Agreement"). A copy of the Merger Agreement is included in this Application as **Exhibit D.** Under the terms of the Merger Agreement, subject to regulatory approvals and the satisfaction of certain customary obligations of the parties, Element will merge with and into ITC Holdings. After consummation of the Transaction, all of the outstanding shares of common stock of ITC Holdings will be cancelled, and ITC Holdings will become a majority-owned, indirect subsidiary of Fortis Inc.[13]

19. Pursuant to an Assignment and Assumption Agreement (the "Assignment") dated as of April 20, 2016 between FortisUS and ITC Investment, FortisUS assigned all of its rights (but not its obligations) under the Merger Agreement to ITC Investment (a direct, wholly-owned subsidiary of FortisUS, and the sole shareholder of Element) with the consent of ITC Holdings.

20. On April 20, 2016, Fortis Inc., FortisUS, ITC Investment, and Element entered into a co-investment subscription agreement with Finn Investments Pte. Ltd. (the "Co-Investment Agreement"), as a result of which, upon completion of the Transaction, ITC Holdings will be a direct wholly-owned subsidiary of ITC Investment, owned as to 80.1 percent by FortisUS and as to 19.9 percent by Finn. A copy of the Co-Investment Agreement is attached to this Application as **Exhibit F**.

21. The Transaction is valued at approximately $11.3 billion. The financing of the Transaction is structured to preserve Fortis Inc.'s investment grade credit rating. The consideration for the Transaction is the exchange of Fortis Inc. shares and cash for the common

[13] See **Exhibits E-1** and **E-2**, which provide simplified diagrams of the pre- and post-transaction organizational structures.

shares of ITC Holdings, representing total consideration of approximately US$6.9 billion, plus the assumption of approximately US$4.4 billion in consolidated ITC Holdings debt.[14] Fortis will indirectly purchase the outstanding common shares of ITC Holdings for US$22.57 in cash and stock consideration of 0.7520 of a Fortis Inc. common share (the "Fortis Stock Consideration") per ITC Holdings common share. The Fortis Stock Consideration represents approximately US$3.2 billion. The approximately US$3.7 billion cash portion of the Transaction will be financed through the investment by Finn in ITC Holdings (through ITC Investment) for approximately US$1.2 billion, and the issuance of approximately US$2 billion of Fortis Inc. long-term debt. The remaining US$500 million cash consideration will be met with a combination of one or more offerings of equity securities, equity-linked securities, preference shares and/or hybrid securities to be completed by Fortis Inc. on or before closing of the Transaction. Fortis has secured approximately US$3.7 billion in committed bridge financing to cover the cash portion of the Transaction consideration, which it is not currently planning to draw on to complete the Transaction. The Fortis Stock Consideration will be satisfied through the issuance of up to 117 million Fortis Inc. common shares to the ITC Holdings' common shareholders upon closing of the Transaction, representing approximately US$3.2 billion.

22. Of the US$6.9 billion combined cash and stock consideration being paid to ITC Holdings shareholders, approximately US$5.7 will be provided by Fortis Inc. Approximately US$2.5 billion will be paid through FortisUS subscribing for approximately US$1.7 billion of shares of ITC Investment and approximately US$0.8 billion of notes of ITC Investment. FortisUS will also subscribe to additional shares of ITC Investment in connection with the Fortis

[14] US$4.4 billion as at September 30, 2015. US$4.5 billion as at December 31, 2015.

Stock Consideration to be provided to ITC Holdings shareholders under the Transaction. The Fortis Stock Consideration of approximately US$3.2 billion will be paid through ITC Investment to Element, which will direct such payment to ITC Holdings' shareholders on behalf of Element.

23. Of the US$6.9 billion combined cash and stock consideration being paid to ITC Holdings shareholders, approximately US$1.2 billion will come from Finn. Finn will subscribe for approximately US$1.0 billion of shares of ITC Investment, representing 19.9 percent of all of the shares of ITC Investment, and approximately US$0.2 billion of ITC Investment notes, for an aggregate consideration of approximately US$1.2 billion.

24. In connection with the Transaction, Fortis Inc. will become a registrant of the Securities and Exchange Commission ("SEC") and has applied to cross-list its common shares on the New York Stock Exchange ("NYSE"). Fortis Inc. will continue to have its shares listed on the Toronto Stock Exchange ("TSX"). Upon completion of the Transaction, approximately 27 percent of Fortis Inc.'s outstanding common shares will be held by the former ITC Holdings shareholders.

25. The combination of Fortis and ITC Holdings will result in a widely held, publicly traded utility holding company trading on the TSX and NYSE, with an estimated *pro forma* market capitalization as of the end of 2016 of approximately US$13.2 billion.[15] This larger, more diversified utility holding company will support ITC Great Plains' access to equity capital and its credit ratings. This will also support ITC Great Plains' ability to continue to efficiently and cost-effectively finance, develop and own transmission projects. In this regard, Fortis has a

[15] Based on the April 29, 2016 Fortis Inc. share price of $39.80 CAD.

strong track record in raising capital in public markets and supporting its regulated utility subsidiaries[16] in the provision of safe and reliable electric and natural gas utility services.

26. Neither Finn nor its affiliates will have any authority to manage or control the day-to-day operations of ITC Holdings or the ITC Operating Companies, including ITC Great Plains. Finn is wholly owned by Enterprise Holding Pte. Ltd., which itself is wholly owned by GIC Ventures. GIC Ventures is affiliated with GIC Private Limited ("GIC"), an investment company that manages the Government of Singapore's foreign reserves,[17] and GIC Special Investments Pte. Ltd., the private equity and infrastructure arm of GIC. GIC and GIC Ventures are each wholly owned by the Government of Singapore through the Minister for Finance ("MOF"), a statutory corporation set up by the Government of Singapore to own and administer government assets. The Government of Singapore, which is represented by MOF in its dealings with GIC, neither directs nor interferes with GIC's investment decisions.[18]

27. Financing of the Transaction has been structured to allow Fortis Inc. to maintain investment-grade credit ratings. The cash portion of the Transaction will primarily be financed by issuance of approximately $2 billion in Fortis Inc. debt, as well as the indirect acquisition of 19.9% of ITC Holdings by Finn.

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[16] Over the past 5 years, Fortis Inc. has contributed approximately US$1 billion of common equity to help fund the capital expenditure programs and support the financial strength of its regulated utilities.

[17] GIC is a signatory to the Santiago Principles, a set of Generally Acceptable Principles and Practices for Sovereign Wealth Funds published in 2008 by the International Working Group of Sovereign Wealth Funds.

[18] For further details regarding Finn and its affiliates, see the FERC Joint Application for Authorization for Merger and Disposition of Jurisdictional Transmission Facilities Pursuant to Sections 203(a)(1) and 203(a)(2) of the Federal Power Act, filed in FERC Docket No. EC16-110-000 on April 28, 2016 (the "FERC Application"), a copy of which was served on the Commission.

28. Joint Applicants will not pledge or encumber utility assets, and no public utility will issue or incur debt in connection with the Transaction. Attached as **Exhibit E-1** and **E-2** are simplified corporate organizational charts showing the pre- and post-Transaction corporate structures.

IV. JURISDICTION OF THE COMMISSION

29. ITC Great Plains is a public utility authorized to transact business in Kansas by the Commission under the provisions of K.S.A. §§ 66-101, 66-104, 66-131, and pursuant to the Commission's *Order Approving Stipulation and Agreement and Addressing Application of Statutes, In the Matter of the Application of ITC Great Plains for a Limited Certificate of Public Convenience to Transact the Business of an Electric Public Utility in the State of Kansas*.[19] Joint Applicants assert that the proposed Transaction is in the public interest and meets or surpasses the criteria established by this Commission to ascertain whether a merger or acquisition is in the public interest.[20] Joint Applicants request that the Commission approve the Transaction pursuant to K.S.A. §§ 66-101, 66-104, 66-131, 66-136, 66-136, and 66-1401 *et seq.*

V. OTHER STATE AND FEDERAL AGENCIES APPROVALS

30. As Mr. Smith explains, Joint Applicants have filed or will be filing applications seeking approval of the transaction by FERC, the state regulators for the states of Illinois, Missouri, Oklahoma and Wisconsin, the Committee on Foreign Investment in the U.S., the

[19] See Docket No. 07-ITCE-380-COC and subsequent dockets amending ITC's Great Plains' certificate to add additional transmission assets.

[20] See, November 15, 1991, KPL/KGE Merger Standards Order, Docket Nos. 172,745-U and 174-155-U (the "Merger Standards Order").

Federal Communications Commission, and the United States Department of Justice/Federal Trade Commission under the Hart-Scott Rodino Antitrust Improvement Act.[21]

VI. THE PROPOSED TRANSACTION WILL PROMOTE THE PUBLIC INTEREST

31. In 1991, consistent with the KCC's broad authority to supervise and regulate the public utilities operating within the state of Kansas, and its statutory charge to promote the public interest, in consolidated Docket Nos. 172,745-U and 174-155-U, the Commission adopted a list of factors to weigh and consider in determining whether a transaction promotes the public interest. In the Merger Standards Order, the Commission stated its belief that:

> these factors will allow the Commission to uniformly review mergers and acquisitions that may be presented to the Commission in the future while maintaining some flexibility to deal with the particular circumstances of each transaction. Additionally, these factors will provide utilities contemplating a merger or acquisition with a standard that will be utilized to review any contemplated transaction . . . .[22]

The list of factors adopted by the Commission is as follows:

a. The effect of the transaction on consumers, including:

   (i) The effect of the proposed transaction on the financial condition of the newly created entity as compared to the financial condition of the stand-alone entities if the transaction did not occur;

   (ii) Reasonableness of the purchase price, including whether the purchase price was reasonable in light of the savings that can be demonstrated from the merger and whether the purchase price is within a reasonable range;

   (iii) Whether ratepayer benefits resulting from the transaction can be quantified;

[21] K. Smith Direct Testimony at pp. 14-15.

[22] Merger Standards Order at pp. 35-36.

(iv) Whether there are operational synergies that justify payment of a premium in excess of book value;

(v) The effect of the proposed transaction on the existing competition.

b. The effect of the transaction on the environment.

c. Whether the proposed transaction will be beneficial on an overall basis to state and local economies and to communities in the area served by the resulting public utility operations in the state.

d. Whether the proposed transaction will preserve the jurisdiction of the KCC and the capacity of the KCC to effectively regulate and audit public utility regulations in the state.

e. The effect of the transaction on affected public utility shareholders.

f. Whether the transaction maximizes the use of Kansas energy resources.

g. Whether the transaction will reduce the possibility of economic waste.

h. What impact, if any, the transaction has on the public safety.[23]

32. Although the factors established by the Commission in the Merger Standards Order involved consideration of the merger of two public utilities which were rate regulated by the Commission, it would appear that the Commission has considered and continues to consider such factors in other merger contexts. Joint Applicants submit that this Joint Application is distinguishable, in that the Kansas assets of ITC are not rate regulated by the KCC, and it has no retail service in the State of Kansas. Notwithstanding this distinction, to the extent applicable to the proposed Transaction, each of the merger standards will be addressed below.

[23] Merger Standards Order at pp. 34-36.

33. As previously noted, a copy of the Merger Agreement is included in this Application as **Exhibit D.** Under the terms of the Merger Agreement, and subject to regulatory approvals and the satisfaction of certain customary obligations of the parties, Element will merge with and into ITC Holdings. After consummation of the Transaction, all of the outstanding shares of common stock of ITC Holdings will be cancelled, ITC Holdings will become a majority-owned, indirect subsidiary of Fortis Inc., with Finn owning a minority, 19.9 percent indirect ownership interest in ITC Holdings. The subsidiaries of ITC Holdings will become majority-owned, indirect subsidiaries of Fortis Inc., with Finn owning a minority, 19.9 percent indirect ownership interest in ITC Holdings.

34. Importantly, the change in shareholder ownership takes place at the holding company level. Essentially, the Transaction is one involving a change in shareholders of the entity indirectly owning ITC Great Plains, and involves only the direct merger of non-jurisdictional companies, not the direct merger of any public utility with another. The operations, offices, and personnel of ITC Great Plains will remain unchanged.

35. In the FERC Application, Joint Applicants have committed to hold customers harmless from Transaction costs and will not seek to recover Transaction costs in ITC Great Plains' cost-based rates absent a filing in accordance with FERC precedent and FERC-established procedures.[24] In addition, as Ms. Linda H. Blair, Executive Vice President and Chief Business Unit Officer of ITC Holdings, explains,[25] to obtain approval from FERC for the Transaction under Section 203 of the FPA, the Joint Applicants must demonstrate that the

[24] *See* FERC Application at pp. 37-38.

[25] *See, e.g.*, Direct Testimony of Linda H. Blair, Executive Vice President and Chief Business Unit Officer of ITC Holdings ("L. Blair Direct Testimony") at pp. 7-8.

Transaction will not result in cross-subsidization of a non-utility associate company. As a result, the Transaction will be governed by the appropriate FERC requirements, allocation standards, and compliance processes to ensure that the Joint Applicants' non-utility activities, including the activities of any non-regulated subsidiaries, will not be subsidized by ITC Great Plains or its customers.

VII. KANSAS MERGER STANDARDS

36. As previously noted, this Commission has adopted a list of factors it utilizes to evaluate whether a proposed transaction is in the public interest. Joint Applicants assert that not all of the merger standards are applicable to the Transaction, but to the extent applicable, Joint Applicants' responses to each merger standard are set forth below:

(a) The effect of the transaction on consumers, including:

(i) The effect of the proposed transaction on the financial condition of the newly created entity as compared to the financial condition of the stand-alone entities if the transaction did not occur;

Response: There is no newly created entity resulting from the proposed Transaction. The Transaction involves a change in the shareholders indirectly owning the ITC Operating Companies. The financial condition of ITC Great Plains will not be altered as a result of the Transaction. As part of a much larger and more diversified Fortis organization with investment-grade credit ratings, the ITC Operating Companies will continue to have access to capital on favorable terms, will benefit from mitigation of ITC's single-line-of-business risk profile, and will benefit from financial and other forms of support from the Fortis group of companies.[26]

(ii) Reasonableness of the purchase price, including whether the purchase price was reasonable in light of the savings that can be

[26] *See* B. Perry Direct Testimony at pp. 18-19; L. Blair Direct Testimony at p. 8.

demonstrated from the merger and whether the purchase price is within a reasonable range;

Response: The purchase price is reasonable. The consideration that Fortis is paying for each ITC Holdings common share is US$22.57 in cash + 0.7520 of a Fortis common share. This represents an approximate 33% premium compared to the US$ 33.75 ITC Holdings pre-bid unaffected stock price as of market close on November 27, 2015, immediately before ITC Holdings publicly announced that it was undertaking a review of its strategic alternatives. Joint Applicants have committed to hold customers harmless from transaction and acquisition costs and will not seek to recover such costs in the ITC Operating Companies' cost-based rates absent a filing consistent with the obligations Applicants have committed to in the FERC Application.[27]

(iii) Whether ratepayer benefits resulting from the transaction can be quantified;

Response: ITC Great Plains does not have retail ratepayers. Instead, ITC Great Plains only has wholesale customers and FERC retains exclusive jurisdiction over the rates ITC Great Plains may charge for use of its transmission system by approving the terms and conditions set forth in ITC Great Plains' SPP formula rate tariff. However, ratepayers will benefit from the Transaction through Fortis' strong support of the ITC Great Plains' commitment to the delivery of safe, reliable and efficient transmission services, and further investment in upgrading and expanding transmission infrastructure across ITC Great Plains' operating territory.[28]

(iv) Whether there are operational synergies that justify payment of a premium in excess of book value;

Response: The Transaction is not premised on the achievement of operational synergies. For example, no staff reductions are contemplated at ITC Great Plains or any of the other ITC Operating Companies under the Transaction. Moreover, in their FERC Application, the Joint Applicants have committed to hold wholesale transmission customers

[27] *See* L. Blair Direct Testimony at pp. 8-9; *see also* FERC Application at pp. 37-38.

[28] *See* L. Blair Direct Testimony at p. 9.

harmless from Transaction costs and will not seek to recover Transaction costs in ITC Great Plains' cost-based rates absent a filing in accordance with FERC precedent and FERC-established procedures. Furthermore, when ITC Holdings becomes part of the Fortis group, ITC Great Plains will be able to participate in certain Fortis group programs and activities that promote efficiencies.[29]

(v) The effect of the proposed transaction on the existing competition.

Response: ITC Great Plains operates within the State of Kansas pursuant to a limited, transmission rights only certificate, and operates only within specified geographic areas authorized by the Commission. Fortis currently has no operations in Kansas, SPP, or MISO, and Fortis does not own any electric or natural gas transmission lines parallel to or competing with ITC Great Plains. Furthermore, SPP will continue to have functional control over the transmission assets of ITC Great Plains, and ITC Great Plains will continue to provide transmission service pursuant to the terms and conditions under SPP's FERC-approved OATT. Accordingly, the Transaction will not affect existing competition in Kansas.[30]

(b) The effect of the transaction on the environment.

Response: There will be no effect on the environment as a result of the Transaction because there will be no change to ITC Great Plains' operations and ITC Great Plains is and will remain subject to the regulatory oversight of the Kansas Department of Health and Environment regarding all applicable environmental standards and regulations.[31]

(c) Whether the proposed transaction will be beneficial on an overall basis to state and local economies and to communities in the area served by the resulting public utility operations in the state.

Response: ITC Great Plains has always been actively engaged in the communities in which it operates and will continue to

[29] *See* B. Perry Testimony at p. 19; L. Blair Direct Testimony at pp. 9.

[30] *See* L. Blair Direct Testimony at pp. 9-10.

[31] L. Blair Direct Testimony at p. 10.

cultivate strong relationships with local business and industry participants in Kansas. Fortis will continue to support these efforts, as ITC Great Plains will operate consistent with the Fortis standalone operating model and philosophy that strives to ensure Fortis' regulated utilities maintain beneficial relationships with regulators and local communities. Moreover, ITC Great Plains anticipates its operations will be bolstered by Fortis' track record of committing capital to its utilities and being able to draw on Fortis' stability, experience and market diversity to its advantage.[32]

(d) Whether the proposed transaction will preserve the jurisdiction of the KCC and the capacity of the KCC to effectively regulate and audit public utility regulations in the state.

Response: The KCC will retain its current jurisdiction over ITC Great Plains.[33]

(e) The effect of the transaction on affected public utility shareholders.

Response: In exchange for each ITC common share, ITC shareholders will receive US$22.57 in cash and 0.7520 of a Fortis common share. After consummation, the common shares of Fortis will be listed on both the TSX and NYSE, and ITC shareholders will hold approximately 27% of the issued and outstanding common shares of Fortis.[34]

(f) Whether the transaction maximizes the use of Kansas energy resources.

Response: Fortis believes ITC Great Plains is well positioned to undertake further investment in transmission infrastructure to support grid reliability and new and existing energy sources in Kansas. Thus, Fortis supports ITC Great Plains' efforts to work closely with local business and industry participants in Kansas to maximize the use of Kansas energy resources.[35]

(g) Whether the transaction will reduce the possibility of economic waste.

[32] *See* B. Perry Direct Testimony at p. 20; L. Blair Direct Testimony at pp. 10-11.

[33] L. Blair Direct Testimony at p. 11.

[34] B. Perry Direct Testimony at p. 21.

[35] *See* B. Perry Direct Testimony at p. 21; L. Blair Direct Testimony at p. 11.

Response: Fortis believes the transaction will reduce the possibility of economic waste because, as a private company, ITC Holdings can focus exclusively on its core utility operations. When ITC Holdings becomes a private company, non-core aspects of its current business relating to regulation of the listing of its common shares will be discontinued. Further, the merger will support ITC Great Plains' access to capital and the broad experience of the Fortis family of utilities, including the sharing of best practices, will promote efficiencies, thereby reducing the possibility of economic waste.[36]

(h) What impact, if any, the transaction has on the public safety.

Response: The upstream change in ownership will not affect ITC Great Plains' operations. ITC Great Plains will continue to comply with all applicable safety rules, regulations, and Orders of the Commission. The Transaction will not impact public safety.[37]

VIII. IDENTIFICATION OF WITNESSES THAT PRE-FILED DIRECT TESTIMONY IN SUPPORT OF THE JOINT APPLICATION

37. In support of this Joint Application, the following witnesses have prepared and pre-filed direct testimony and exhibits on behalf of the Joint Applicants:

- Barry V. Perry, President and Chief Executive Officer, Fortis Inc.: Mr. Perry will discuss the history of Fortis; the corporate organization; the Fortis business model; Fortis' utility ownership and operating philosophy; Fortis' commitment to community involvement and how it intends to conduct business in Kansas; and discuss how the Transaction meets the standards set forth in the Merger Standards Order for determining whether a transaction is in the public interest.
- Karl W. Smith, Executive Vice President, Chief Financial Officer, Fortis Inc.: Mr. Smith will discuss Fortis' financial condition; Fortis' access to capital

[36] B. Perry Direct Testimony at p. 22.

[37] *See* L. Blair Direct Testimony at p. 12.

markets and how it will support ITC Great Plains' operations in Kansas; and details regarding Fortis' plans to finance the Transaction, including the minority investment.

- Linda H. Blair, Executive Vice President, Chief Business Unit Officer, ITC Holdings: Ms. Blair will describe ITC Holdings; describe the relevant ITC Operating Companies, including the history of how ITC Great Plains began its business in Kansas; explain that the Transaction will not change ITC Great Plains' operations in the state, and that ITC Great Plains will maintain all prior commitments and compliance with Commission Orders; and discuss how the Transaction meets the standards set forth in the Merger Standards Order for determining whether a transaction is in the public interest.

IX. EXPEDITED TREATMENT REQUESTED

38. As explained by Mr. Smith, Joint Applicants intend to close the Transaction as soon as all regulatory approvals have been obtained for the benefit of the Joint Applicants and the public, and, in order to achieve this objective, it is highly desirable to have all required regulatory approvals in hand by October 1, 2016.[38] Joint Applicants respectfully submit that expedited treatment by the Commission is warranted here because the Transaction is taking place at the holding company level and will have little, if any, direct impact on ITC Great Plains' operations. ITC Great Plains will continue to operate as it does today. The existing local ITC Great Plains management team will remain in place and continue to have day-to-day operational responsibility and ITC Great Plains will continue to be overseen by the ITC board of directors,

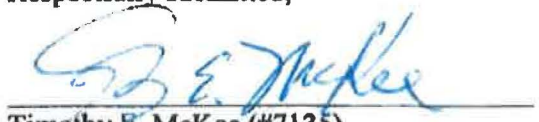
[38] *See* K. Smith Direct Testimony at p. 15.

which will be made up of a majority of independent directors. Moreover, ITC Great Plains does not have retail customers, and its rates for transmission service are under the exclusive jurisdiction of FERC. Therefore, Joint Applicants assert that many of the traditional state and local concerns with regard to mergers are not implicated by the Transaction. Additionally, Joint Applicants have demonstrated in this application and supporting testimony that the Transaction is consistent with the public interest and should be approved.

39. Thus, Joint Applicants respectfully request that the Commission issue an Order approving the Transaction as soon as practicable, but by no later than October 1, 2016.

WHEREFORE, Joint Applicants respectfully request that the Commission approve the Transaction, find that the Transaction meets the merger standards, and find the Transaction to be in the public interest, and request such other and further relief as the Commission may deem just and proper to accomplish the purpose of the Joint Application and permit the consummation of the merger transaction set forth herein.

Respectfully submitted,



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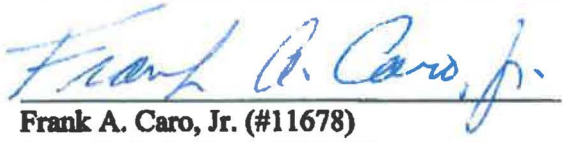
ATTORNEYS FOR FORTIS INC. AND ITS SUBSIDIARIES



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ATTORNEYS FOR ITC HOLDINGS CORP. AND ITC GREAT PLAINS, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing pleading has been faxed, hand-delivered and/or mailed, First Class, postage prepaid, this 10th day of May, 2016, to:

Amber Smith
Chief Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Jeff McClanahan
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Justin Grady
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

VERIFICATION

CANADA)
)
PROVINCE OF NEWFOUNDLAND AND LABRADOR) ss.
)
CITY OF ST. JOHN'S)

I, David C. Bennett, being duly sworn, on oath state that I am Executive Vice President, Chief Legal Officer and Corporate Secretary of Fortis Inc., that I have read the foregoing Joint Application and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: _____
DAVID C. BENNETT

The foregoing pleading was subscribed and sworn to before me this May 9th, 2016.

_____
Notary Public

My Commission Expires:

N/A

VERIFICATION

STATE OF Michigan)
) ss.
COUNTY OF Wayne)

I, Linda H. Blair, being duly sworn, on oath state that I am Executive Vice President and Chief Business Unit Officer for ITC Holdings Corp., that I have read the foregoing Joint Application and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: Linda H. Blair

The foregoing pleading was subscribed and sworn to before me this May 9, 2016.

Sandra K Biggar
Notary Public

My Commission Expires:

June 21, 2021

SANDRA K. BIGGAR
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Jun 21, 2021
ACTING IN COUNTY OF Oakland

EXHIBITS ATTACHED TO JOINT APPLICATION

Exhibit A: List of the FortisUS United State energy affiliates, with a brief description of the primary business in which the respective affiliate is engaged

Exhibit B: Current FortisUS Organizational Chart

Exhibit C: Detailed descriptions of each of the ITC Operating Companies

Exhibit D: Agreement and Plan of Merger, dated February 9, 2016

Exhibit E-1: Simplified corporate organizational chart showing the pre-Transaction corporate structures

Exhibit E-2: Simplified corporate organizational chart showing the post-Transaction structure

Exhibit F: Subscription Agreement, dated April 20, 2016

EXHIBIT A

EXHIBIT A

Fortis Energy Subsidiaries and Energy Affiliates in the United States

FortisUS Inc. *("FortisUS"):* FortisUS, a direct subsidiary of FortisUS Holdings Nova Scotia Limited which was expressly formed for the purpose of holding FortisUS, is an indirect wholly owned subsidiary of Fortis Inc. FortisUS owns 100% of CH Energy Group Inc. and UNS Energy Corporation.

CH Energy Group

CH Energy Group, Inc. *("CHEG"):* CHEG, a direct subsidiary of FortisUS, is the holding company parent corporation of two principal, wholly owned subsidiaries, Central Hudson Gas & Electric Corporation and Central Hudson Enterprises Corporation. CHEG is incorporated under the laws of New York with its principal offices located in Poughkeepsie, New York.

Central Hudson Gas & Electric Corporation *("Central Hudson"):* Central Hudson is a wholly owned subsidiary of CHEG. It is a regulated New York State gas and electric corporation that operates as a transmission and distribution public utility serving approximately 300,000 electric customers and 79,000 natural gas customers in eight New York counties. Central Hudson owns transmission facilities in New York, but these facilities are under the operational control of the NYISO. Central Hudson purchases more than 98% of its electricity but does own two gas turbine units and three small hydroelectric stations. Central Hudson's nameplate installed generating capacity associated with its gas turbines and hydroelectric stations is approximately 66 MW. Central Hudson is regulated by the New York State Public Service Commission. The Commission granted Central Hudson market-based rate authority in Docket No. ER97-2872.

EXHIBIT A

Central Hudson Gas Transmission LLC *("CHGT"):* CHGT is a wholly owned subsidiary of CHEG. It was formed to hold the ownership interest in a Commission-regulated natural gas pipeline project. Currently, CHGT does not own any assets nor engage in any Commission-jurisdictional activity. ***Central Hudson Enterprises Corporation*** *("CHEC"):* CHEC is a wholly owned subsidiary of CHEG. It owns several small investments in generation projects located in the PJM BAA, as well as investments in other companies, as discussed below.

Central Hudson Electric Transmission, LLC *("CHET")*: CHET is a wholly owned subsidiary of CHEG. It holds a 6.1% ownership interest in New York Transco, LLC ("NY Transco"), which was established in 2014 to develop, construct, and own electric transmission facilities. NY Transco is an applicant for formula rates, incentives, etc. for several transmission projects in New York State, with a settlement pending before the Commission in Docket ER15-572-000.

Hunterdon Cogeneration Limited Partnership *("Hunterdon"):* Hunterdon is a 4 MW cogeneration facility that provides electricity and steam to the Hunterdon Development Center and Edna Mahan Correction Facility for Women in Union, New Jersey. CHEC owns a 50% limited partnership interest in Hunterdon. The original contract with New Jersey expired on October 31, 2013, and has been amended to now expire on August 31, 2016. QF status was granted in Docket No. QF92-14.

CH-Community Wind Energy LLC ("*CH-CWE LLC*"): CHEC is a 50% owner of CH-CWE LLC, which owns a 40.7% Class B membership interest in JB Wind Holdings, LLC ("JB Wind Holdings"), which represents 17.7% of the total initial invested capital in JB Wind Holdings. JB Wind Holdings owns two wind projects, Jersey-Atlantic Wind, LLC and Wind Park Bear Creek, LLC. Jersey-Atlantic Wind is a 7.5 MW wind farm in Atlantic County, New

Jersey. QF status was granted in Docket No. QF06-20. Wind Park Bear Creek is a 24 MW wind farm in Luzerne County, Pennsylvania. QF status was granted in Docket No. QF06-21.

Nth Power Technologies Fund II LP *("Nth Power Technologies")*: Nth Power Technologies is a venture capital investment fund located in San Francisco, California, specializing in venture capital investments in energy projects. CHEC maintains a 4% limited partnership interest in Nth Power Technologies.

UNS Energy

UNS Energy Corporation *("UNS Energy")*: UNS Energy, a direct subsidiary of FortisUS, is the holding company parent of four principal, wholly owned subsidiaries, Tucson Electric Power Company and UniSource Energy Development Company, which are directly held by UNS Energy, and UNS Electric, Inc. and UNS Gas, Inc., which are indirectly held by UNS Energy through a wholly owned intermediate holding company, Unisource Energy Services, Inc.

Tucson Electric Power Company *("TEP"):* TEP, an Arizona public service corporation, is a vertically-integrated utility that provides regulatory electric service to approximately 417,000 retail customers. TEP's retail service territory consists of a 1,155 square mile area and includes a population of approximately one million in the greater Tucson metropolitan area in Pima County, Arizona, as well as parts of Cochise County, Arizona. In addition, TEP sells electricity at wholesale to other utilities and power marketers at locations in the southwestern United States. TEP owns or leases approximately 2,763 MW of generating capacity.[1] As part of compliance with Arizona's Renewable Energy Standard and Tariff, TEP has also entered into power purchase agreements ("PPAs") with approximately 234 MW of

[1] This figure: (a) represents A/C equivalent maximum output values for solar facilities and nameplate values for all others and (b) includes TEP's proportionate share of jointly-owned generating facilities, as well as Unit No. 2 of the Springerville generating station which is owned directly by TEP's wholly owned subsidiary San Carlos Resources, Inc., described below.

renewable resources that have come online. TEP also owns certain electric transmission facilities which are used primarily to transmit power generated at the Four Corners, Navajo, Springerville and San Juan generating stations to TEP's service territory for use by its retail customers. TEP presently owns, or participates in, an overhead electric transmission system consisting of approximately 2,173 circuit-miles of high voltage lines (rated 138 kV to 500 kV). Open access to these facilities is provided pursuant to TEP's Open Access Transmission Tariff ("OATT"). TEP operates a NERC-certified BAA within Arizona and portions of western New Mexico. TEP does not provide any wholesale or retail natural gas service, and does not own or operate any natural gas pipelines or distribution facilities. TEP is subject to regulation by the Arizona Corporation Commission ("ACC") with respect to retail electric rates, the issuance of securities, affiliate transactions, the maintenance of books and records, and other matters. The Commission granted TEP market-based rate authority in Docket No. ER97-4514. UNS Energy owns 100% of TEP.

San Carlos Resources Inc.: San Carlos Resources Inc. is a wholly owned subsidiary of TEP that owns 100% of Springerville Generating Station Unit 2.

Tucsonel Inc.: Tucsonel Inc. is a wholly owned subsidiary of TEP that owns a 14% interest in and leases the remainder of coal handling facilities used to serve the Springerville Generating Stations' units.

Luna Power Company, LLC: TEP has a one-third ownership interest in Luna Power Company, LLC ("Luna Power"). Luna Power owns easement rights associated with the pipeline for the Luna Generating Station ("Luna"), a 650 MW (nameplate) natural gas-fired generating facility in New Mexico that is jointly owned by TEP, Public Service Company of New Mexico, and Freeport-McMoRan Copper and Gold Energy Services LLC. Each co-owner has a direct 1/3

ownership interest in the facility. TEP uses the power from Luna to serve its retail load, and Luna is included in TEP's rate base.

LRCS Limited Partnership: TEP has a 50% ownership interest in LRCS Limited Partnership, with Peabody Natural Resources Company having a 27.56% ownership interest and Western Fuels Association, Inc. having a 22.44% ownership interest. LRCS Limited Partnership is involved in the maintenance and development of a railroad track used to transport coal supplies.

UniSource Energy Services, Inc. *("UES"):* UES is an intermediate holding company. UNS Energy owns 100% of UES, which owns all of the common stock of UNS Electric, Inc. and UNS Gas, Inc.

UNS Electric, Inc. *("UNS Electric"):* UNS Electric is an electric utility operating company that provides retail electric service to approximately 94,000 customers in Mohave County in northwestern Arizona and in Santa Cruz County in southern Arizona. Substantially all of UNS Electric's customers are in the residential and commercial classifications. UNS Electric owns and operates generating facilities with a combined rating of approximately 391 MW.[2] As part of compliance with Arizona's Renewable Energy Standard and Tariff, UNS Electric has also entered into PPAs with approximately 19 MW (49 MW after May 18, 2016) of renewable resources that have come online. UNS Electric's transmission system consists of approximately 334 circuit-miles of transmission lines rated 69 kV and above. The majority of UNS Electric's transmission facilities are located in northwest Arizona, with the balance located in southeastern Arizona. Open access to these facilities is provided pursuant to UNS Electric's OATT. UNS Electric does not operate its own electric balancing authority area; rather, its transmission lines

[2] This figure represents A/C equivalent maximum output values for solar facilities and nameplate values for all others.

and load are part of the TEP BAA. UNS Electric is subject to regulation by the ACC with respect to retail electric rates, the issuance of securities, affiliate transactions, the maintenance of books and records, and other matters. The Commission granted UNS Electric market-based rate authority in Docket No. ER07-964.

UNS Gas, Inc. *("UNS Gas"):* UNS Gas is a gas distribution company serving approximately 152,000 retail customers in portions of northern and southern Arizona. UNS Gas owns 30 miles of gas transmission lines. Its gas transmission and distribution lines serve three electric generation facilities – Griffith Power Plant, Black Mountain Generating Station and the Valencia Generating Facility (the latter two of which are owned by UNS Electric). UNS Gas is subject to regulation by the ACC with respect to retail gas rates, the issuance of securities, affiliate transactions, the maintenance of books and records, and other matters. Most of the gas distributed by UNS Gas in Arizona is procured from the San Juan Basin and delivered on the El Paso and Transwestern interstate pipeline systems. UNS Gas is the only subsidiary of UNS Energy that owns or controls natural gas distribution facilities.

UniSource Energy Development Company *("UEDC"):* UEDC, an Arizona corporation, is a public utility but does not presently engage in any activities subject to the Commission's jurisdiction. Until July 1, 2011, UEDC owned and operated the 121 MW (nameplate) Black Mountain Generating Station in northern Arizona. On July 1, 2011, UEDC sold Black Mountain Generating Station to UNS Electric, which continues to own that facility. The Commission granted UEDC market-based rate authority in Docket No. ER07-1232. UNS Energy owns 100% of UEDC.

Millennium Energy Holdings, Inc. *("Millennium"):* Millennium is a non-utility subsidiary of UNS Energy that invests in unregulated businesses. Ownership interests of

Millennium include Southwest Energy Solutions (100%), MEH Equities Management Company (100%), Advanced Energy Technologies, Inc. (100%), and POWERTRUSION International, Inc. (77.6%). UNS Energy owns 100% of Millennium.

Southwest Energy Solutions, Inc.: Southwest Energy Solutions, Inc. is a wholly owned, non-utility subsidiary of Millennium that provides electrical contracting and meter reading services in Arizona, as well as other services at Springerville Generating Station.

EXHIBIT B

EXHIBIT B

Current Corporate Structure of Fortis Inc.

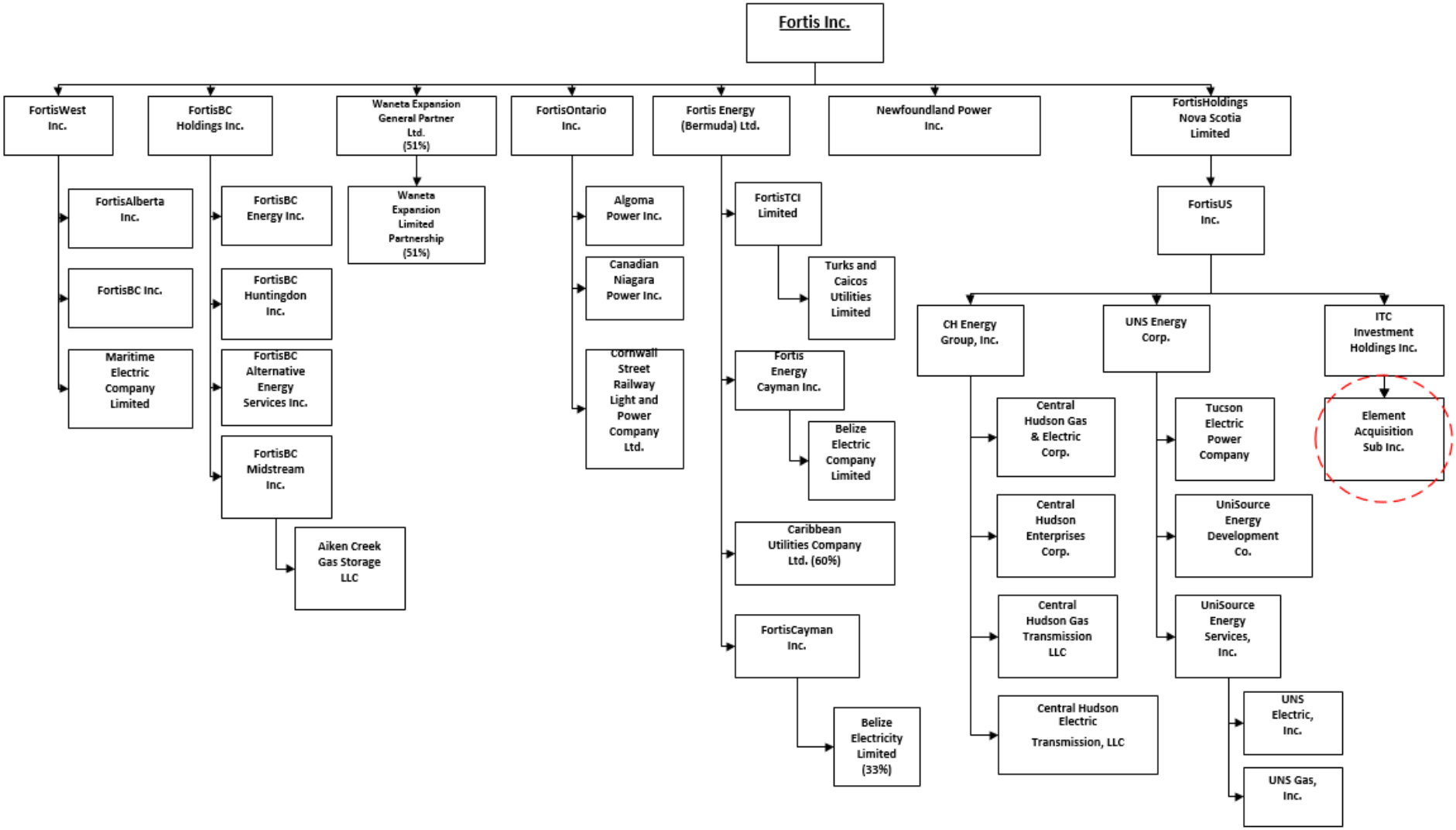

EXHIBIT C

EXHIBIT C

ITC Energy Subsidiaries and Energy Affiliates

ITC Holdings Corp.

ITC Holdings Corp. ("ITC Holdings") is a holding company with no business operations. ITC Holdings holds 100% of the common stock of International Transmission Company d/b/a ITC*Transmission* ("ITC*Transmission*"). ITC Holdings holds all of the common stock of METC GP Holdings, Inc., which holds all of the membership interests in Michigan Transco Holdings, LLC, which holds all of the membership interests in Michigan Electric Transmission Company, LLC ("METC"). ITC Holdings holds all of the membership interests in ITC Midwest LLC ("ITC Midwest"). ITC Holdings also holds all of the membership interests in ITC Grid Development, LLC ("ITC Grid Development"). ITC Grid Development in turn holds all of the membership interests in ITC Great Plains, LLC ("ITC Great Plains"). ITC*Transmission*, METC, ITC Midwest and ITC Great Plains are all operating subsidiaries of ITC Holdings, and the exclusive business of each is the transmission of electric energy in interstate commerce.

ITC Grid Development was formed to focus on bringing improvements to the U.S. electricity transmission infrastructure by partnering with entities in regions where significant investment is needed to improve reliability and address local energy needs. Wholly-owned subsidiaries of ITC Grid Development have been formed to develop new transmission and/or participate in competitive solicitations for new transmission, as well as to explore non-traditional transmission investment opportunities including interconnections for both generation and load-serving entities, and system network upgrades for existing and new generation:

- ITC Panhandle Transmission, LLC (formed to pursue opportunities for new transmission investment in the ERCOT region; currently owns no assets);

- ITC Interconnection, LLC (an independent transmission company that is constructing and will own a ~ 1 mile, 345 kV transmission line that will interconnect the an existing 1,100 MW generating facility located in Michigan to the PJM Interconnection ("PJM"));
- ITC Mid-Atlantic Development LLC (formed to pursue opportunities for new transmission investment in the PJM region; currently owns no assets);
- ITC Midcontinent Development LLC (formed to pursue opportunities for new transmission investment in the MISO region; currently owns no assets);
- ITC South Central Development LLC (formed to pursue opportunities for new transmission investment in the SPP region; currently owns no assets); and
- ITC New York Development LLC (formed to pursue opportunities for new transmission investment in the NYISO region; currently owns no assets).

ITC Holdings holds all of the membership interests in ITC Project Holdings LLC, which in turn holds all of the membership interests in ITC Lake Erie Holdings LLC. ITC Lake Erie Holdings LLC holds all of the membership interests in ITC Lake Erie Connector LLC ("ITC Lake Erie"). ITC Lake Erie is proposing to construct and operate the ITC Lake Erie Connector Project ("Project"), an approximately 72.4 mile (116.5 km) 1000 megawatt (MW), +/- 320 kilovolt (kV) high-voltage direct current (HVDC) bi-directional merchant electric transmission line to transmit electricity between the United States and Canada.

ITC Holdings also holds all of the membership interests in ITC Green Power Express LLC ("ITC Green Power Express"). ITC Green Power Express holds all of the membership interests in Green Power Express LLC and all of the limited partnership interests in Green Power Express LP. Green Power Express LLC is the general partner of Green Power Express LP. ITC

Green Power Express was formed to develop the Green Power Express, a transmission expansion concept to advance regional transmission in the north central United States.

New York Transmission Holdings Corp. ("NY Holdings") is a wholly owned subsidiary of ITC Holdings formed in 2003 to make an investment in Conjunction LLC, a development entity formed in 2003 to develop a high-voltage direct current line to be built within New York State to transmit power to the metropolitan New York City area. New York Transmission Holdings Corp. holds a non-controlling membership interest in Conjunction LLC, which in turn holds all of the membership interests in Empire Connection LLC. The development of the Conjunction project was abandoned in November 2004, and NY Holdings has had no other business activity.

ITC Midsouth LLC is a wholly owned subsidiary of ITC Holdings formed in December 2011 in order to effectuate the proposed transaction whereby ITC Holdings would acquire the transmission businesses of Entergy Corporation. The proposed transaction was terminated in December 2013, and ITC Midsouth has had no other business activity.

ITC Holdings holds all of the membership interests in ITC Equipment, LLC. ITC Equipment's sole business is to own equipment used by affiliate companies of ITC Holdings.

EXHIBIT D

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Annex A

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

among

FORTISUS INC.,

ELEMENT ACQUISITION SUB INC.,

FORTIS INC.

and

ITC HOLDINGS CORP.

Dated as of February 9, 2016

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of February 9, 2016 (this "*Agreement*"), is entered into among FortisUS Inc., a Delaware corporation ("*Parent*"), Element Acquisition Sub Inc., a Michigan corporation and a direct subsidiary of Parent ("*Merger Sub*"), Fortis Inc., a corporation existing under the Corporations Act of Newfoundland and Labrador ("*Ultimate Parent*"), and ITC Holdings Corp., a Michigan corporation (the "*Company*" and, together with Ultimate Parent, Parent and Merger Sub, the "*Parties*" and each, a "*Party*").

RECITALS

WHEREAS, the board of directors of the Company (the "*Company Board of Directors*") has (i) determined that it is in the best interests of the Company and its shareholders, and declared it advisable, to enter into this Agreement, (ii) approved the execution, delivery and performance of this Agreement and the consummation of the merger of Merger Sub with and into the Company (the "*Merger*") upon the terms and subject to the conditions set forth in this Agreement and (iii) subject to *Section 7.1*, resolved to recommend approval of this Agreement by the shareholders of the Company;

WHEREAS, the board of directors of Merger Sub has approved, adopted and declared advisable, this Agreement and the Merger, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the board of directors of Parent has determined that it is in the best interests of Parent and its stockholders to consummate the Merger provided for herein;

WHEREAS, the board of directors of Ultimate Parent (the "*Ultimate Parent Board of Directors*") has (i) determined that it is in the best interests of Ultimate Parent and its shareholders to consummate the Merger and the Share Issuance provided for herein and (ii) resolved to recommend approval of the Share Issuance by the shareholders of Ultimate Parent; and

WHEREAS, the Company, Ultimate Parent, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements

in connection with this Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the Parties agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1 **The Merger.** Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company and the separate corporate existence of Merger Sub shall thereupon cease. The Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "*Surviving Corporation*") and a subsidiary of Parent, and the separate corporate existence of the Company, with all of its rights, privileges, immunities, powers and franchises, shall continue unaffected by the Merger, except as set forth in *Article II*. Without limiting the generality of the foregoing and subject thereto, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of the Company and Merger Sub shall vest in the Company as the Surviving Corporation and all claims, obligations, debts, liabilities and duties of the Company and Merger Sub shall become the claims, obligations, debts, liabilities and duties of the Company as the Surviving Corporation. The Merger shall have the effects set forth in this Agreement and specified in the MBCA.

SECTION 1.2 **Closing.** The closing for the Merger (the "*Closing*") shall take place at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York, at 9:00 a m., New York City time, on the third (3rd) Business Day following the day on which the conditions set forth in

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Article VIII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or (to the extent permitted by applicable Law) waiver of those conditions at the Closing) have been satisfied or (to the extent permitted by applicable Law) waived in accordance with this Agreement or at such other time and place as the Company and Ultimate Parent may agree in writing. The date on which the Closing occurs is referred to herein as the "*Closing Date*".

SECTION 1.3 **Effective Time.** At the Closing, the Company, Ultimate Parent and Parent will cause the Merger to be consummated by filing with the Department of Licensing and Regulatory Affairs of the State of Michigan (the "*Michigan LARA*") a certificate of merger (the "*Certificate of Merger*"), to be executed, acknowledged and filed with the Michigan LARA as provided in Section 707 of the MBCA. The Merger shall become effective at the time when the Certificate of Merger has been duly filed with the Michigan LARA or at such later time as may be agreed by the Parties in writing and specified in the Certificate of Merger (the "*Effective Time*").

SECTION 1.4 **Articles of Incorporation; Bylaws**.

(a) At the Effective Time, the articles of incorporation of the Company as the Surviving Corporation (the "*Charter*") shall be immediately amended in its entirety to read as set forth in *Exhibit A*, until thereafter amended as provided therein or by applicable Law, in each case consistent with the obligations set forth in *Section 7.10*.

(b) At the Effective Time, and without any further action on the part of the Company and Merger Sub, the bylaws of Merger Sub in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation, until thereafter amended as provided therein or by applicable Law, in each case consistent with the obligations set forth in *Section 7.10*.

SECTION 1.5 **Directors and Officers**.

(a) The Parties shall take all actions necessary so that the directors of Merger Sub at the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation. The board of directors of the Surviving Corporation shall be comprised initially of not more than nine (9) directors, including the chief executive officer of the Surviving Corporation. Within a transition period of six (6) months after the Effective Time, Parent shall cause the board of directors of the Surviving Corporation to consist of (i) the chief executive officer of the Surviving Corporation, (ii) a minority of representatives of Ultimate Parent, and (iii) a majority of directors independent from Ultimate Parent. The chief executive officer of the Surviving Corporation, the board of directors of the Surviving Corporation and the Ultimate Parent Board of Directors will make recommendations to Parent and the Surviving Corporation regarding the identification and appointment of the independent directors giving consideration to their respective qualifications and ability to provide effective leadership as a member of the board of directors of the Surviving Corporation. The directors of the Surviving Corporation shall be "independent" of any Market Participant in the Midcontinent

Independent System Operator, Inc. or the Southwest Power Pool, Inc.

(b) The officers of the Company at the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors shall have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and bylaws of the Surviving Corporation.

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ARTICLE II

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS

SECTION 2.1 **Effect on Capital Stock**. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Ultimate Parent, Parent, Merger Sub or the holders of any of the following securities:

(a) *Merger Consideration*. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (each, a "*Company Share*") (other than Company Shares owned by Ultimate Parent, Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Ultimate Parent and Company Shares owned by the Company or any of its wholly owned subsidiaries, and in each case not held on behalf of third parties (collectively, the "*Cancelled Shares*") and the Restricted Stock which shall be treated in accordance with *Section 2.2(b)* below) shall be converted, in accordance with the procedures set forth in this Agreement, into the right to receive (i) an amount equal to $22.57 per Company Share in cash, without interest (the "*Per Share Cash Consideration*"), and (ii) 0.7520 of a share of validly issued, fully paid and non-assessable Ultimate Parent Common Stock (such share, an "*Ultimate Parent Share*") per Company Share (the "*Per Share Stock Consideration*", and together with the Per Share Cash Consideration, the "*Per Share Merger Consideration*"). At the Effective Time, all of the Company Shares shall cease to be outstanding, shall be cancelled and shall cease to exist, and each certificate (a "*Certificate*") formerly representing any of the Company Shares (other than Cancelled Shares) and each non-certificated Company Share represented by book-entry (other than Cancelled Shares) (a "*Book-Entry Share*") shall, in each case, thereafter represent only the right to receive the Per Share Merger Consideration, cash in lieu of any fractional shares in accordance with *Section 2.6* and any dividends or other distributions pursuant to *Section 2.5*, in each case without interest and subject to compliance with the procedures for surrender as set forth in *Section 2.3*.

(b) *Cancellation of Cancelled Shares.* Each Cancelled Share shall cease to be outstanding, be cancelled without payment of any consideration therefor and shall cease to exist.

(c) *Surviving Corporation Shares.* (i) Each share of common stock, no par value, of Merger Sub, issued and outstanding immediately prior to the Effective Time, shall be converted into one share of common stock, no par value, of the Surviving Corporation; and (ii) the Surviving Corporation shall issue one share of its common stock, no par value, to Parent for each Ultimate Parent Share issued as Per Share Stock Consideration.

SECTION 2.2 **Treatment of Options, Restricted Stock and Performance Shares**.

(a) *Treatment of Options.* Immediately prior to the Effective Time, each outstanding option to purchase shares of Company Common Stock (an "*Option*") under any Company Stock Plan, shall, automatically and without any required action on the part of the holder thereof, become immediately vested and be cancelled and shall only entitle the holder of such Option to receive (without interest), at or promptly after the Effective Time from the Surviving Corporation or Ultimate Parent (on behalf of the Surviving Corporation), an amount in cash equal to the product of (x) the total number of Company Shares subject to the Option *multiplied* by (y) the excess, if any, of the Equity Award Consideration over the exercise price per Company Share under such Option, less applicable Taxes required to be withheld with respect to such payment. For the avoidance of doubt, any Option which has a per share exercise price that is greater than or equal to the Equity Award Consideration shall be cancelled at the Effective Time for no consideration or payment.

(b) *Treatment of Restricted Stock.* Immediately prior to the Effective Time, each outstanding award of restricted stock ("*Restricted Stock*") under any Company Stock Plan shall, automatically and without any required action on the part of the holder thereof, become immediately vested and

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be cancelled and shall only entitle the holder of such award to receive (without interest), at or promptly after the Effective Time from the

Surviving Corporation or Ultimate Parent (on behalf of the Surviving Corporation), (A) an amount in cash equal to the product of (x) the total number of shares of Company Common Stock subject to such award immediately prior to the Effective Time *multiplied* by (y) the Equity Award Consideration, less applicable Taxes required to be withheld with respect to such payment.

(c) *Treatment of Performance Shares.* Immediately prior to the Effective Time, each outstanding award of performance shares ("*Performance Shares*") under any Company Stock Plan shall, automatically and without any required action on the part of the holder thereof, become immediately vested at the higher of the target level of performance and the actual level of performance through the Effective Time, and each Performance Share award shall be cancelled and shall only entitle the holder of such Performance Share award to receive (without interest), at or promptly after the Effective Time from the Surviving Corporation, an amount in cash equal to the product of (x) the number of shares of Company Common Stock subject to such Performance Share award immediately prior to the Effective Time as set forth above *multiplied* by (y) the Equity Award Consideration, less applicable Taxes required to be withheld with respect to such payment. Furthermore, immediately prior to the Effective Time, Equivalent Performance Shares in respect of outstanding Performance Shares shall vest in the same percentage as the Performance Shares underlying such Equivalent Performance Shares pursuant to this *Section 2.2(c)* (and, to the extent the percentage of the Performance Shares vesting pursuant to this *Section 2.2(c)* exceeds 100%, additional Equivalent Performance Shares shall be deemed credited to each holder's notional account and vested so that the number of Equivalent Performance Shares deemed credited to such holder's account and vested is equal to the number that would have been held in such account if the number of vested Performance Shares pursuant to this Section 2.2(c) had been issued as of the grant date, rather than the target number of Performance Shares), and each Equivalent Performance Share shall be cancelled and shall only entitle the holder of such Equivalent Performance Share to receive (without interest), at or promptly after the Effective Time from the Surviving Corporation, an amount in cash equal to the product of (x) the number of such Equivalent Performance Shares deemed credited to such holder's notional account as set forth above *multiplied* by (y) the Equity Award Consideration, less applicable Taxes required to be withheld with respect to such payment.

(d) *Employee Stock Purchase Plans.* In accordance with the terms of the Second Amended and Restated Employee Stock Purchase Plan and the 2015 Employee Stock Purchase Plan (the "*ESPPs*"), (i) the administrator thereof shall determine the date on which the current offering period, shall terminate; (ii) the administrator shall ensure that no offering period under the ESPPs shall be commenced on or after the date of this Agreement; (iii) if the Effective Time shall occur prior to the end of the offering period in existence under the ESPPs on the date of this Agreement, the administrator shall cause a new exercise date to be set under the ESPPs, which date shall be the Business Day immediately prior to the anticipated Closing Date; (iv) the administrator shall prohibit participants in the ESPPs from altering their payroll deductions from those in effect on the date of this Agreement (other than to discontinue their participation in the ESPPs in accordance with the terms and conditions of the ESPPs); and (v) accumulated payroll deductions on such date shall be used to purchase the applicable number of shares; *provided*, *however*, that to the extent not used to purchase shares of Company Common Stock in accordance with the terms and conditions of the ESPPs, the deductions will be refunded to such participant as promptly as practicable following the Effective Time (without interest). The ESPPs shall terminate immediately following the Effective Time; *provided*, that such termination shall be contingent upon the occurrence of the Effective Time.

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(e) *Termination of Company Stock Plans.* After the Effective Time, all Company Stock Plans shall be terminated and no further Options, Restricted Stock, Performance Shares, or other rights with respect to shares of Company Common Stock shall be granted thereunder.

(f) *No Right to Acquire Shares.* The Company shall take all actions necessary to ensure that from and after the Effective Time none of Ultimate Parent, Parent or the Surviving Corporation will be required to deliver shares of Company Common Stock or other capital stock of the Company to any Person pursuant to or in settlement of Options, Restricted Stock or Performance Shares from and after the Effective Time.

(g) *Corporate Actions.* At or prior to the Effective Time, the Company, the Company Board of Directors and the compensation committee of the Company Board of Directors, as applicable, shall adopt any resolutions and take any actions which are necessary to effectuate the provisions of this *Section 2.2*.

SECTION 2.3 **Surrender of Company Shares**.

Exchange Agent.

(a) Prior to the Effective Time, Ultimate Parent, Parent or Merger Sub shall enter into an agreement in form and substance reasonably acceptable to the Company with an exchange agent selected by Parent with the Company's prior approval, which approval shall not be unreasonably conditioned, withheld or delayed, to act as agent for the shareholders of the Company in connection with the Merger (the "*Exchange Agent*") to receive the aggregate Per Share Merger Consideration to which the shareholders of the Company shall become entitled in respect of their Company Shares pursuant to this *Article II*. Parent, Ultimate Parent and Merger Sub shall deposit, or cause to be deposited, with the Exchange Agent, (i) at or prior to the Effective Time, a cash amount in immediately available funds sufficient in the aggregate to provide all funds necessary for the Exchange Agent to make payments of the Per Share Cash Consideration under *Section 2.1*, (ii) at or prior to the Effective Time, evidence of shares in book-entry form representing Ultimate Parent Common Stock issuable pursuant to *Section 2.1*, and

(iii) from time to time as needed, additional cash sufficient to pay cash in lieu of any fractional shares pursuant to *Section 2.6* and any dividends or other distributions pursuant to *Section 2.5* (such cash and any evidence of shares in book-entry form representing Ultimate Parent Common Stock deposited with the Exchange Agent being hereinafter referred to as the "*Exchange Fund*") in trust for the benefit of the holders of the Company Shares. The Exchange Agent shall invest any cash in the Exchange Fund as directed by Ultimate Parent; *provided*, that such investments shall be in obligations of or guaranteed by the United States of America, in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., respectively, in certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding $1 billion, or in money market funds having a rating in the highest investment category granted by a recognized credit rating agency at the time of acquisition or a combination of the foregoing and, in any such case, no such instrument shall have a maturity exceeding one month. To the extent that there are losses with respect to such investments, or any cash in the Exchange Fund diminishes for other reasons below the level required to make prompt cash payment of the aggregate Per Share Cash Consideration as contemplated by *Section 2.1*, Parent shall promptly replace or restore the cash in the Exchange Fund lost through such investments or other events so as to ensure that the cash in the Exchange Fund is at all times maintained at a level sufficient to make such cash payments. Any interest and other income resulting from such investment shall become a part of the Exchange Fund, and any amounts in excess of the amounts payable under *Section 2.1* shall be promptly returned to Ultimate Parent, Parent or the Surviving Corporation, as requested by Ultimate Parent. The funds deposited with the Exchange Agent pursuant to this *Section 2.3(a)* shall not be used for any purpose other than as contemplated by this *Section 2.3(a)*.

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(b) *Exchange Procedures*.

(i) *Transmittal Materials.* Promptly after the Effective Time (and in any event within five (5) Business Days thereafter), the Surviving Corporation shall cause the Exchange Agent to mail or otherwise provide to each holder of record of Company Shares (other than holders of Cancelled Shares) (A) transmittal materials, including a letter of transmittal in customary form as agreed by the Parties, specifying that delivery shall be effected, and risk of loss and title shall pass, with respect to Book-Entry Shares, only upon delivery of an "agent's message" regarding the book-entry transfer of Book-Entry Shares (or such other evidence, if any, of the transfer as the Exchange Agent may reasonably request), and with respect to Certificates, only upon delivery of the Certificates (or affidavits of loss in lieu of the Certificates as provided in *Section 2.3(f)* to the Exchange Agent), such transmittal materials to be in such form and have such other provisions as Ultimate Parent, Parent and the Company may reasonably agree, and (B) instructions for use in effecting the surrender of the Book-Entry Shares or Certificates (or affidavits of loss in lieu of the Certificates as provided in *Section 2.3(f)*) to the Exchange Agent.

(ii) *Certificates.* Upon surrender of a Certificate (or affidavit of loss in lieu of the Certificate as provided in *Section 2.3(f)*) to the Exchange Agent in accordance with the terms of such transmittal materials and instructions, the holder of such Certificate shall be entitled to receive in exchange therefor (A) a cash amount in immediately available funds (after giving effect to any required Tax withholdings as provided in *Section 2.3(e)*) equal to the product obtained by *multiplying* (1) the number of Company Shares represented by such Certificate (or affidavit of loss in lieu of the Certificate as provided in *Section 2.3(f)*) by (2) the Per Share Cash Consideration, and such product *plus* any cash in lieu of any fractional shares of Ultimate Parent Common Stock such holder has the right to receive pursuant to *Section 2.6* and dividends and other distributions such holder has the right to receive pursuant to *Section 2.5* and (B) the number of Ultimate Parent Shares, in uncertificated book-entry form, equal to the product obtained by *multiplying* (1) the number of Company Shares represented by such Certificate (or affidavit of loss in lieu of the Certificate as provided in *Section 2.3(f)*) by (2) the Per Share Stock Consideration. No interest will be paid or accrued on any cash amount payable upon due surrender of the Certificates.

(iii) *Book-Entry Shares.* Notwithstanding anything to the contrary contained in this Agreement, any holder of Book-Entry Shares shall not be required to deliver a Certificate or an executed letter of transmittal to the Exchange Agent to receive the aggregate Per Share Merger Consideration that such holder is entitled to receive as a result of the Merger pursuant to *Section 2.1(a)*. In lieu thereof, each holder of record of one or more Book-Entry Shares (other than Cancelled Shares) shall upon receipt by the Exchange Agent of an "agent's message" in customary form (it being understood that the holders of Book-Entry Shares shall be deemed to have surrendered such Company Shares upon receipt by the Exchange Agent of such "agent's message" or such other evidence, if any, as the Exchange Agent may reasonably request) be entitled to receive, and Ultimate Parent and Parent shall cause the Exchange Agent to pay and deliver as promptly as reasonably practicable after the Effective Time, (A) a cash amount in immediately available funds (after giving effect to any required Tax withholdings as provided in *Section 2.3(e)*) equal to the product obtained by *multiplying* (1) the number of Company Shares represented by such Book-Entry Shares by (2) the Per Share Cash Consideration, and such product *plus* any cash in lieu of any fractional shares of Ultimate Parent Common Stock such holder has the right to receive pursuant to *Section 2.6* and dividends and other distributions such holder has the right to receive pursuant to *Section 2.5* and (B) the number of Ultimate Parent Shares, in uncertificated book-entry form, equal to the product obtained by *multiplying* (1) the number of Company Shares represented by such Book-Entry Shares by (2) the Per Share Stock Consideration. No interest will be paid or accrued on any cash amount payable upon due surrender of the Book-Entry Shares.

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(iv) *Unrecorded Transfers; Other Payments.* In the event of a transfer of ownership of Company Shares that is not registered in the transfer records of the Company or if payment and issuance of the applicable Per Share Merger Consideration, any cash in lieu of fractional shares of Ultimate Parent Common Stock payable pursuant to *Section 2.6*, and any dividends or other distributions payable pursuant to *Section 2.5* are to be made to a Person other than the Person in whose name the surrendered Certificate or Book-Entry Share is registered, the Ultimate Parent Shares and a check for any cash to be exchanged upon due surrender of the Certificate or Book-Entry Share may be issued to such transferee or other Person if the Certificate or Book-Entry Share formerly representing such Company Shares is presented to the Exchange Agent accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable transfer or other similar Taxes have been paid or are not applicable.

(v) Until surrendered as contemplated by this *Section 2.3(b)*, each Certificate and each Book-Entry Share shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender (together with a letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required pursuant to such instructions (as applicable)) the applicable Per Share Merger Consideration, any cash in lieu of fractional shares of Ultimate Parent Common Stock and any dividends or other distributions with respect to Ultimate Parent Shares, as contemplated by this *Article II*. The Surviving Corporation shall pay all charges and expenses, including those of the Exchange Agent, in connection with the exchange of Company Shares for the Per Share Merger Consideration, any cash in lieu of fractional shares of Ultimate Parent Common Stock payable pursuant to *Section 2.6* and any dividends or other distributions payable pursuant to *Section 2.5*.

(c) *Termination of Exchange Fund.* Any portion of the Exchange Fund (including the proceeds of any investments thereof) that remains unclaimed by the shareholders of the Company for twelve (12) months after the Effective Time shall be delivered to the Surviving Corporation. Any holder of Company Shares (other than Cancelled Shares) who has not theretofore complied with this *Article II* shall thereafter be entitled to look to the Surviving Corporation, as a general unsecured creditor thereof, for payment and issuance of the Per Share Merger Consideration (after giving effect to any required Tax withholdings as provided in *Section 2.3(e)*), any cash in lieu of fractional shares of Ultimate Parent Common Stock such holder has the right to receive pursuant to *Section 2.6* and any dividends or other distributions such holder has the right to receive pursuant to *Section 2.5* upon due surrender of its Certificates (or affidavits of loss in lieu of the Certificates) or acceptable evidence of Book-Entry Shares, without any interest thereon in accordance with the provisions set forth in *Section 2.3(b)*, and Parent shall remain liable for (subject to applicable abandoned property, escheat or other similar Laws) payment and issuance of their claim for the Per Share Merger Consideration, any cash in lieu of fractional shares of Ultimate Parent Common Stock such holder has the right to receive pursuant to *Section 2.6* and any dividends or other distributions such holder has the right to receive pursuant to *Section 2.5* payable upon due surrender of their Certificates or Book-Entry Share. Notwithstanding the foregoing, none of the Surviving Corporation, Ultimate Parent, Parent, Merger Sub, the Company, the Exchange Agent or any other Person shall be liable to any former holder of Company Shares for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws. Any portion of the Exchange Fund remaining unclaimed by Persons entitled to receive the Per Share Merger Consideration pursuant to this *Article II* as of a date that is immediately prior to such time as such unclaimed funds would otherwise escheat to or become property of any Governmental Entity will, to the extent permitted by applicable Law, become the property of the Surviving Corporation free and clear of any claims or interest of any Person entitled thereto.

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(d) *Transfers.* From and after the Effective Time, there shall be no transfers on the stock transfer books of the Company of the Company Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificate or acceptable evidence of a Book-Entry Share is presented to the Surviving Corporation, Parent or the Exchange Agent for transfer, it shall be cancelled and exchanged for the cash amount in immediately available funds and the number of Ultimate Parent Shares (which shall be in uncertificated book-entry form) to which the holder thereof is entitled pursuant to this *Article II*. The Per Share Merger Consideration paid and issued upon the surrender of Certificates (or upon receipt by the Exchange Agent of an "agent's message, in the case of Book-Entry Shares) in accordance with the terms of this *Article II* shall be deemed to have been paid and issued in full satisfaction of all rights pertaining to the Company Shares formerly represented by such Certificates or such Book-Entry Shares.

(e) *Withholding Rights.* Each of Ultimate Parent, Parent, Merger Sub, the Surviving Corporation and their respective agents (including the Exchange Agent), as the case may be, shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Company Shares, Options, Restricted Stock or Performance Shares such amounts as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "*Code*"), or any other applicable state, local or foreign Tax Law. To the extent that amounts are so withheld by the Surviving Corporation, Merger Sub, Ultimate Parent, Parent or any of their respective agents (including the Exchange Agent), as the case may be, such withheld amounts (i) shall be promptly remitted by Ultimate Parent, Parent, Merger Sub, the Surviving Corporation or their respective agents, as applicable, to the applicable Governmental Entity, and (ii) shall be treated for all purposes of this Agreement as having been paid to the holder of Company Shares, Options, Restricted Stock or Performance Shares, as applicable, in respect of which such deduction and withholding was made by the Surviving Corporation, Merger Sub, Ultimate Parent, Parent or their respective agents, as the case may be.

(f) *Lost Certificates.* In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by

the Person claiming such Certificate to be lost, stolen or destroyed and, if reasonably required by Parent, the posting by such Person of a bond in customary amount and upon such terms as may be required by Parent as indemnity against any claim that may be made against it or the Surviving Corporation with respect to such Certificate, the Exchange Agent will (i) issue a check in the amount (after giving effect to any required Tax withholdings as provided in *Section 2.3(e)*) equal to the product obtained by *multiplying* (A) the number of Company Shares represented by such lost, stolen or destroyed Certificate by (B) the Per Share Merger Consideration, and such product *plus* any cash in lieu of any fractional shares of Ultimate Parent Common Stock such holder has the right to receive pursuant to *Section 2.6* and dividends and other distributions such holder has the right to receive pursuant to *Section 2.5* and (ii) deliver the number of Ultimate Parent Shares, in uncertificated book-entry form, equal to the product obtained by *multiplying* (x) the number of Company Shares represented by such Book-Entry Share by (y) the Per Share Stock Consideration.

SECTION 2.4 **Adjustments**. In the event that (i) the number of shares of Company Common Stock or Ultimate Parent Shares or securities convertible or exchangeable into or exercisable for shares of Company Common Stock or Ultimate Parent Shares issued and outstanding after the date hereof and prior to the Effective Time shall have been changed into a different number of shares of Company Common Stock or Ultimate Parent Shares, as applicable, or securities or a different class as a result, in either case, of a reclassification, stock split (including a reverse stock split), stock dividend, recapitalization, merger, issuer tender or exchange offer, or other similar transaction or (ii) any cash dividend is declared or paid by Ultimate Parent on Ultimate Parent Shares issued and outstanding after

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the date hereof and prior to the Effective Time (other than declaration or payment of regular quarterly cash dividends on Ultimate Parent Shares, not to exceed the amount set forth on *Section 2.4* of the Parent Disclosure Schedule, with usual record and payment dates for such dividends), in each case the Per Share Merger Consideration and any other number or amount contained herein which is based upon the number of shares of Company Common Stock or Ultimate Parent Shares shall be equitably adjusted; *provided*, that nothing in this *Section 2.4* shall be construed to permit the Company, any subsidiary of the Company or any other Person to take any action that is otherwise prohibited by the terms of this Agreement.

SECTION 2.5 **Distributions with Respect to Unexchanged Shares**.

(a) *Certificates.* No dividends or other distributions declared or made with respect to Ultimate Parent Shares with a record date after the Effective Time shall be paid to the holder of any Certificate with respect to the Ultimate Parent Shares that such holder would be entitled to receive upon surrender of such Certificate, until such holder shall surrender such Certificate in accordance with *Section 2.3(b)(ii)*. Subject to applicable Law, following surrender of any such Certificate, there shall be paid to the holder of Ultimate Parent Shares issued in exchange therefor, without interest, (i) promptly after the time of such surrender, the amount of dividends and other distributions with a record date after the Effective Time but prior to such surrender and a payment date prior to such surrender payable with respect to such Ultimate Parent Shares and (ii) at the appropriate payment date, the amount of dividends and other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such Ultimate Parent Shares.

(b) *Book-Entry Shares.* Subject to applicable Law, there shall be paid to the holder of the Ultimate Parent Shares issued in exchange for Book-Entry Shares in accordance with *Section 2.3(b)(iii)*, without interest, (i) promptly upon receipt by the Exchange Agent of an "agent's message" (or such other evidence, if any, of surrender as the Exchange Agent may reasonably request), the amount of dividends and other distributions with a record date after the Effective Time but prior to such receipt and a payment date prior to such receipt payable with respect to such Ultimate Parent Shares and (ii) at the appropriate payment date, the amount of dividends and other distributions with a record date after the Effective Time but prior to such receipt and a payment date subsequent to such receipt payable with respect to such Ultimate Parent Shares.

SECTION 2.6 **No Fractional Shares of Ultimate Parent Stock**. No certificates or scrip representing fractional shares of Ultimate Parent Common Stock shall be issued upon the conversion of Company Common Stock pursuant to *Section 2.1*, and such fractional share interests shall not entitle the owner thereof to any Ultimate Parent Common Stock or to vote or to any other rights of a holder of Ultimate Parent Common Stock. All fractional shares to which a single record holder of Company Common Stock would be otherwise entitled to receive shall be aggregated and calculations shall be rounded to three (3) decimal places. In lieu of any fractional shares of Ultimate Parent Common Stock, each holder of Company Common Stock who would otherwise be entitled to receive such fractional shares of Ultimate Parent Common Stock shall be entitled to receive an amount in cash, without interest, rounded up to the nearest cent, equal to the product obtained by *multiplying* (a) the amount of the fractional share interest in a share of Ultimate Parent Common Stock to which such holder would, but for this *Section 2.6*, be entitled to under *Section 2.1*, and (b) the average of the volume weighted average price per share of Ultimate Parent Common Stock on the Toronto Stock Exchange (the "*TSX*") (as reported by Bloomberg L.P. or such other authoritative source mutually selected by the Company and Parent) on each of the five (5) consecutive trading days ending with the second complete trading day immediately prior to the Closing Date (such average, the "*Average Price*") (with each such trading day's applicable price converted into United States dollars using the spot exchange rate reported with respect to such day by Bloomberg L.P. (or such other authoritative source mutually selected by the Company and Parent) (such conversion rate, the "*Conversion Rate*")). The payment of

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cash in lieu of fractional share interests pursuant to this *Section 2.6* is not a separately bargained-for consideration.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Ultimate Parent, Parent and Merger Sub that, except (i) as disclosed in the SEC Reports filed with, or furnished to, the SEC at least one (1) Business Day prior to the date of this Agreement (excluding, in each case, any risk factor disclosures contained under the heading "Risk Factors" or any disclosure of risks included in any "forward-looking statements" disclaimer or any other similar disclosures included in such SEC Reports that are predictive, cautionary or forward-looking in nature and, in each case, only to the extent the qualifying nature of such disclosure is reasonably apparent on the face of such SEC Reports) or (ii) as set forth on the corresponding sections or subsections of the disclosure schedules delivered to Ultimate Parent, Parent and Merger Sub by the Company concurrently with entering into this Agreement (the "*Company Disclosure Schedule*"), it being agreed that disclosure of any item in any section or subsection of the Company Disclosure Schedule shall also be deemed disclosure with respect to any other section or subsection of this Agreement to which the relevance of such item is reasonably apparent on the face of such disclosure:

SECTION 3.1 **Organization and Qualification; Subsidiaries**.

Each of the Company and its subsidiaries is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or present conduct of its business requires such qualification, except in each case where the failure to be so organized, formed, existing, qualified or, to the extent such concept is applicable, in good standing does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. *Section 3.1* of the Company Disclosure Schedule sets forth (x) each of the Company's Significant Subsidiaries and the ownership interest of the Company in each such Significant Subsidiary, as well as the ownership interest of any other Person or Persons in each such Significant Subsidiary and (y) the jurisdiction of organization of each such Significant Subsidiary.

SECTION 3.2 **Articles of Incorporation and Bylaws**. The Company has furnished or otherwise made available to Parent, prior to the date hereof, a correct and complete copy of the Amended and Restated Articles of Incorporation, as amended to date (the "*Company Articles of Incorporation*"), and the Fifth Amended and Restated Bylaws, as amended to date (the "*Company Bylaws*"), of the Company as in effect as of the date hereof, and the articles of incorporation and by-laws, or equivalent organizational documents, of each of the Company's Significant Subsidiaries, each as in effect as of the date hereof. The Company Articles of Incorporation and the Company Bylaws are in full force and effect. Neither the Company nor any Significant Subsidiary is in material violation of any provision of its articles of incorporation or by-laws (or equivalent organizational document).

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SECTION 3.3 **Capitalization**. The authorized capital stock of the Company consists of (i) 300,000,000 shares of common stock, no par value (the "*Company Common Stock*"), and (ii) 10,000,000 shares of preferred stock, no par value (the "*Company Preferred Stock*").

(a) As of the close of business on February 8, 2016 (the "*Company Capitalization Date*"), the total authorized and issued equity of the Company consisted of the following equity securities:

(i) 152,720,196 shares of Company Common Stock were issued and outstanding (which number includes Restricted Stock and the target number of Performance Shares);

(ii) no shares of Company Preferred Stock were issued or outstanding;

(iii) there were (A) 3,795,936 shares of Company Common Stock underlying outstanding Options of which 2,698,234 Options were vested and 1,097,702 Options were unvested, with a weighted average exercise price of $25.96, (B) 928,732 shares of Restricted Stock, (C) 278,184 shares of unvested Performance Shares (calculated based on target level performance achievement) and 4,409 shares of unvested Equivalent Performance Shares (calculated based on target level performance achievement), in each such case as granted or provided for under the Amended and Restated 2003 Stock Purchase and Option Plan for Key Employees of ITC Holdings Corp. and its subsidiaries, the Second Amended and Restated ITC Holdings Corp. 2006 Long Term Incentive Plan and the ITC Holdings Corp. 2015 Long Term Incentive Plan (the "*2015 LTIP*") (and applicable award agreements issued thereunder), as applicable (collectively, the

"*Company Stock Plans*"), (D) no shares of Company Common Stock were held by the Company in its treasury, (E) no restricted stock units were issued or outstanding, (F) 10,478,150 shares of Company Common Stock were reserved for issuance under the Company Stock Plans and (G) 956,588 shares of Company Common Stock were reserved for issuance under the ESPP.

(b) From the close of business on the Capitalization Date through the date of this Agreement, no (i) Options, (ii) Restricted Stock, (iii) Performance Shares (or awards in respect thereof), and (iv) no restricted stock units, have been granted, and no shares of Company Common Stock have been issued, except for shares of Company Common Stock issued pursuant to the exercise, vesting or settlement of Options, Restricted Stock or Performance Shares, in each case in accordance with the terms of the Company Stock Plans. Except as set forth in *Section 3.3(a)* or on *Section 3.3(b)* of the Company Disclosure Schedule as of the date of this Agreement, (1) there are no outstanding or authorized (A) shares of capital stock or other voting securities of the Company, (B) securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company or (C) options, warrants, calls, phantom stock or other rights to acquire from the Company, or obligations or agreements of the Company to issue, transfer or sell, or cause to be issued, transferred or sold, any capital stock, voting securities or securities convertible into, exercisable for, or exchangeable for, or giving any Person a right to subscribe for or acquire, any capital stock or voting securities of the Company (collectively, "*Company Securities*"), and (2) there are no outstanding contractual obligations of the Company or any of the Company's subsidiaries (A) to repurchase, redeem or otherwise acquire or dispose of, or (B) that contain any right of first refusal with respect to, require the registration for sale of, apply voting restrictions to, grant any preemptive or antidilutive rights with respect to, or otherwise restrict any Person from purchasing, selling, pledging or otherwise disposing of, any Company Securities. All outstanding shares of Company Common Stock, and all shares of the Company reserved for issuance as noted in *Section 3.3(a)*, when issued in accordance with the respective terms thereof, are or will be duly authorized, validly issued, fully paid and non-assessable and free of pre-emptive rights, purchase options, call, right of first refusal or any similar right. Each of the outstanding shares of capital stock of each of the Company's subsidiaries is duly authorized, validly issued, fully paid and nonassessable and all such shares are owned by the Company or another

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wholly-owned subsidiary of the Company and are owned free and clear of all Liens, or any similar rights, agreements, limitations in voting rights, charges or other encumbrances of any nature whatsoever. The Company does not have outstanding any bonds, debentures, notes or other indebtedness or obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

SECTION 3.4 **Authority**.

(a) The Company has all requisite corporate power and authority, and has taken all corporate action necessary, to execute, deliver and perform this Agreement and to consummate the Merger, subject only to the affirmative vote (in person or by proxy) of the holders of a majority of all of the outstanding shares of Company Common Stock entitled to vote thereon at the Company Shareholders Meeting, or any adjournment or postponement thereof, to approve this Agreement (the "*Company Requisite Vote*") and the filing of the Certificate of Merger with the Michigan LARA. This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery hereof by Parent and Merger Sub, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the effects of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law) (the "*Bankruptcy and Equity Exception*").

(b) All of the directors of the Company Board of Directors present at a duly called and held meeting, at which a quorum of the directors of the Company Board of Directors were present, unanimously (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are advisable, fair to and in the best interests of the Company and its shareholders, (ii) approved and adopted this Agreement, (iii) resolved to recommend that the shareholders of the Company vote in favor of the approval of this Agreement and the Merger (the "*Company Recommendation*") and (iv) directed that this Agreement and the Merger be submitted to the shareholders of the Company for their approval, which resolutions have not been amended, withdrawn or modified in any way as of the date hereof. The only vote of the shareholders of the Company required to approve this Agreement and the transactions contemplated hereby is the Company Requisite Vote.

SECTION 3.5 **No Conflict; Required Filings and Consents**.

(a) Except as set forth in *Section 3.5(a)* of the Company Disclosure Schedule, the execution, delivery and performance of this Agreement by the Company do not, and the consummation of the Merger and the other transactions contemplated hereby will not (with or without notice or lapse of time, or both) (i) breach or violate the Company Articles of Incorporation or the Company Bylaws or any comparable governing documents of any subsidiary of the Company, (ii) assuming that all Consents and Filings set forth on *Section 3.5(b)* of the Company Disclosure Schedule have been made, and any waiting periods thereunder have terminated or expired, conflict with or violate any Law, rule, regulation, order, judgment or decree applicable to the Company or any of its subsidiaries or by which any of them or any of their respective properties are bound or (iii) result in any breach or violation of or constitute a default or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration of, or result in the creation of a Lien (except a Permitted Lien) on any of the assets of the

Company or any subsidiary of the Company pursuant to, any Contract or License to which the Company or any subsidiary of the Company is a party, except, in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on

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the Company or which would not reasonably be expected to prevent, materially delay or materially impede the consummation by the Company of the transactions contemplated hereby.

(b) No Licenses, clearances, expirations or terminations of waiting periods, non-actions, waivers, qualifications, change of ownership approvals or other authorizations (each, a "*Consent*") of, or registration, notice, declaration or filing (each, a "*Filing*") with, any Governmental Entity or third party is required (with or without notice or lapse of time, or both) for or in connection with the execution, delivery and performance of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, other than Consents and Filings that have been obtained or made by the Company or the failure of which to obtain or make does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.6 **Compliance**. (a) None of the Company or any of its subsidiaries is, or within the past three (3) years has been, in conflict with, default under or in violation of any Law applicable to the Company or any of its subsidiaries, except for any such conflict, default or violation, which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, and (b) the Company and its subsidiaries have all permits, licenses, authorizations, exemptions, orders, consents, approvals, grants, certificates, variances, exceptions, permissions, qualifications, registrations, clearances and franchises ("*Licenses*") from Governmental Entities and any independent system operators and Regional Transmission Organizations required to conduct their respective businesses as being conducted as of the date hereof, except for any such Licenses the absence of which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company and each of its subsidiaries is, and within the past three (3) years has been, in compliance in all respects with the terms of the Licenses, except where the failure to be in compliance does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.7 **SEC Filings; Financial Statements; Undisclosed Liabilities**.

(a) The Company has filed or otherwise transmitted or furnished all forms, reports, statements, certifications and other documents (including all exhibits and other information incorporated therein, amendments and supplements thereto) in each case required to be filed or furnished by it with the U.S. Securities and Exchange Commission (the "*SEC*") since January 1, 2014 (the "*Applicable Date*") through the date hereof (all such forms, reports, statements, certificates and other documents filed since the Applicable Date, including those filed after the date hereof and including all exhibits and other information incorporated therein, amendments and supplements thereto, collectively, the "*SEC Reports*"). As of their respective dates, or, if amended or superseded by a subsequent filing made prior to the date of this Agreement, as of the date of the last such amendment or superseding filing prior to the date of this Agreement, the SEC Reports complied, or if filed after the date hereof will comply, as to form in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "*Securities Act*"), the Exchange Act and the Sarbanes-Oxley Act of 2002 (the "*Sarbanes Oxley Act*"), as the case may be, and the applicable rules and regulations promulgated thereunder, each as in effect on the date of any such filing. As of the time of filing with the SEC (or, if amended prior to the date of this Agreement, as of the date of such amendment), none of the SEC Reports so filed contained, when filed, or if filed after the date hereof will contain, any untrue statement of a material fact or omitted to state any material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that the information in such SEC Reports has been amended or superseded by a later SEC Report filed prior to the date of this Agreement.

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(b) The audited consolidated financial statements of the Company and its subsidiaries (including any related notes thereto) included in the SEC Reports (i) complied, or if filed after the date hereof will comply, as of their respective dates of filing, in each case in all material respects, with the then applicable accounting requirements and the published rules and regulations of the SEC with respect thereto; (ii) have been prepared, or if filed after the date hereof, will be prepared, in accordance with GAAP in all material respects applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto); and (iii) fairly present, or if filed after the date hereof, will fairly present, in all material respects the consolidated financial position of the Company and its subsidiaries at the respective dates thereof (taking into account the notes thereto) and the consolidated statements of earnings, cash flows and stockholders' equity for the periods indicated. The unaudited consolidated interim financial statements of the Company and its subsidiaries (including any related notes thereto) included in the SEC Reports (1) complied in all material respects, with the then applicable accounting requirements and the published rules and regulations of

the SEC with respect thereto; (2) have been prepared in accordance with GAAP in all material respects applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto and except for the absence of footnote disclosures and normal period end adjustments); and (3) fairly present in all material respects the consolidated financial position of the Company and its subsidiaries as of the respective dates thereof (taking into account the notes thereto) and the consolidated statements of earnings and cash flows for the periods indicated (subject to normal period-end adjustments).

(c) The Company maintains disclosure controls and procedures required by Rule 13a-15 and 15d-15 of the Exchange Act sufficient to provide reasonable assurances regarding the reliability of financial reporting for the Company and its subsidiaries. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, such disclosure controls and procedures are effective to ensure that material information required to be disclosed by the Company (i) is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents and (ii) is accumulated and communicated to the Company's management (including the Company's principal executive and principal financial officers, or persons performing similar functions) as appropriate to allow timely decisions regarding required disclosure. Based on the Company's most recent evaluation of internal control prior to the date hereof, the Company has disclosed to its auditors and the audit committee of the Company Board of Directors (1) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (2) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(d) Except (i) as reflected, accrued or reserved against in the financial statements (including all notes thereto) of the Company and its subsidiaries included in the SEC Reports filed prior to the date hereof; (ii) for liabilities or obligations incurred in the ordinary course of business since September 30, 2015; and (iii) for liabilities or obligations incurred pursuant to the transactions contemplated by this Agreement, neither the Company nor any of its subsidiaries has or is subject to any liabilities or obligations of a nature required by GAAP to be reflected in a consolidated balance sheet, other than those which do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.8 **Contracts**.

(a) Except (i) for this Agreement, (ii) for the Contracts filed as exhibits to the SEC Reports prior to the date hereof, (iii) for the Company Plans and Company Stock Plans or (iv) as set forth

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in *Section 3.8* of the Company Disclosure Schedule, as of the date hereof, neither the Company nor any of its subsidiaries is party to or bound by any Contract that:

(i) contains covenants binding upon the Company or any of its Affiliates that materially restrict the ability of the Company or any of its Affiliates to compete in any business or in any geographic area that, in each case, are material to the Company and its subsidiaries taken as a whole as of the date of this Agreement, except for leases;

(ii) is a material partnership, joint venture or similar Contract that, in each case, is material to the Company and its subsidiaries taken as a whole as of the date of this Agreement;

(iii) under which the Company or any of its subsidiaries is liable for indebtedness in excess of $50,000,000;

(iv) expressly limits or otherwise restricts the ability of the Company or any of its subsidiaries to pay dividends or make distributions to its shareholders (excluding restrictions applicable only upon a default or event of default);

(v) by its terms calls for aggregate payments by the Company and its subsidiaries under such Contract of more than $50,000,000 over the remaining term of such Contract (other than this Agreement, Contracts subject to clause (iii) above, purchase orders for the purchase of inventory and/or equipment in the ordinary course of business and leases);

(vi) relates to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) for consideration in excess of $50,000,000; and

(vii) by its terms calls for aggregate payments to the Company and its subsidiaries under such Contract of more than $50,000,000 over the remaining term of such Contract (other than this Agreement or purchase orders for the purchase of inventory and/or equipment in the ordinary course of business).

Each Contract (i) set forth (or required to be set forth) in *Section 3.8* of the Company Disclosure Schedule, (ii) filed as an exhibit to the

SEC Reports as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act, or (iii) disclosed by the Company on a Current Report on Form 8-K as a "material contract" (excluding any Company Plan), is referred to herein as a "*Company Material Contract*".

(b) Each of the Company Material Contracts is a legal, valid and binding obligation of, and enforceable against, the Company or the Company subsidiary that is a party thereto and, to the knowledge of the Company, each other party thereto, and is in full force and effect in accordance with its terms, subject to the Bankruptcy and Equity Exception, except (i) to the extent that any Material Contract expires or terminates in accordance with its terms in the ordinary course of business consistent with past practice, and (ii) for such failures to be legal, valid and binding or to be in full force and effect that do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) The Company or its subsidiary that is a party to a Company Material Contract is in compliance with all terms and requirements of each Company Material Contract, and no event has occurred that, with notice or the passage of time, or both, would constitute a breach or default by the Company or any of its subsidiaries under any such Company Material Contract, and, to the knowledge of the Company, no other party to any Company Material Contract is in breach or default (nor has any event occurred which, with notice or the passage of time, or both, would constitute such a breach or default) under any Company Material Contract, except in each case where such violation, breach, default or event of default does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

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Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, neither the Company nor, to the knowledge of the Company, any of its subsidiaries has received written notice from any other party to a Company Material Contract that such other party intends to terminate or renegotiate in any material respects the terms of any such Company Material Contract (except in accordance with the terms thereof).

SECTION 3.9 **Absence of Certain Changes or Events**.

(a) Since December 31, 2014 through the date of this Agreement, (i) except as contemplated by this Agreement, the Company and its subsidiaries have conducted their business in the ordinary course, in all material respects, and (ii) there has not occurred any event, development, change, effect or occurrence that, has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(b) Since December 31, 2014 through the date of this Agreement, neither the Company nor any subsidiary of the Company has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of *Sections 6.1(d)(ii)*, *(vii)*, *(x)*, *(xii)* or *(xvi)*.

SECTION 3.10 **Absence of Litigation**. There are no civil, criminal, administrative or other suits, claims, actions, proceedings, or arbitrations pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries, other than any such suit, claim, action, proceeding, or arbitration that does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. Neither the Company nor any of its subsidiaries nor any of their respective material properties is or are subject to any order, writ, judgment, injunction, decree or award except for those that do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.11 **Employee Benefit Plans**.

(a) *Section 3.11(a)* of the Company Disclosure Schedule contains a true and complete list, as of the date of this Agreement, of each material Company Plan. "Company Plan" means each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), whether or not subject to ERISA), and each other director and employee plan, program, agreement or arrangement, vacation or sick pay policy, fringe benefit plan, compensation, equity or phantom equity, change in control, deferred compensation, incentive compensation, pension, retirement savings, bonus, profit sharing, health, medical or dental, disability, unemployment insurance, severance or employment agreement or any other compensatory plan or policy contributed to, sponsored or maintained by the Company or any of its subsidiaries for the benefit of any current, former or retired employee or director or other individual consultant/service provider of the Company or any of its subsidiaries (collectively, the "*Company Employees*").

(b) With respect to each Company Plan set forth on *Section 3.11(a)* of the Company Disclosure Schedule, the Company has made available to Parent a true, correct, and complete copy thereof to the extent in writing and, to the extent applicable, (i) any related trust agreement or other funding instrument, (ii) the most recent determination letter, if any, received from, and all material correspondence with the Internal Revenue

Service (the "*IRS*"), (iii) the most recent summary plan description for each Company Plan for which such summary plan description is required, (iv) for the most recent year (A) the Form 5500 and attached schedules, (B) audited financial statements and (C) actuarial valuation reports, if any, and (v) all material correspondence with the United States Department of Labor and the Pensions Benefit Guaranty Corporation.

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(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, (i) each Company Plan has been established, funded and administered in accordance with its terms and in compliance with the applicable provisions of ERISA, the Code, and other applicable Laws, rules and regulations and (ii) with respect to each Company Plan, as of the date of this Agreement, no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or, to the knowledge of the Company, threatened, and there has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code, other than a transaction that is exempt under a statutory or administrative exemption), with respect to any Company Plan that could reasonably be expected to result in material liability to the Company. Each Company Plan which is intended to be qualified under Section 401(a) of the Code has received a determination letter to that effect from the IRS and, to the knowledge of the Company, no circumstances exist which would reasonably be expected to materially adversely affect such qualification.

(d) No Company Plan and no plan maintained by any Person, that together with the Company would be deemed to be a single employer under Section 4001(b) of ERISA (each an "ERISA Affiliate"*)* that is covered by Title IV of ERISA has been terminated and no proceedings have been instituted to terminate or appoint a trustee under Title IV of ERISA to administer such plan. Neither the Company, its subsidiaries nor any ERISA Affiliate contributes to, or has an obligation to contribute to, nor has at any time in the past six years contributed to, or had an obligation to contribute to, a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

(e) None of the execution, delivery and performance of this Agreement, shareholder or other approval of this Agreement or the consummation of the transactions contemplated by this Agreement (whether alone or in combination with another event) will (i) entitle any Company Employee to severance pay (or a material increase in severance pay), unemployment compensation or any other payment, except as contemplated by this Agreement or as required by applicable Law, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such Company Employee, except as contemplated by this Agreement, (iii) require a "gross-up," indemnification for, or payment to any individual for any taxes imposed under Section 409A or Section 4999 of the Code or any other tax, (iv) result in payments which would not reasonably be expected to be deductible under Section 280G of the Code or (v) limit or restrict the right to merge, amend, terminate or transfer the assets of any Company Plan on or following the Effective Time.

SECTION 3.12 **Labor and Employment Matters**. The Company is not, nor has it ever been, a party to any collective bargaining agreement or other Contract with any labor union or other labor organization or other representative representing any Company Employees, nor is any such Contract presently being negotiated. To the knowledge of the Company, there is no unfair labor practice charge or comparable or analogous complaint pending before the National Labor Relations Board (or equivalent regulatory body, tribunal or authority) against the Company which, if adversely decided, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. There is no grievance, arbitration hearing, or arbitration award pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries, which, if adversely decided, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.13 **Insurance**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, (a) all insurance policies of the Company and its subsidiaries are in full force and effect and provide insurance in such amounts and against such risks as is sufficient to comply with applicable Law and as is customary in the industries in which the Company and its subsidiaries operate and (b) all premiums due with respect to such insurance policies have been paid in accordance with the terms thereof.

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SECTION 3.14 **Properties**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, the Company or a subsidiary of the Company owns and has good and valid title to, or holds valid rights to lease or otherwise use, all items of real and personal property that are necessary to permit it to conduct the business of the Company and its subsidiaries taken as a whole as currently conducted, in each case free and clear of all liens, encumbrances, pledges, hypothecations, charges, mortgages, security interests, options, rights of first offer or last offer, preemptive rights, claims and defects, and imperfections of title ("*Liens*") (except in all cases for (A) Liens permissible under any applicable loan agreements and indentures, (B) statutory liens securing payments not yet due, (C) with respect to real property (1) zoning, building codes and other state and federal land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property, (2) such imperfections or irregularities of title, Liens, easements, covenants and other restrictions or encumbrances (including easements, rights of way, options, reservations or other similar matters or

restrictions or exclusions which would be shown by a current title report or other similar report; and any condition or other matter, if any, that may be shown or disclosed by a current and accurate survey or physical inspection), as do not materially and adversely affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties, (D) encumbrances for current Taxes or other governmental charges not yet due and payable or for Taxes that are being contested in good faith by appropriate proceeding and for which adequate reserves have been provided, (E) pledges or deposits made in the ordinary course of business to secure obligations under workers' compensation, unemployment insurance, social security, retirement and similar Laws or similar legislation or to secure public or statutory obligations, (F) mechanics', carriers', workmen's, repairmen's or other like encumbrances arising or incurred in the ordinary course of business relating to obligations which are not overdue or that are being contested in good faith, and (G) mortgages, or deeds of trust, security interests or other encumbrances on title related to (x) indebtedness reflected on the most recent balance sheet included in the SEC Reports filed prior to the date hereof or (y) indebtedness incurred after the date hereof, in compliance with *Section 6.1(d)(v)*) (items in clauses (A) through (G) are referred to herein as "*Permitted Liens*").

SECTION 3.15 **Tax Matters**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company:

(a) All Tax Returns required to be filed by, or on behalf of, the Company or any of its subsidiaries have been timely filed, or will be timely filed, in accordance with all applicable Laws and all such Tax Returns were, or will be at the time of filing, complete and accurate. The Company and each of its subsidiaries has timely paid (or has had paid on its behalf) in full all Taxes due and payable except with respect to matters contested in good faith and for which adequate reserves have been established in accordance with GAAP. There are no Liens with respect to Taxes upon any of the assets or properties of either the Company or any of its subsidiaries, other than with respect to Taxes not yet due and payable.

(b) No deficiencies for any Taxes have been proposed or assessed in writing against the Company or any of its subsidiaries, and there is no outstanding audit, assessment, dispute or claim concerning any Tax liability of the Company or any of its subsidiaries either within the Company's knowledge or claimed, pending or raised by a Taxing Authority in writing. During the last three (3) years, no claim has been made in writing by any Governmental Entity in a jurisdiction where any of the Company or its subsidiaries does not file Tax Returns that such entity is or may be subject to taxation by that jurisdiction. Neither the Company nor any of its subsidiaries has waived in writing any statute of limitations with respect to Taxes for any open tax year.

(c) Neither the Company nor any of its subsidiaries (i) is or has ever been a member of a group (other than a group the common parent of which is the Company) filing a consolidated,

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combined, affiliated, unitary or similar income Tax Return or (ii) has any liability for Taxes of any Person, other than the Company and any of its subsidiaries, by reason of filing or being required to file a consolidated, combined, affiliated, unitary or similar income Tax Return, or as a transferee or successor, by contract, or otherwise.

(d) None of the Company or any of its subsidiaries is a party to, is bound by or has any obligation under any Tax sharing or Tax indemnity agreement or similar contract or arrangement, other than (i) agreements solely between or among the Company and/or any of its subsidiaries or (ii) agreements entered into in the ordinary course that do not relate primarily to Taxes.

(e) None of the Company or any of its subsidiaries has been either a "distributing corporation" or a "controlled corporation" in a distribution occurring during the last two years in which the parties to such distribution treated the distribution as one to which Section 355 of the Code is applicable.

(f) All Taxes required to be withheld, collected or deposited by or with respect to the Company and each of its subsidiaries have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant Taxing Authority.

(g) No closing agreement pursuant to section 7121 of the Code (or any similar provision of state, local or foreign Law) has been entered into by or with respect to the Company or any of its subsidiaries, which could reasonably be expected to affect tax periods beginning after December 31, 2012.

(h) Neither the Company nor any of its subsidiaries has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) (or any similar provision of state, local or foreign Law).

Except to the extent that *Section 3.11* relates to Taxes, the representations and warranties set forth in this *Section 3.15* shall constitute the only representations and warranties by the Company with respect to Tax matters. For purposes of this Agreement:

(i) "*Taxes*" means all federal, state, local and foreign income, profits, franchise, gross receipts, environmental, customs duty, capital stock, severance, stamp, payroll, sales, employment, unemployment, disability, use, property, withholding, excise, license,

production, value added, occupancy and other taxes, duties or assessments of any nature whatsoever imposed by any Taxing Authority, and payments in lieu of taxes owed to any Taxing Authority, together with all interest, penalties and additions imposed with respect to such amounts;

(ii) "*Tax Return*" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Taxing Authority; and

(iii) "*Taxing Authority*" means any Governmental Entity exercising any authority to impose, regulate or administer the imposition of Taxes.

SECTION 3.16 **Registration Statement; Proxy Statement; Circular**.

(a) None of the information supplied or to be supplied by or on behalf of the Company for inclusion or incorporation by reference in (i) a registration statement on Form F-4, containing a prospectus of Ultimate Parent, or such other SEC Form for the purposes of registering Ultimate Parent Common Stock with the SEC under the Securities Act (the "*Registration Statement* ") and (ii) the proxy statement (which may form a part of the Form F-4) to be sent to the shareholders of the Company in connection with the Company Shareholders Meeting (such proxy statement, as amended or supplemented, the "*Proxy Statement*") will, at the time such document is first filed with the SEC, at any time such document is amended or supplemented, at the time such document

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is declared effective by the SEC or at the time of the Company Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement will, at the time of the Company Shareholder Meeting, comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder.

(b) None of the information supplied or to be supplied by or on behalf of the Company for inclusion or incorporation by reference in the proxy circular to be sent to the shareholders of Ultimate Parent (the "*Circular*") will, at the time such document is filed with the TSX, at the time such document is filed with the Canadian Securities Regulators, at any time such document is amended or supplemented, at the date it is first mailed to the shareholders of Ultimate Parent or at the time of the Ultimate Parent Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(c) Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by or on behalf of Ultimate Parent, Parent or Merger Sub or any of their respective representatives which is contained or incorporated by reference in the Registration Statement, Proxy Statement or Circular.

SECTION 3.17 **Intellectual Property**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company: (a) the Company and its subsidiaries own, free and clear of all Liens except Permitted Liens, or have the right to use the Intellectual Property used in their business as currently conducted; (b) the conduct of the Company's business as currently conducted does not infringe, misappropriate or violate the Intellectual Property rights of any Person, and the Company and its subsidiaries have not received any written claim or allegation of same within the past three (3) years; (c) no Person is infringing, misappropriating or violating the Intellectual Property owned by the Company or its subsidiaries; and (d) the Company and its subsidiaries take all reasonable actions to protect the secrecy of their material trade secrets and confidential information and the security and operation of their material software and systems, and to the knowledge of the Company, there have been no security breaches, unauthorized intrusions, or failures of same within the last three (3) years.

SECTION 3.18 **Environmental Matters**. (a) Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company:

(i) the Company and its subsidiaries are operating in compliance with all applicable Environmental Laws, including having all Permits required under any applicable Environmental Law for the operation of the business as currently conducted;

(ii) neither the Company nor any of its subsidiaries has released or discharged any Hazardous Substances on, at, under, in, or from any real property currently or, to the knowledge of the Company, formerly owned, leased or operated by it or at any other location that is (A) currently subject to any investigation, remediation or monitoring, or (B) reasonably likely to result in liability to the Company or any subsidiary, in either case (A) or (B) under any applicable Environmental Laws;

(iii) neither the Company nor any of its subsidiaries has or would reasonably be expected to have any responsibility, obligation or liability

relating to any former manufactured gas plant pursuant to any Environmental Laws or any contractual agreements relating to Environmental Laws;

(iv) neither the Company nor any of its subsidiaries is a party to, or has received written notice of, any pending or threatened claim, complaint, suit or demand alleging that it is in violation of or has liability under any Environmental Laws;

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(v) neither the Company nor any of its subsidiaries is a party or subject to any order, judgment, decree, settlement agreement, or similar arrangement imposing on it any obligation under any applicable Environmental Laws that remains unfulfilled; and

(vi) neither the Company nor any of its subsidiaries has expressly assumed or retained any liabilities under any applicable Environmental Laws of any other Person, including in any acquisition or divestiture of any property or business.

The representations and warranties set forth in this *Section 3.18* shall constitute the only representations and warranties by the Company with respect to environmental matters. For purposes of this Agreement, the following terms shall have the meanings assigned below:

"*Environmental Laws*" shall mean all federal, state, local or international laws (including common law), rules, orders, regulations, statutes, ordinances, codes or decrees that concern (i) pollution,(ii) protection or clean-up of the environment and/or (iii) the investigation or remediation of or exposure to any Hazardous Substance.

"*Hazardous Substances*" shall mean any dangerous, toxic, hazardous or radioactive waste, material, or substance, any pollutant or contaminant, and any other terms of similar meaning, as defined or regulated in any applicable Environmental Law (including petroleum or petroleum products, polychlorinated biphenyls and asbestos).

SECTION 3.19 **Opinions of Financial Advisors**. Each of Barclays Capital Inc., Morgan Stanley & Co. LLC and Lazard & Frères & Co. LLC (the "*Company Financial Advisors*") has delivered to the Company Board of Directors its written opinion (or oral opinion to be confirmed in writing), dated as of the date of this Agreement, that, as of such date and based upon, and subject to, the factors, assumptions and limitations set forth therein, the Per Share Merger Consideration is fair, from a financial point of view, to the holders of Company Common Stock.

SECTION 3.20 **Regulatory Matters**.

(a) *Regulation as a Utility.* Each of the Regulated Operating Subsidiaries is regulated as an independent transmission company and public utility by FERC. ITC Midwest is subject to siting regulation and open records access as a transmission owner and operator by the Iowa Utilities Board in the State of Iowa, regulation as a public utility by the Illinois Commerce Commission in the State of Illinois, regulation as a public utility by the Missouri Public Service Commission in the State of Missouri, regulation as a transmission company by the Minnesota Public Utilities Commission in the State of Minnesota, and regulation as a public utility limited to transmission ownership and service in the State of Wisconsin. ITC Great Plains is subject to regulation as a transmission-only public utility by the Kansas Corporation Commission and the Oklahoma Corporation Commission in the States of Kansas and Oklahoma, respectively. Each of ITC Transmission and METC is subject to regulation as an independent transmission company by the Michigan Public Service Commission in the State of Michigan.

(b) *Utility Reports.* All filings (other than immaterial filings) required to be made by the Company or any of the Regulated Operating Subsidiaries since January 1, 2014, with FERC under the FPA or the Public Utility Holding Company Act of 2005, the Department of Energy and any applicable state utility commissions, as the case may be, have been made, as applicable, on a timely basis, including all forms, statements, reports, agreements and all documents, exhibits, amendments and supplements pertaining thereto, including all rates, tariffs and related documents, and all such filings complied, as of their respective dates, with all applicable requirements of applicable statutes and the rules and regulations thereunder, except for filings the failure of which to make or the failure of which to make in compliance with all applicable requirements of applicable statutes and the rules and regulations thereunder do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

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SECTION 3.21 **Brokers**. No broker, finder or investment banker (other than the Company Financial Advisors) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and on behalf of the Company or any of its subsidiaries. The Company has heretofore made available to Parent a correct and complete copy of the Company's

engagement letters with Company Financial Advisors, which letters describe all fees payable to the Company Financial Advisors, in connection with the transactions contemplated hereby and all Contracts under which any such fees or any expenses are payable and all indemnification and other Contracts with the Company Financial Advisors entered into in connection with the transactions contemplated hereby.

SECTION 3.22 **Takeover Statutes; Appraisal Rights**. No "fair price", "moratorium", "control share acquisition", "business combination" or other similar antitakeover statute or regulation enacted under state or federal Laws in the United States applicable to the Company is applicable to this Agreement or the transactions contemplated hereby, including the Merger. The Company Board of Directors has not adopted any resolution or taken any other action that could entitle any current or former holder of Company Shares to any dissenter's rights or any other rights of appraisal following the Closing.

SECTION 3.23 **No Other Representations or Warranties**. Except for the representations and warranties contained in this *Article III*, each of Ultimate Parent, Parent and Merger Sub acknowledges that neither the Company nor any other Person on behalf of the Company makes any other express or implied representation or warranty with respect to the Company or with respect to any other information provided to Ultimate Parent, Parent or Merger Sub. Neither the Company nor any other Person will have or be subject to any liability or indemnification obligation to Ultimate Parent, Parent, Merger Sub or any other Person resulting from the distribution to Ultimate Parent, Parent or Merger Sub, or Ultimate Parent's, Parent's or Merger Sub's use of, any such information, including any information, documents, projections, forecasts or other material made available to Ultimate Parent, Parent or Merger Sub in certain "data rooms" or management presentations in expectation of the transactions contemplated by this Agreement.

SECTION 3.24 **Access to Information; Disclaimer**. The Company acknowledges and agrees that it has conducted its own independent investigation of Ultimate Parent, Parent, Merger Sub and their respective subsidiaries, their respective businesses and the transactions contemplated hereby, and has not relied on any representation, warranty or other statement by any Person on behalf of Ultimate Parent, Parent, Merger Sub or any of their respective subsidiaries, other than the representations and warranties of Ultimate Parent, Parent, and Merger Sub expressly contained in *Articles IV* and *V* of this Agreement, and that all other representations and warranties are specifically disclaimed. Without limiting the foregoing, the Company further acknowledges and agrees that none of Ultimate Parent, Parent, Merger Sub or any of their respective subsidiaries or any of their respective shareholders, directors, officers, employees, Affiliates, advisors, agents or other Representatives has made any representation or warranty concerning any estimates, projections, forecasts, business plans or other forward-looking information regarding Ultimate Parent, Parent, Merger Sub, their respective subsidiaries or their respective businesses and operations.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES REGARDING PARENT AND MERGER SUB

Ultimate Parent, Parent and Merger Sub each hereby represent and warrant to the Company that, except as set forth on the corresponding sections or subsections of the disclosure schedules delivered to the Company by Parent concurrently with entering into this Agreement (the "*Parent Disclosure Schedule*"), it being agreed that disclosure of any item in any section or subsection of the Parent

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Disclosure Schedule shall also be deemed disclosure with respect to any other section or subsection of this Agreement to which the relevance of such item is reasonably apparent on the face of such disclosure:

SECTION 4.1 **Organization**. Each of Parent and Merger Sub is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or, to the extent such concept is applicable, in such good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impede the consummation by Parent or Merger Sub of the Merger and the other transactions contemplated hereby. Parent has made available to the Company prior to the date of this Agreement a complete and correct copy of the articles of incorporation and bylaws of Merger Sub, each as amended to the date of this Agreement, and each as so delivered in full force and effect.

SECTION 4.2 **Authority**. Each of Parent and Merger Sub has all requisite corporate power and authority, and has taken all corporate action necessary, in order to execute, deliver and perform its obligations under, this Agreement, and to consummate the Merger and the other transactions contemplated hereby. The execution, delivery and performance of this Agreement by each of Parent and Merger Sub and the consummation by each of Parent and Merger Sub of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by all requisite corporate

action by the Boards of Directors of Parent and Merger Sub and Parent has approved and adopted this Agreement and the transactions contemplated hereby, including the Merger, in its capacity as sole stockholder of Merger Sub. This Agreement has been duly and validly executed and delivered by each of Parent and Merger Sub and, assuming the due authorization, execution and delivery hereof by the Company, constitutes a legal, valid and binding obligation of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

SECTION 4.3 **No Conflict; Required Filings and Consents**.

(a) The execution, delivery and performance of this Agreement by Parent and Merger Sub do not, and the consummation of the Merger and the other transactions contemplated hereby, including the ownership and operation of the Company and its subsidiaries following the Effective Time, will not (i) breach or violate the certificate of incorporation or bylaws of Parent, the articles of incorporation or bylaws of Merger Sub or the comparable governing instruments of any of their respective subsidiaries, (ii) assuming that all consents, approvals and authorizations contemplated by subsection (b) below have been obtained, and all filings described in such clauses have been made, conflict with or violate any Law, rule, regulation, order, judgment or decree applicable to Parent or Merger Sub or by which either of them or any of their respective properties are bound or (iii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would become a default) or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration of, or result in the creation of a Lien (except a Permitted Lien) on any of the material assets of Parent or Merger Sub pursuant to, any Contracts to which Parent or Merger Sub, or any Affiliate thereof, is a party, except in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which would not reasonably be expected to prevent, materially delay or materially impede the consummation by Parent or Merger Sub of the transactions contemplated hereby.

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(b) No Consent or Filing with, any Governmental Entity or third party is required for or in connection with the execution, delivery and performance of this Agreement by Parent or Merger Sub or the consummation by Parent or Merger Sub of the transactions contemplated hereby, other than Consents and Filings that have been obtained or made by Parent or Merger Sub or the failure of which to obtain or make would not reasonably be expected to prevent, materially delay or materially impede the consummation by Parent or Merger Sub of the transactions contemplated hereby.

SECTION 4.4 **Absence of Litigation**. There are no civil, criminal, administrative or other suits, claims, actions, proceedings or arbitrations pending or, to the knowledge of Parent, threatened against Parent or Merger Sub or any of their respective subsidiaries, other than any such suit, claim, action, proceeding or arbitration that would not or would not reasonably be expected to, prevent, materially delay or materially impede the consummation by Parent or Merger Sub of the transactions contemplated hereby. Neither Parent nor any of its subsidiaries nor any of their respective material properties is or are subject to any order, writ, judgment, injunction, decree or award except for those that would not reasonably be expected to, prevent, materially delay or materially impede the consummation of the transactions contemplated by this Agreement by Parent or Merger Sub.

SECTION 4.5 **Operations and Ownership of Merger Sub**. As of the date hereof, the authorized capital stock of Merger Sub consists solely of 60,000 shares of common stock, no par value, 10,000 of which are validly issued and outstanding as of the date hereof. At least eighty percent (80%) of the issued and outstanding capital stock of Merger Sub is, and at and immediately prior to the Effective Time will be, owned by Parent. Merger Sub has been formed solely for the purpose of engaging in the transactions contemplated hereby and prior to the Effective Time will have engaged in no other business activities and will have no assets, liabilities or obligations of any nature other than as expressly contemplated herein or in furtherance of the transactions contemplated hereby.

SECTION 4.6 **Absence of Certain Agreements**. As of the date of this Agreement, neither Parent nor any of its Affiliates has entered into any agreement, arrangement or understanding (in each case, whether oral or written), or authorized, committed or agreed to enter into any agreement, arrangement or understanding (in each case, whether oral or written), pursuant to which: (i) any shareholder of the Company would be entitled to receive consideration of a different amount or nature than the Per Share Merger Consideration or pursuant to which any shareholder of the Company agrees to vote to approve this Agreement or the Merger or agrees to vote against any Superior Proposal; (ii) any third party has agreed to provide, directly or indirectly, equity capital to Parent or the Company or any of their subsidiaries to finance in whole or in part the transactions contemplated herein; or (iii) any Company Employee has agreed to remain as an employee of the Company or any of its subsidiaries or to become an employee or consultant of Parent or any of its subsidiaries following the Effective Time.

SECTION 4.7 **Registration Statement; Proxy Statement; Circular**. None of the information supplied by or on behalf of Parent or Merger Sub for inclusion in (a) the Registration Statement and/or the Proxy Statement will, at the time such document is filed with the SEC, at any time such document is amended or supplemented, at the time such document is declared effective by the SEC or at the time of the Company Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements

therein, in light of the circumstances under which they are made, not misleading, or (b) the Circular will, at the time such document is filed with the TSX, at the time such document is filed with the Canadian Securities Regulators, at any time such document is amended or supplemented, at the date it is first mailed to the shareholders of Ultimate Parent or at the time of the Ultimate Parent Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, Ultimate Parent makes no representation or warranty with respect to any information supplied by or on behalf of the Company

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which is contained or incorporated by reference in the Registration Statement, Proxy Statement or Circular.

SECTION 4.8 **Brokers**. No broker, finder or investment banker (other than Goldman, Sachs & Co. and Scotia Capital Inc., whose fees shall be paid by Parent) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and on behalf of Parent or Merger Sub or any of their respective Affiliates for which the Company could have liability in a circumstance where the Merger is not consummated.

SECTION 4.9 **Ownership of Shares of Company Common Stock**. Other than pursuant to this Agreement, neither Ultimate Parent nor any of its subsidiaries beneficially owns (as defined in Rule 13d-3 under the Exchange Act) any shares of Company Common Stock or any securities that are convertible into or exchangeable or exercisable for shares of Company Common Stock, or holds any rights to acquire or vote any Company Shares, or any option, warrant, convertible security, stock appreciation right, swap agreement or other security, contract right or derivative position, whether or not presently exercisable, that provides Ultimate Parent, Merger Sub, or any of their respective subsidiaries with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of the shares of Company Common Stock or a value determined in whole or part with reference to, or derived in whole or part from, the value of the shares of Company Common Stock, in any case without regard to whether (a) such derivative conveys any voting rights in such securities to such Person or such Person's subsidiaries, (b) such derivative is required to be, or capable of being, settled through delivery of securities or (c) such Person or such Person's subsidiaries may have entered into other transactions that hedge the economic effect of such derivative.

SECTION 4.10 **Vote/Approval Required**. Other than the Ultimate Parent Requisite Vote and the vote or consent of Parent, no vote or consent of the holders of any class or series of capital stock of Parent or any of its Affiliates is necessary to approve this Agreement or the transactions contemplated hereby, including the Merger.

SECTION 4.11 **Available Funds**. Parent has delivered to the Company a correct and complete fully executed copy of (a)(i) the commitment letter, dated February 9, 2016, between Ultimate Parent and The Bank of Nova Scotia, including all exhibits, schedules, annexes and amendments thereto in effect as of the date of this Agreement (the "*Scotia Commitment Letter*"), and (ii) the fee letter referenced in the Scotia Commitment Letter (with only the fee, certain other economic provisions and certain other confidential terms (none of which adversely affects the conditionality, enforceability, termination, principal amount or availability of the such financing) redacted) and (b) (i) the commitment letter, dated February 9, 2016, between Ultimate Parent and Goldman Sachs Bank USA, including all exhibits, schedules, annexes and amendments thereto in effect as of the date of this Agreement (the "*Goldman Commitment Letter*" and together with the Scotia Commitment Letter, the "*Commitment Letters*"), and (ii) the fee letter referenced in the Goldman Commitment Letter (with only the fee, certain other economic provisions and certain other confidential terms (none of which adversely affects the conditionality, enforceability, termination, principal amount or availability of such financing) redacted), pursuant to which the financial institutions party thereto have committed to lend the amounts set forth therein (the provision of such funds as set forth therein, the "*Committed Financing*"). Assuming the Committed Financing is funded in accordance with the Commitment Letters, the aggregate net proceeds contemplated by the Commitment Letters, together with cash and cash equivalents on hand, will provide Parent and Merger Sub with cash proceeds on the Closing Date sufficient to permit Parent to fund the aggregate Per Share Cash Consideration and other cash payments to be made pursuant to *Article II* and any other amounts payable by Ultimate Parent, Parent, Merger Sub, the Surviving Corporation or any of their respective subsidiaries in connection with this Agreement and the transactions contemplated hereby. Parent's and Merger Sub's obligations hereunder are not subject to any conditions regarding Parent's, Merger Sub's, or any other Person's ability to

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obtain financing for the transactions contemplated hereby. The Commitment Letters have not been amended, restated or otherwise modified or waived prior to the execution and delivery of this Agreement, and the respective commitments contained in the Commitment Letters have not been withdrawn, rescinded, amended, restated or otherwise modified in any respect prior to the execution and delivery of this Agreement. As of the date hereof, the Commitment Letters are in full force and effect and constitute the legal, valid and binding obligations of each of Ultimate Parent and the other parties

thereto, subject to the Bankruptcy and Equity Exception. As of the date of this Agreement, no event has occurred which, with or without notice, lapse of time or both, would constitute a breach or default on the part of Ultimate Parent under the Commitment Letters or any other party to the Commitment Letters. Ultimate Parent has fully paid all commitment fees or other fees required to be paid on or prior to the date of this Agreement in connection with the Committed Financing. As of the date of this Agreement, Parent (1) is not aware of any fact, event or other occurrence that makes any of the representations or warranties of Ultimate Parent in either of the Commitment Letters inaccurate in any material respect and (2) has no reason to believe that any of the conditions to the Committed Financing contemplated by the Commitment Letters will not be satisfied on a timely basis or that the Committed Financing will not be made available on the Closing Date. As of the date of this Agreement, there are no side letters or other agreements, Contracts, arrangements or understandings (written or oral) directly or indirectly related to the funding of the Committed Financing other than as expressly set forth in the Commitment Letters (subject to the limitations set forth above) that could adversely affect the amount, availability or conditions of the Committed Financing.

SECTION 4.12 **Solvency**. After giving effect to all of the transactions contemplated by this Agreement, the payment of the aggregate consideration to which the shareholders of the Company are entitled under *Article II* and payment of all related fees and expenses, the Ultimate Parent and its subsidiaries, taken as a whole, will not: (a) be insolvent (either because its financial condition is such that the sum of its debts, including contingent and other liabilities, is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable liability on its existing debts, including contingent and other liabilities, as they mature); (b) have unreasonably small capital for the operation of the businesses in which it is engaged or proposed to be engaged; or (c) have incurred debts, or be expected to incur debts, including contingent and other liabilities, beyond its ability to pay them as they become due.

SECTION 4.13 **No Other Information; No Other Representations or Warranties**.

(a) Parent and Merger Sub acknowledge that the Company makes no representations or warranties as to any matter whatsoever except as expressly set forth in *Article III*. The representations and warranties set forth in *Article III* are made solely by the Company, and no Representative of the Company shall have any responsibility or liability related thereto.

(b) Except for the representations and warranties contained in this *Article IV* or contained in *Article V*, the Company acknowledges that none of Parent, Merger Sub or any other Person on behalf of Parent or Merger Sub makes any other express or implied representation or warranty with respect to Parent or Merger Sub or with respect to any other information provided to the Company. None of Parent, Merger Sub nor any other Person will have or be subject to any liability or indemnification obligation to the Company or any other Person resulting from the distribution to the Company, or the Company's use of, any such information, including any information, documents, projections, forecasts or other material made available to the Company in expectation of the transactions contemplated by this Agreement.

SECTION 4.14 **Access to Information; Disclaimer**. Parent and Merger Sub each acknowledges and agrees that it has conducted its own independent investigation and analysis of the Company and its subsidiaries, their respective businesses and the transactions contemplated hereby, and has not relied on any representation, warranty or other statement by any Person on behalf of the Company or any of its

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subsidiaries, other than the representations and warranties of the Company expressly contained in *Article III* of this Agreement, and that all other representations and warranties are specifically disclaimed. Without limiting the foregoing, each of Parent and Merger Sub further acknowledges and agrees that none of the Company or any of its shareholders, directors, officers, employees, Affiliates, advisors, agents or other Representatives has made any representation or warranty concerning any estimates, projections, forecasts, business plans or other forward-looking information regarding the Company, its subsidiaries or their respective businesses and operations.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF ULTIMATE PARENT

Ultimate Parent hereby represents and warrants to the Company that, except (i) as disclosed in the documents filed under the profile of Ultimate Parent or any of its subsidiaries on the System for Electronic Document Analysis Retrieval ("*SEDAR*") or filed or furnished to the SEC at least one (1) Business Day prior to the date of this Agreement (excluding, in each case, any risk factor disclosures contained under the heading "Key Trends, Risks and Opportunities", "Risk Factors" or any disclosure of risks included in any "forward-looking information" or "forward-looking statements" disclaimer or any other similar disclosures included in such filings that are predictive, cautionary or forward-looking in nature and, in each case, only to the extent the qualifying nature of such disclosure is reasonably apparent on the face of such disclosure) or (ii) as set forth on the corresponding sections or subsections of the Parent Disclosure Schedule, it being agreed that disclosure of any item in any section or subsection of the Parent Disclosure Schedule shall also be deemed disclosure with respect to any other section or subsection of this Agreement to which the relevance of such item is reasonably apparent on the face of such disclosure:

SECTION 5.1 **Organization and Qualification; Subsidiaries.**

(a) Each of Ultimate Parent and its subsidiaries is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or present conduct of its business requires such qualification, except in each case where the failure to be so organized, formed, existing, qualified or, to the extent such concept is applicable, in good standing does not have and would not reasonably be expected to have not, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

(b) *Section 5.1(b)(i)* of the Parent Disclosure Schedule sets forth (x) each of Ultimate Parent's Significant Subsidiaries and the ownership interest of Ultimate Parent in each such Significant Subsidiary, as well as the ownership interests of any other Person or Persons in each such Significant Subsidiary and (y) the jurisdiction of organization of each such Significant Subsidiary.

SECTION 5.2 **Articles of Incorporation and Bylaws.** Ultimate Parent has furnished or otherwise made available to the Company, prior to the date hereof, a correct and complete copy of the Articles of Incorporation, as amended to date (the "*Ultimate Parent Articles of Incorporation*"), and the Bylaws, as amended to date (the "*Ultimate Parent Bylaws*"), of Ultimate Parent as in effect as of the date hereof. The Ultimate Parent Articles of Incorporation and the Ultimate Parent Bylaws are in full force and effect. Neither Ultimate Parent nor any Significant Subsidiary is in material violation of any provision of its articles of incorporation or by-laws (or equivalent organizational document).

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SECTION 5.3 **Capitalization**. The authorized share capital of Ultimate Parent consists of (i) an unlimited number of common shares, no par value (the "*Ultimate Parent Common Stock*"), (ii) an unlimited number of first preference shares issuable in series, no par value (the "*Ultimate Parent First Preference Shares*"), and (iii) an unlimited number of second preference shares issuable in series, no par value (the "*Ultimate Parent Second Preference Shares*").

(a) Other than as set forth in *Section 5.3(a)* of the Parent Disclosure Schedule, as of the close of business on February 8, 2016 (the "*Ultimate Parent Capitalization Date*"), the total authorized and issued equity of Ultimate Parent consisted of the following equity securities:

(i) 281,812,344 shares of Ultimate Parent Common Stock were issued and outstanding;

(ii) 7,993,500 shares of Ultimate Parent First Preference Shares, Series E were issued and outstanding;

(iii) 5,000,000 shares of Ultimate Parent First Preference Shares, Series F were issued and outstanding;

(iv) 9,200,000 shares of Ultimate Parent First Preference Shares, Series G were issued and outstanding;

(v) 7,024,846 shares of Ultimate Parent First Preference Shares, Series H were issued and outstanding;

(vi) 2,975,154 shares of Ultimate Parent First Preference Shares, Series I were issued and outstanding;

(vii) 8,000,000 shares of Ultimate Parent First Preference Shares, Series J were issued and outstanding;

(viii) 10,000,000 shares of Ultimate Parent First Preference Shares, Series K were issued and outstanding; and

(ix) 24,000,000 shares of Ultimate Parent First Preference Shares, Series M were issued and outstanding.

(b) From the close of business on the Ultimate Parent Capitalization Date through the date of this Agreement, no (i) options to purchase Ultimate Parent Common Stock, (ii) deferred share units, (iii) performance share units, or (iv) restricted share units, have been granted, and no Ultimate Parent Shares have been issued, except for Ultimate Parent Shares issued pursuant to the exercise, vesting or settlement of options, deferred share units, performance share units or restricted share units, in each case in accordance with the terms of the underlying stock plan (the "*Ultimate Parent Compensation Plans*"). Except as set forth in *Section 5.3(a)* of this Agreement or in *Sections 5.3(a)* or *(b)* of the Parent Disclosure Schedule, as of the date of this Agreement (1) there are no outstanding or authorized (A) shares of capital stock or other voting securities of Ultimate Parent, (B) securities of Ultimate Parent convertible into or exchangeable for shares of capital stock or voting securities of Ultimate Parent or (C) options, warrants, calls, phantom stock or other rights to acquire from Ultimate Parent, or obligations, or agreements of Ultimate Parent to issue, transfer or sell, or cause to be issued, transferred or sold, any capital stock, voting securities or securities convertible into, exercisable for, or exchangeable for, or giving any Person a right to subscribe for or acquire, any capital stock or voting securities of Ultimate Parent (collectively, "*Ultimate Parent Securities*"), and (2) there are no outstanding contractual obligations of Ultimate Parent or any of

Ultimate Parent's subsidiaries (A) to repurchase, redeem or otherwise acquire or dispose of, or (B) that contain any right of first refusal with respect to, require the registration for sale of, apply voting restrictions to, grant any preemptive or antidilutive rights with respect to, or otherwise restrict any Person from purchasing, selling, pledging or otherwise

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disposing of, any Ultimate Parent Securities. All outstanding Ultimate Parent Shares, and all shares of Ultimate Parent reserved for issuance as noted in *Section 5.3(a)*, when issued in accordance with the respective terms thereof, are or will be duly authorized, validly issued, fully paid and non-assessable and free of pre-emptive rights, purchase options, call rights, right of first refusal or any similar right. Except as set forth on *Section 5.3(b)* of the Parent Disclosure Schedule, each of the outstanding shares of capital stock of each of Ultimate Parent's subsidiaries is duly authorized, validly issued, fully paid and nonassessable and all such shares are owned by Ultimate Parent or another wholly-owned subsidiary of Ultimate Parent and are owned free and clear of all Liens, or any similar rights, agreements, limitations in voting rights, charges or other encumbrances of any nature whatsoever. Except as set forth in *Section 5.3(b)* of the Parent Disclosure Schedule or the Convertible Subordinated Debentures (as defined in the Goldman Commitment Letter), Ultimate Parent does not have outstanding any bonds, debentures, notes or other indebtedness or obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of Ultimate Parent on any matter.

SECTION 5.4 **Authority**.

(a) Ultimate Parent has all requisite corporate power and authority, and has taken all corporate action necessary, to execute, deliver and perform this Agreement and to consummate the Merger, subject only to the approval of the issuance of the Ultimate Parent Common Stock contemplated by *Section 2.1* (the "*Share Issuance*") by the shareholders of Ultimate Parent by ordinary resolution at the Ultimate Parent Shareholders Meeting, or any adjournment or postponement thereof, in accordance with the policies of the TSX (the "*Ultimate Parent Requisite Vote*"), and the filing of the Certificate of Merger with the Michigan LARA. This Agreement has been duly and validly executed and delivered by Ultimate Parent and, assuming the due authorization, execution and delivery hereof by the other Parties, constitutes a legal, valid and binding obligation of Ultimate Parent enforceable against Ultimate Parent in accordance with its terms, subject to the Bankruptcy and Equity Exception. The only vote of the shareholders of Ultimate Parent required to approve the Share Issuance is the Ultimate Parent Requisite Vote.

(b) The Ultimate Parent Board of Directors, at a duly called and held meeting at which a quorum of the directors of Ultimate Parent was present, has, by a vote of all directors present, (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are advisable, fair to and in the best interests of Ultimate Parent and its shareholders, (ii) approved and adopted this Agreement, (iii) resolved to recommend that the shareholders of Ultimate Parent vote in favor of the approval of the Share Issuance (the "*Ultimate Parent Recommendation*"), and (iv) directed that the Share Issuance be submitted to the shareholders of Ultimate Parent for their approval, which resolutions have not been amended, withdrawn or modified in any way as of the date hereof.

SECTION 5.5 **No Conflict; Required Filings and Consents**.

(a) The execution, delivery and performance of this Agreement by Ultimate Parent do not, and the consummation of the Merger and the other transactions contemplated hereby will not (with or without notice or lapse of time, or both) (i) assuming receipt of the Ultimate Parent Requisite Vote, breach or violate the Ultimate Parent Articles of Incorporation or the Ultimate Parent Bylaws or any comparable governing documents of any subsidiary of Ultimate Parent, (ii) assuming that all Consents and Filings set forth on *Section 5.5(b)* of the Parent Disclosure Schedule have been made, any waiting periods thereunder have terminated or expired, and the Ultimate Parent Requisite Vote has been received, conflict with or violate any Law, rule, regulation, order, judgment or decree applicable to Ultimate Parent or any of its subsidiaries or by which any of them or any of their respective properties are bound or (iii) result in any breach or violation of or constitute a default or result in the loss of a benefit under, or give rise to any right

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of termination, cancellation, amendment or acceleration of, or result in the creation of a Lien (except a Permitted Lien) on any of the assets of Ultimate Parent or any subsidiary of Ultimate Parent pursuant to, any Contract or License to which Ultimate Parent or any subsidiary of Ultimate Parent is a party, except, in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent or which would not reasonably be expected to prevent, materially delay or materially impede the consummation by Ultimate Parent of the transactions contemplated hereby.

(b) No Licenses, Consents of, or Filings with, any Governmental Entity or third party is required (with or without notice or lapse of time,

or both) for or in connection with the execution, delivery and performance of this Agreement by Ultimate Parent or the consummation by Ultimate Parent of the transactions contemplated hereby, other than Consents and Filings that have been obtained or made by Ultimate Parent or the failure of which to obtain or make does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

SECTION 5.6 **Compliance**. (a) None of Ultimate Parent or any of its subsidiaries is, or within the past three (3) years has been, in conflict with, default under or in violation of any Law applicable to Ultimate Parent or any of its subsidiaries, except for any such conflict, default or violation, which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, and (b) Ultimate Parent and its Significant Subsidiaries have all Licenses from Governmental Entities and any independent system operators and Regional Transmission Organizations required to conduct their respective businesses as being conducted as of the date hereof, except for any such Licenses the absence of which does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent. Ultimate Parent and each of its subsidiaries is, and within the past three (3) years has been, in compliance in all respects with the terms of the Licenses, except where the failure to be in compliance does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

SECTION 5.7 **Securities Filings; Financial Statements; Undisclosed Liabilities**.

(a) Ultimate Parent is a "reporting issuer" or the equivalent and not on the list of reporting issuers in default under applicable Canadian securities laws in each of the provinces of Canada. Ultimate Parent has filed with or otherwise furnished to the applicable Canadian Securities Regulators all forms, reports, statements, certifications and other documents (including all exhibits and other information incorporated therein, amendments and supplements thereto) in each case required to be filed by it since the Applicable Date through the date hereof (all such forms, reports, statements, certificates and other documents filed since the Applicable Date, including those filed after the date hereof and including all exhibits and other information incorporated therein, amendments and supplements thereto, collectively, the "*Canadian Filings*"). As of their respective dates, or, if amended or superseded by a subsequent filing made prior to the date of this Agreement, as of the date of the last such amendment or superseding filing prior to the date of this Agreement, the Canadian Filings complied, or if filed after the date hereof will comply, as to form in all material respects with the applicable requirements of applicable securities Laws as in effect on the date of any such filing. As of the time of filing (or, if amended prior to the date of this Agreement, as of the date of such amendment), none of the Canadian Filings so filed contained, when filed, or if filed after the date hereof will contain, any untrue statement of a material fact or omitted to state any material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that the information in such Canadian Filings has been amended or superseded by a later Canadian Filing

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filed prior to the date of this Agreement. Ultimate Parent has not filed any confidential material change report with any Canadian Securities Regulators which at the date hereof remains confidential.

(b) The audited consolidated financial statements of Ultimate Parent and its subsidiaries (including any related notes thereto) included in the Canadian Filings (i) complied, or if filed after the date hereof, will comply, as of their respective dates of filing, in each case in all material respects, with the then applicable accounting requirements and the published rules and regulations of the Canadian Securities Regulators with respect thereto as applicable to Ultimate Parent as a result of the Exemptive Relief; (ii) have been prepared, or if filed after the date hereof, will be prepared, in accordance with GAAP in all material respects applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto); and (iii) fairly present, or if filed after the date hereof, will fairly present, in all material respects the consolidated financial position of Ultimate Parent and its subsidiaries at the respective dates thereof (taking into account the notes thereto) and the consolidated statements of earnings, cash flows and change in equity for the periods indicated. The unaudited consolidated interim financial statements of Ultimate Parent and its subsidiaries (including any related notes thereto) included in the Canadian Filings (1) complied in all material respects, with the then applicable accounting requirements and the published rules and regulations of the Canadian Securities Regulators with respect thereto as applicable to Ultimate Parent as a result of the Exemptive Relief, (2) have been prepared in accordance with GAAP in all material respects applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto and except for the absence of footnote disclosures and normal period-end adjustments) and (3) fairly present in all material respects the consolidated financial position of Ultimate Parent and its subsidiaries as of the respective dates thereof (taking into account the notes thereto) and the consolidated statements of earnings and cash flows for the periods indicated (subject to normal period-end adjustments).

(c) Ultimate Parent maintains disclosure controls and procedures required by published rules and regulations of the Canadian Securities Regulators sufficient to provide reasonable assurances regarding the reliability of financial reporting for the Ultimate Parent and its subsidiaries. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, such disclosure controls and procedures are effective to ensure that material information required to be disclosed by Ultimate Parent (i) is recorded and reported on a timely basis to the individuals responsible for the preparation of Ultimate Parent's filings with the SEDAR and other public disclosure documents and (ii) is accumulated and communicated to Ultimate Parent's management (including Ultimate Parent's

principal executive and principal financial officers, or persons performing similar functions) as appropriate to allow timely decisions regarding required disclosure. Based on Ultimate Parent's most recent evaluation of internal control prior to the date hereof, Ultimate Parent has disclosed to its auditors and the audit committee of the Ultimate Parent Board of Directors (1) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Ultimate Parent's ability to record, process, summarize and report financial information and (2) any fraud, whether or not material, that involves management or other employees who have a significant role in Ultimate Parent's internal control over financial reporting.

(d) Except (i) as reflected, accrued or reserved against in the financial statements (including all notes thereto) of Ultimate Parent and its subsidiaries included in the Canadian Filings filed prior to the date hereof; (ii) for liabilities or obligations incurred in the ordinary course of business since September 30, 2015; and (iii) for liabilities or obligations incurred pursuant to the transactions contemplated by this Agreement, neither Ultimate Parent nor any of its subsidiaries has or is subject to any liabilities or obligations of a nature required by GAAP to be reflected in a

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consolidated balance sheet, other than those which do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

SECTION 5.8 **Ultimate Parent Shares**. The Ultimate Parent Shares to be issued pursuant to this Agreement have been duly authorized and reserved for issuance and, upon issuance, will be validly issued as fully paid and non-assessable shares in the capital of the Ultimate Parent, will not have been issued in violation of any pre-emptive rights or contractual rights to purchase securities, will be listed for trading on the TSX and the New York Stock Exchange, and will not be subject to any contractual or other restrictions on transferability or voting.

SECTION 5.9 **Contracts**.

(a) Except (i) for this Agreement, (ii) for the Contracts filed as exhibits to the Canadian Filings or as exhibits to any of Ultimate Parent's subsidiaries' filings with the SEC or made under the profile of Ultimate Parent or any of its subsidiaries on SEDAR prior to the date hereof, (iii) for the Ultimate Parent Plans and Ultimate Parent Compensation Plans or (iv) as set forth in *Section 5.9* of the Parent Disclosure Schedule, as of the date hereof, neither Ultimate Parent nor any of its subsidiaries is party to or bound by any Contract that:

(i) contains covenants binding upon Ultimate Parent or any of its Affiliates that materially restrict the ability of Ultimate Parent or any of its Affiliates to compete in any business or in any geographic area that, in each case, are material to Ultimate Parent and its subsidiaries taken as a whole as of the date of this Agreement, except for leases;

(ii) is a material partnership, joint venture or similar Contract that, in each case, is material to Ultimate Parent and its subsidiaries taken as a whole as of the date of this Agreement;

(iii) under which Ultimate Parent or any of its Significant Subsidiaries is liable for indebtedness in excess of $75,000,000;

(iv) expressly limits or otherwise restricts the ability of Ultimate Parent or any of its Significant Subsidiaries to pay dividends or make distributions to its shareholders (excluding restrictions applicable only upon a default or event of default);

(v) by its terms calls for aggregate payments by Ultimate Parent and its Significant Subsidiaries under such Contract of more than $75,000,000 over the remaining term of such Contract (other than this Agreement, energy purchase agreement and leases);

(vi) relates to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) for consideration in excess of $75,000,000; and

(vii) by its terms calls for aggregate payments to Ultimate Parent and its Significant Subsidiaries under such Contract of more than $75,000,000 over the remaining term of such Contract (other than this Agreement, energy purchase agreements or purchase orders for the purchase of inventory and/or equipment in the ordinary course of business).

Each Contract (i) set forth (or required to be set forth) in *Section 5.9* of the Parent Disclosure Schedule, (ii) that would have otherwise been required to be set forth on *Section 5.9* of the Parent Disclosure Schedule absent the exceptions in clauses (v) and (vii) for energy purchase agreements, or (iii) filed in the Canadian Filings pursuant to Part 12 of National Instrument 51-102, is referred to herein as an "*Ultimate Parent Material Contract*".

(b) Each of the Ultimate Parent Material Contracts is a legal, valid and binding obligation of, and enforceable against, Ultimate Parent or Ultimate Parent's subsidiary that is a party thereto and, to the knowledge of Ultimate Parent, each other party thereto, and is in full force and effect in accordance with its terms, subject to the Bankruptcy and Equity Exception, except (i) to the extent that any Material Contract expires or terminates in accordance with its terms in the ordinary course of business consistent with past practice, and (ii) for such failures to be legal, valid and binding or to be in full force and effect that do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

(c) Ultimate Parent or its subsidiary that is a party to an Ultimate Parent Material Contract is in compliance with all terms and requirements of each Ultimate Parent Material Contract, and no event has occurred that, with notice or the passage of time, or both, would constitute a breach or default by Ultimate Parent or any of its subsidiaries under any such Ultimate Parent Material Contract, and, to the knowledge of Ultimate Parent, no other party to any Ultimate Parent Material Contract is in breach or default (nor has any event occurred which, with or without notice or the passage of time, or both, would constitute such a breach or default) under any Ultimate Parent Material Contract, except in each case where such violation, breach, default or event of default does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, neither Ultimate Parent nor, to the knowledge of Ultimate Parent, any of its subsidiaries has received written notice from any other party to an Ultimate Parent Material Contract that such other party intends to terminate or renegotiate in any material respects the terms of any such Ultimate Parent Material Contract (except in accordance with the terms thereof).

SECTION 5.10 **Absence of Certain Changes or Events**.

(a) Since December 31, 2014 through the date of this Agreement, (i) except as contemplated by this Agreement, Ultimate Parent and its subsidiaries have conducted their business in the ordinary course, in all material respects, and (ii) there has not occurred any event, development, change, effect or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

(b) Since December 31, 2014 through the date of this Agreement, neither Ultimate Parent nor any Significant Subsidiary of Ultimate Parent has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of *Sections 6.2(c)(ii)* or *(iv)*.

SECTION 5.11 **Absence of Litigation**. There are no civil, criminal, administrative or other suits, claims, actions, proceedings, or arbitrations pending or, to the knowledge of Ultimate Parent, threatened against Ultimate Parent or any of its subsidiaries, other than any such suit, claim, action, proceeding, or arbitration that does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent. Neither Ultimate Parent nor any of its subsidiaries nor any of their respective material properties is or are subject to any order, writ, judgment, injunction, decree or award except for those that do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

SECTION 5.12 **Employee Benefit Plans**.

(a) *Section 5.12(a)* of the Parent Disclosure Schedule contains a true and complete list, as of the date of this Agreement, of each material Ultimate Parent Plan other than the plans that are sponsored by a subsidiary of Ultimate Parent. "*Ultimate Parent Plan*" means each employee benefit plan, and each other director and employee plan, program, agreement or arrangement, vacation or

sick pay policy, fringe benefit plan, compensation, equity or phantom equity, change in control, deferred compensation, incentive compensation, pension, retirement savings, bonus, profit sharing, health, medical or dental, disability, unemployment insurance, severance or employment agreement or any other compensatory plan or policy contributed to, sponsored or maintained by Ultimate Parent or any of its subsidiaries for the benefit of any current, former or retired employee or director or other individual consultant/service provider of Ultimate Parent (collectively, "*Ultimate Parent Employees*") or any of its subsidiaries.

(b) With respect to each Ultimate Parent Plan set forth on *Section 5.12(a)* of the Parent Disclosure Schedule, the Ultimate Parent has made available to the Company a true and complete copy thereof to the extent in writing and, to the extent applicable, all material supporting documents including, but not limited to: (i) any related trust agreement or other funding instrument, (ii) the most recent summary plan description for each Ultimate Parent Plan and (iii) for the most recent year (A) audited financial statements and (B) actuarial valuation reports, if any.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, (i) each Ultimate Parent Plan has been established, funded and administered in accordance with its terms and in compliance with applicable Laws, rules and regulations and (ii) with respect to each Ultimate Parent Plan, as of the date of this Agreement, no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or, to the knowledge of Ultimate Parent, threatened, with respect to any Ultimate Parent Plan that could reasonably be expected to result in material liability to Ultimate Parent.

(d) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, (i) no Ultimate Parent Plan has any unfunded liabilities, solvency deficiencies or wind-up deficiencies, where applicable, and (ii) no event has occurred respecting any Ultimate Parent Plan which would result in the revocation of the registration of such Ultimate Parent Plan or entitle any Person (without the consent of Ultimate Parent) to wind up or terminate any Ultimate Parent Plan, or which could otherwise be expected to adversely affect the tax status of any such Ultimate Parent Plan. Neither Ultimate Parent, its subsidiaries nor any Affiliate contributes to, or has an obligation to contribute to, nor has at any time contributed to, or had an obligation to contribute to (on a contingent basis or otherwise), a "multiemployer plan" within the meaning of the Income Tax Act (Canada).

(e) None of the execution, delivery and performance of this Agreement, shareholder or other approval of this Agreement or the consummation of the transactions contemplated by this Agreement (whether alone or in combination with another event) will (i) entitle any Ultimate Parent Employee to severance pay (or a material increase in severance pay), unemployment compensation or any other payment, except as contemplated by this Agreement or as required by applicable Law, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such Ultimate Parent Employee, except as contemplated by this Agreement, or (iii) limit or restrict the right to merge, amend, terminate or transfer the assets of any Ultimate Parent Plan on or following the Effective Time.

SECTION 5.13 **Labor and Employment Matters**. Ultimate Parent is not, nor has it ever been, a party to any collective bargaining agreement or other Contract with any labor union or other labor organization or other representative representing any Ultimate Parent Employees, nor is any such Contract presently being negotiated. To the knowledge of Ultimate Parent, there is no unfair labor practice charge or comparable or analogous complaint pending before any federal or provincial labor relations board (or equivalent regulatory body, tribunal or authority) against Ultimate Parent which, if adversely decided, would reasonably be expected to have, individually or in the aggregate, a Material

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Adverse Effect on Ultimate Parent. There is no grievance, arbitration hearing, or arbitration award pending or, to the knowledge of Ultimate Parent, threatened against Ultimate Parent or any of its subsidiaries, which, if adversely decided, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

SECTION 5.14 **Insurance**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, (a) all insurance policies of Ultimate Parent and its subsidiaries are in full force and effect and provide insurance in such amounts and against such risks as is sufficient to comply with applicable Law and as is customary in the industries in which Ultimate Parent and its subsidiaries operate and (b) all premiums due with respect to such insurance policies have been paid in accordance with the terms thereof.

SECTION 5.15 **Properties**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent, Ultimate Parent or a subsidiary of Ultimate Parent owns and has good and valid title to, or holds valid rights to lease or otherwise use, all items of real and personal property that are necessary to permit it to conduct the business of Ultimate Parent and its subsidiaries taken as a whole as currently conducted, in each case free and clear of all Liens (except in all cases for Permitted Liens).

SECTION 5.16 **Tax Matters**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent:

(a) All Tax Returns required to be filed by, or on behalf of, Ultimate Parent or any of its subsidiaries have been timely filed, or will be timely filed, in accordance with all applicable Laws and all such Tax Returns were, or will be at the time of filing, complete and accurate. Ultimate Parent and each of its subsidiaries has timely paid (or has had paid on its behalf) in full all Taxes due and payable except with respect to matters contested in good faith and for which adequate reserves have been established in accordance with GAAP. There are no Liens with respect to Taxes upon any of the assets or properties of Ultimate Parent or any of its subsidiaries, other than with respect to Taxes not yet due and payable.

(b) No deficiencies for any Taxes have been proposed or assessed in writing against Ultimate Parent or any of its subsidiaries, and there is no outstanding audit, assessment, dispute or claim concerning any Tax liability of Ultimate Parent or any of its subsidiaries either within Ultimate Parent's knowledge or claimed, pending or raised by a Taxing Authority in writing. During the last three (3) years, no claim has been made in writing by any Governmental Entity in a jurisdiction where any of Ultimate Parent or its subsidiaries does not file Tax Returns that such

entity is or may be subject to taxation by that jurisdiction. Neither Ultimate Parent nor any of its subsidiaries has waived in writing any statute of limitations with respect to Taxes for any open tax year.

(c) Neither Ultimate Parent nor any of its subsidiaries (i) is or has ever been a member of a group (other than a group the common parent of which is Parent) filing a consolidated, combined, affiliated, unitary or similar income Tax Return or (ii) has any liability for Taxes of any Person, other than Parent and any of its subsidiaries, by reason of filing or being required to file a consolidated, combined, affiliated, unitary or similar income Tax Return, or as a transferee or successor, by contract or otherwise.

(d) None of Ultimate Parent or any of its subsidiaries is a party to, is bound by or has any obligation under any Tax sharing or Tax indemnity agreement or similar contract or arrangement, other than (i) agreements solely between or among Ultimate Parent and/or any of its subsidiaries or (ii) agreements entered into in the ordinary course that do not relate primarily to Taxes.

(e) None of Ultimate Parent or any of its subsidiaries has been either a "distributing corporation" or a "controlled corporation" in a distribution occurring during the last two years in which the parties to such distribution treated the distribution as one to which Section 355 of the Code is applicable.

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(f) All Taxes required to be withheld, collected or deposited by or with respect to Ultimate Parent and each of its subsidiaries have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant Taxing Authority.

(g) No closing agreement pursuant to section 7121 of the Code (or any similar provision of state, local or foreign Law) has been entered into by or with respect to Ultimate Parent or any of its subsidiaries, which could reasonably be expected to affect tax periods beginning after December 31, 2012.

(h) Neither Ultimate Parent nor any of its subsidiaries has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) (or any similar provision of state, local or foreign law).

(i) Neither Ultimate Parent nor any of its subsidiaries has participated in any "tax shelter investment" within the meaning of Income Tax Act (Canada) Sections 237.1 through 237.3.

Except to the extent that *Section 5.12* relates to Taxes, the representations and warranties set forth in this *Section 5.16* shall constitute the only representations and warranties by Ultimate Parent with respect to Tax matters.

SECTION 5.17 **Registration Statement; Proxy Statement; Circular**.

(a) None of the information supplied or to be supplied by or on behalf of Ultimate Parent or any other subsidiary of Ultimate Parent for inclusion or incorporation by reference in (a) the Registration Statement and/or the Proxy Statement will, at the time such document is filed with the SEC, at any time such document is amended or supplemented or at the time such document is declared effective by the SEC or at the time of the Company Shareholder Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, or (b) the Circular will, at the time such document is filed with the applicable Canadian Securities Regulators, at any time such document is amended or supplemented, at the date it is first mailed to the shareholders of Ultimate Parent or at the time of the Ultimate Parent Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. The Registration Statement will, at the time such document is declared effective by the SEC, comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder.

(b) Notwithstanding the foregoing, Ultimate Parent makes no representation or warranty with respect to any information supplied by or on behalf of the Company which is contained or incorporated by reference in the Registration Statement, Proxy Statement or Circular.

SECTION 5.18 **Intellectual Property**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent: (a) Ultimate Parent and its subsidiaries own, free and clear of all Liens except Permitted Liens, or have the right to use the Intellectual Property used in their business as currently conducted; (b) the conduct of Ultimate Parent's business as currently conducted does not infringe, misappropriate or violate the Intellectual Property rights of any Person, and Ultimate Parent and its subsidiaries have not received any written claim or allegation of same within the past three (3) years; (c) no Person is infringing, misappropriating or violating the Intellectual Property owned by Ultimate Parent or its subsidiaries; and (d) Ultimate Parent and its subsidiaries take all reasonable actions to protect the secrecy of their material trade secrets and confidential information and the security and operation of their material software and systems, and to the knowledge of Ultimate Parent, there have been no security breaches, unauthorized intrusions, or failures of same within the last three (3) years.

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SECTION 5.19 **Environmental Matters**. Except as does not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent:

(a) Ultimate Parent and its subsidiaries are operating in compliance with all applicable Environmental Laws, including having all Permits required under any applicable Environmental Law for the operation of the business as currently conducted;

(b) to the knowledge of Ultimate Parent, neither Ultimate Parent nor any of its subsidiaries has released or discharged any Hazardous Substances on, at, under or from any real property currently or formerly owned, leased or operated by it or at any other location that is (i) currently subject to any investigation, remediation or monitoring, or (ii) reasonably likely to result in liability to Ultimate Parent or any subsidiary, in either case (i) or (ii) under any applicable Environmental Laws;

(c) to the knowledge of Ultimate Parent, Ultimate Parent has not assumed or retained any liabilities pursuant to applicable Environmental Laws or under any contractual agreements for investigating or remediating Hazardous Substances at or emanating from any former manufactured gas plant;

(d) Ultimate Parent is not a party to, and has not received written notice of, any pending or threatened claim, complaint, suit or demand alleging that it is in violation of or has liability under any Environmental Laws;

(e) Ultimate Parent is not a party, and is not subject, to any order, judgment, decree, settlement agreement, or similar arrangement imposing on it any obligation under any applicable Environmental Laws that remains unfulfilled; and

(f) Ultimate Parent has not expressly assumed or retained any liabilities under any applicable Environmental Laws of any other Person in any acquisition or divestiture of any property or business.

SECTION 5.20 **Opinions of Financial Advisors**. Goldman, Sachs & Co. has delivered to the Ultimate Parent Board of Directors its written opinion (or oral opinion to be confirmed in writing), dated as of the date of this Agreement, that, as of such date, and based upon, and subject to, the factors, assumptions and limitations set forth therein, the Per Share Merger Consideration to be paid by Ultimate Parent for each Company Share (other than the Cancelled Shares and the Restricted Stock) is fair, from a financial point of view, to Ultimate Parent.

SECTION 5.21 **Regulatory Matters**.

(a) *Regulation.* Each of Ultimate Parent and Parent is a "holding company," as such term is defined in the Public Utility Holding Company Act of 2005 and the implementing regulations of FERC in 18 C.F.R. Parts 366 ("*PUHCA*").

(b) *Regulatory Filings.* All filings (other than immaterial filings) required to be made by the Ultimate Parent, Parent and their respective subsidiaries since January 1, 2014, with FERC under the FPA or PUHCA,, the Department of Energy, any applicable state utility commissions and any analogous non-U.S. Governmental Entity of appropriate jurisdiction have been made, as applicable, on a timely basis, including all forms, statements, reports, agreements and all documents, exhibits, amendments and supplements pertaining thereto, including all rates, tariffs and related documents, and all such filings complied, as of their respective dates, with all applicable requirements of applicable statutes and the rules and regulations thereunder, except for filings the failure of which to make or the failure of which to make in compliance with all applicable requirements of applicable statutes and the rules and regulations thereunder do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent.

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SECTION 5.22 **Brokers**. No broker, finder or investment banker (other than Goldman, Sachs & Co. and Scotia Capital Inc., whose fees shall be paid by Parent or Ultimate Parent) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and on behalf of Ultimate Parent for which the Company could have liability in a circumstance where the Merger is not consummated.

SECTION 5.23 **No Market Participation**. As of the date hereof, none of Ultimate Parent, Parent or Merger Sub or any of their respective

Affiliates is a Market Participant in the Midcontinent Independent System Operator, Inc. or the Southwest Power Pool, Inc.

SECTION 5.24 **No Other Representations or Warranties**. Except for the representations and warranties contained in this *Article V*, the Company acknowledges that neither Ultimate Parent nor any other Person on behalf of Ultimate Parent makes any other express or implied representation or warranty with respect to Ultimate Parent or with respect to any other information provided to the Company, except as contained in *Article IV*. Neither Ultimate Parent nor any other Person will have or be subject to any liability or indemnification obligation to Company or any other Person resulting from the distribution to the Company, or the Company's use of, any such information, including any information, documents, projections, forecasts or other material made available to the Company in certain "data rooms" or management presentations in expectation of the transactions contemplated by this Agreement.

SECTION 5.25 **Access to Information; Disclaimer**. Ultimate Parent acknowledges and agrees that it has conducted its own independent investigation of the Company and its subsidiaries, their respective businesses and the transactions contemplated hereby, and has not relied on any representation, warranty or other statement by any Person on behalf of the Company or any of its subsidiaries, other than the representations and warranties of the Company expressly contained in *Article III* of this Agreement, and that all other representations and warranties are specifically disclaimed. Without limiting the foregoing, Ultimate Parent further acknowledges and agrees that none of the Company or any of its shareholders, directors, officers, employees, Affiliates, advisors, agents or other Representatives has made any representation or warranty concerning any estimates, projections, forecasts, business plans or other forward-looking information regarding the Company, its subsidiaries or their respective businesses and operations.

ARTICLE VI
CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 6.1 **Conduct of Business of the Company Pending the Merger**. From the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement in accordance with *Article IX*, except as otherwise expressly permitted or required by this Agreement, as set forth in *Section 6.1* of the Company Disclosure Schedule, as required by applicable Laws or unless Parent shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed), (a) (i) the business of the Company and its subsidiaries shall be conducted in the ordinary course of business consistent with past practice and good utility practice and (ii) the Company and its subsidiaries shall use their respective commercially reasonable efforts to (x) preserve substantially intact the business organization of the Company and its Significant Subsidiaries, and (y) maintain their respective relationships with Governmental Entities, customers, suppliers, contractors, distributors, creditors, lessors and other third parties that have material business dealings with the Company or such subsidiary of the Company and its key employees, (b) the Company shall not, and it shall cause each of its Affiliates not to, directly or indirectly, take any action (including any action with respect to a third-party) that would, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the consummation of the Merger or the other transactions contemplated by this Agreement or their respective ability to satisfy their obligations hereunder, (c) the

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Company shall, and shall cause each subsidiary of the Company to, subject to circumstances beyond the Company's reasonable control, make the capital expenditures as and when required to be made based on any approved allocation to the Company or any of its subsidiaries by the Regional Transmission Organizations, as part of the transmission planning process, (d) without limiting the foregoing, the Company shall not, and shall cause each subsidiary of the Company not to:

(i) amend or otherwise change the Company Articles of Incorporation or the Company Bylaws or the equivalent organizational documents of any Significant Subsidiary, in each case in any material respect;

(ii) make any acquisition of (whether by merger, consolidation or acquisition of stock or substantially all of the assets), or make any investment in any interest in, any Person, corporation, partnership or other business organization or division thereof or any assets, in each case, except for (A) purchases of equipment, inventory and other assets or pursuant to construction, operation and/or maintenance contracts, in each case in the ordinary course of business and good utility practice or pursuant to existing Contracts or (B) acquisitions or investments that do not exceed $100,000,000 in the aggregate;

(iii) issue or authorize the issuance, pledge, transfer, subject to any Lien, sell, or dispose of, any shares of capital stock, ownership interests or voting securities, or any options, warrants, convertible securities or other rights of any kind to acquire or receive any shares of capital stock, any other ownership interests or any voting securities (including stock appreciation rights, phantom stock or similar instruments), of the Company or any of its subsidiaries (except (A) for the issuance of shares of Company Common Stock upon the exercise, vesting or settlement of Options, Restricted Stock, Performance Shares or Equivalent Performance Shares outstanding as of the Capitalization Date or pursuant to the ESPPs, (B) for any issuance, sale or disposition to the Company or a wholly owned subsidiary of the Company by any subsidiary of the Company, (C) for the grant of Restricted Stock on terms and conditions consistent with *Section 6.1(d)(iii)(C)* of the Company Disclosure Schedule, (D) for the issuance into notional accounts of additional Equivalent Performance Shares in accordance with the terms of the grant

agreements relating to Performance Shares outstanding as of the Capitalization Date, or (E) for pledges or Liens relating to any indebtedness incurred in compliance with *Section 6.1(d)(x)*;

(iv) reclassify, combine, split, subdivide or amend the terms of, redeem, purchase or otherwise acquire, directly or indirectly, any shares of capital stock of the Company or any of its Significant Subsidiaries (except (A) for the acquisition of shares of Company Common Stock tendered by directors or employees in connection with a cashless or net settled exercise of Options or in order to pay the exercise price or Taxes in connection with the exercise, vesting or settlement of Options, Restricted Stock or Performance Shares or (B) in connection with a share repurchase program in effect as of the date hereof);

(v) other than Permitted Liens or Liens relating to any indebtedness incurred in compliance with *Section 6.1(d)(x)*, create or incur any Lien in excess of $50,000,000 in the aggregate of notional debt on any material assets of the Company or its subsidiaries (other than subsidiaries acquired following the date hereof);

(vi) make any loans or advances to any Person (other than the Company or any of its wholly-owned subsidiaries) other than in the ordinary course of business or not in excess of $25,000,000 in the aggregate;

(vii) sell or otherwise dispose of (whether by merger, consolidation or disposition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or otherwise sell, assign, exclusively license, allow to expire, or dispose of any material assets, rights or properties other than (A) sales, dispositions or licensing of equipment and/or inventory and

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other assets in the ordinary course of business consistent with past practice or pursuant to Company Material Contracts in effect on the date hereof or (B) other sales, assignments, exclusive licenses, expirations or dispositions of assets, rights or properties to the Company or of assets, rights or properties with a value of less than $100,000,000 in the aggregate;

(viii) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock (except (A) the Company may continue the declaration and payment of regular quarterly cash dividends on Company Common Stock, not to exceed the amount set forth on *Section 6.1(d)(viii)* of the Company Disclosure Schedule, with usual record and payment dates for such dividends in accordance with past dividend practice and (B) for any dividend or distribution by a subsidiary of the Company to the Company or wholly owned subsidiary of the Company);

(ix) other than in the ordinary course of business or as required by Law, enter into, terminate, modify or amend in any material respect any Company Material Contract;

(x) except for borrowings in the ordinary course of business under the Company's and its subsidiaries' Credit Facilities, except for issuances under the Company's Commercial Paper Program and except for intercompany loans between the Company and any of its wholly owned subsidiaries or between any wholly owned subsidiaries, incur or repay indebtedness for borrowed money, or modify in any material respect in a manner adverse to the Company or Ultimate Parent or any of its subsidiaries the terms of any such indebtedness for borrowed money, or assume, guarantee or endorse the obligations of any Person (other than a wholly owned subsidiary of the Company), other than (A) indebtedness incurred in the ordinary course of business not to exceed $50,000,000 in the aggregate, (B) pursuant to letters of credit in the ordinary course of business, (C) (a) to finance the activities of the Company and its subsidiaries, or (b) in replacement or refinancing of existing indebtedness for borrowed money, which with respect to the Company's existing indebtedness matures within ninety (90) days of such replacement or refinancing, in each case as disclosed in the 2016 Financing Plan in *Annex 6.1(i)* of the Company Disclosure Schedule; provided, that (1) the terms (including covenants and default terms, but excluding interest rate, original issue discount, call protection and other financial terms) of such indebtedness are, in the reasonable determination of the Company, consistent with then current market terms or, solely with respect to the replacement or refinancing of existing indebtedness, no more restrictive, when taken as a whole, to the Company or its applicable subsidiary than the terms of the existing indebtedness that is being replaced or refinanced and, with respect to both subsections (C)(a) and (C)(b) above, shall not include any prohibition or restriction or condition restricting the ability of the Company or any of its subsidiaries, as applicable, to pay dividends or other distributions or to make or repay loans or advances to the Ultimate Parent other than (x) restrictions applicable only during the continuance of a default or event of default under the relevant agreement and (y) the restriction set forth in the Term Loan Credit Agreement of the Company, dated as of December 20, 2013, which permits the payment of dividends or other distributions if, after giving effect thereto, the rating of the debt of the Company or any of its subsidiaries, as applicable, shall be BBB– or higher, and any restriction on change of ownership or control shall include an exception for the Merger and (2) any financing of the activities of the Company and its subsidiaries so incurred under subsection (C)(a) may not exceed the aggregate principal amount set forth in the 2016 Financing Plan in *Annex 6.1(i)* of the Company Disclosure Schedule, and any replacement or refinancing indebtedness so incurred must not exceed the aggregate principal amount of the indebtedness being replaced or refinanced, plus any accrued and unpaid interest on and premiums, fees, costs and expenses paid in connection with such repayment or refinancing, (D) guarantees by the Company or its subsidiaries of indebtedness of its subsidiaries, or (E) any commodity, currency, sale or hedging agreements in the ordinary course, consistent with past practice and good utility practice which can be terminated on ninety (90) days or less notice;

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provided, that any indebtedness incurred in accordance with this *Section 6.1(d)(x)* shall not reasonably be expected to adversely affect Ultimate Parent's, Parent's or Merger Sub's ability to consummate the Financing;

(xi) (1) except as required by the existing terms of a Company Plan or as set forth on *Section 6.1(d)(xi)* of the Company Disclosure Schedule, (A) increase the compensation or benefits of any of its officers (except in the ordinary course of business, including pursuant to the Company's regular merit review process), (B) grant any severance or termination pay to any of its officers (except in the ordinary course of business), (C) enter into, amend, change or revise any employment, change in control, consulting or severance agreement or arrangement with the chief executive officer of the Company or any of his direct reports or terminate the chief executive officer of the Company or any of his direct reports other than for cause (as defined under the applicable employment agreement), (D) change any actuarial or other assumptions used to calculate funding obligations with respect to any Company Plan or to change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP or applicable Laws, (E) take any action to amend, waive or accelerate the vesting criteria or vesting requirements of payment of any compensation or benefit under any Company Plan or remove any existing restrictions in any Company Plans or awards made thereunder or (F) take any action to accelerate the payment, or to fund or in any other way secure the payment, of compensation or benefits under any Company Plan, to the extent not already provided in any such Company Plan or (2) establish, adopt, enter into or amend in any material respect or terminate any Company Plan, enter into, amend or terminate any collective bargaining agreement or other agreement with a labor union, works council or similar organization;

(xii) make any material change in any accounting principles, except as may be appropriate to conform to statutory or regulatory accounting rules or GAAP or regulatory requirements with respect thereto;

(xiii) other than in the ordinary course of business or as required by applicable Law or GAAP, (A) make or change any material Tax election, (B) surrender any material claim for a refund of Taxes, (C) enter into any agreement materially affecting Taxes due for any taxable period ending after the Closing Date, (D) settle or compromise any material liability for Taxes, or (E) amend in a material respect any Tax Return;

(xiv) other than in the ordinary course of business or as required by applicable Law, enter into or amend in any material respect any collective bargaining agreement with any labor organization representing any Company Employees;

(xv) waive, release, assign, discharge, settle, satisfy or compromise any material litigation, other than the waiver, release, assignment, discharge, settlement, satisfaction or compromises of litigation where the amount paid does not exceed $25,000,000 in the aggregate or, if greater, does not materially exceed the total incurred case reserve amount for such matter maintained by the Company and/or its subsidiaries as in effect prior to the date of this Agreement;

(xvi) merge or consolidate the Company or any of its subsidiaries with any Person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restricting, recapitalization or other reorganization of the Company or any of its subsidiaries;

(xvii) make or commit any capital expenditures, in the period from the date hereof until December 31, 2016, or in the twelve (12) month period ending December 31, 2017, that in the aggregate exceed the Company's capital expenditures budget as disclosed in *Section 6.1(d)(xvii)* of the Company Disclosure Schedule for such period; *provided*, *however*, that notwithstanding the

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foregoing, the Company and its subsidiaries shall be permitted to make emergency capital expenditures in any amount (A) required by a Governmental Entity or (B) that the Company determines is incurred in connection with the repair or replacement of facilities destroyed or damaged due to casualty or accident or natural disaster or other *force majeure* event necessary to maintain or restore safe, adequate and reliable electric transmission service; *provided*, *further*, that the Company shall use commercially reasonable efforts to consult with Parent prior to making or agreeing to make any such expenditure described in clauses (A) or (B) above; or

(xviii) agree, authorize or commit to do any of the foregoing actions described in *Section 6.1(d)(i)* through *Section 6.1(d)(xvii)*; and

(e) The Company shall give (or shall cause its subsidiaries to give) any notices to third parties, and the Company and Parent shall each use, and cause their respective subsidiaries to use, their reasonable best efforts to obtain any third party consents, in each case (i) necessary, proper or advisable to consummate the Merger and the other transactions contemplated by this Agreement or (ii) disclosed in the Company Disclosure Schedule; *provided*, *however*, that the Company and Parent shall coordinate and cooperate in determining whether any actions, consents, approvals or waivers are required to be obtained from parties to any Company Material Contracts in connection with consummation of the

Merger; *provided*, *further*, in seeking any such actions, consents, approvals or waivers, the Company shall not be required to pay any consent or similar fee to obtain such consents other than de minimis amounts or amounts that are advanced or reimbursed by Parent.

SECTION 6.2 **Conduct of Business of Ultimate Parent, Parent and Merger Sub Pending the Merger**. Each of Ultimate Parent, Parent and Merger Sub agrees that, between the date of this Agreement and the earlier of the Effective Time and the termination of this Agreement in accordance with *Article IX*, except as otherwise expressly permitted or required by this Agreement, as set forth in *Section 6.2* of the Parent Disclosure Schedule, as required by applicable Laws or unless the Company shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed), (a) (i) the business of Ultimate Parent and its subsidiaries shall be conducted in the ordinary course of business consistent with past practice and, where applicable, good utility practice and (ii) Ultimate Parent and its subsidiaries shall use their respective commercially reasonable efforts to (x) preserve substantially intact the business organization of Ultimate Parent and its Significant Subsidiaries, and (y) maintain their respective relationships with Governmental Entities, customers, suppliers, contractors, distributors, creditors, lessors and other third parties that have material business dealings with Ultimate Parent or such subsidiary of Ultimate Parent and its key employees, (b) Ultimate Parent shall not, and it shall cause each of its Affiliates not to, directly or indirectly, take any action (including any action with respect to a third-party) that would, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the consummation of the Merger or the other transactions contemplated by this Agreement or their respective ability to satisfy their obligations hereunder (it being understood that Ultimate Parent's, Parent's and Merger Sub's efforts to obtain the Financing shall be governed by *Section 7.17*) and (c) without limiting the foregoing, Ultimate Parent shall not, and shall cause each subsidiary of Ultimate Parent not to:

(i) amend or otherwise change the Ultimate Parent Articles of Incorporation or the Ultimate Parent Bylaws or the equivalent organizational documents of any Significant Subsidiary, in each case in any material respect in a manner that would adversely affect the consummation of the Merger, or adversely affect the holders of Company Shares whose shares may be converted into Ultimate Parent Common Stock at the Effective Time; *provided*, that the foregoing shall not restrict Ultimate Parent from amending the Ultimate Parent Articles of Incorporation in connection with the issuance of Ultimate Parent First Preference Shares or Ultimate Parent Second Preference Shares in connection with the Financing as long as such amendment would not

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adversely affect the consummation of the Merger or adversely affect the holders of Company Shares whose shares may be converted into Ultimate Parent Common Stock at the Effective Time compared to the current holders of Ultimate Parent Common Stock;

(ii) make any acquisition of (whether by merger, consolidation or acquisition of stock or substantially all of the assets), or make any investment in any interest in, any Person, corporation, partnership or other business organization or division thereof or any assets, in each case, except for (A) purchases of equipment, inventory and other assets or pursuant to construction, operation and/or maintenance contracts, in each case in the ordinary course of business and good utility practice or pursuant to existing Contracts or (B) acquisitions or investments that do not exceed $500 million individually;

(iii) reclassify, combine, split, subdivide or amend the terms of any shares of capital stock of Ultimate Parent or any of its Significant Subsidiaries;

(iv) merge or consolidate Ultimate Parent with any Person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restricting, recapitalization or other reorganization of Ultimate Parent, other than in connection with an internal reorganization;

(v) incur indebtedness for borrowed money that would reasonably be expected to cause the credit rating of the Ultimate Parent to drop below investment grade; or

(vi) agree, authorize or commit to do any of the foregoing actions described in *Section 6.2(c)(i)* through *Section 6.2(c)(v)*.

SECTION 6.3 **No Control of Other Party's Business**. Nothing contained in this Agreement shall give Ultimate Parent, Parent or Merger Sub, directly or indirectly, the right to control or direct the Company's or its subsidiaries' operations prior to the Effective Time, and nothing contained in this Agreement shall give the Company, directly or indirectly, the right to control or direct Ultimate Parent's, Parent's or their respective subsidiaries' operations prior to the Effective Time. Prior to the Effective Time, each of the Company, Ultimate Parent, Parent and Merger Sub shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its subsidiaries' respective operations.

ARTICLE VII
ADDITIONAL AGREEMENTS

SECTION 7.1 **Acquisition Proposals**.

(a) The Company shall not, and shall cause its subsidiaries and their respective directors, officers, and employees not to, and shall use its reasonable best efforts to cause their respective consultants, attorneys, accountants, financial advisors, agents, investment bankers or other representatives ("*Representatives*") not to (and shall not authorize or permit their respective Representatives to), (i) initiate, solicit, knowingly encourage or knowingly facilitate any inquiries with respect to or that could reasonably be expected to lead to, or the making, submission or announcement of, any Acquisition Proposal, (ii) participate or engage in any negotiations or discussions concerning, or furnish or provide access to its properties, books and records or any confidential information or data to, any Person relating to an Acquisition Proposal, or any inquiry or proposal that could reasonably be expected to lead to any Acquisition Proposal, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Acquisition Proposal or (iv) execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement or other similar agreement for any Acquisition Proposal; *provided* that it is understood and agreed that any determination or action by the Company Board

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of Directors permitted under *Section 7.1(b)* or *Section 7.1(d)* shall not be deemed to be a breach or violation of this *Section 7.1(a)* or, in the case of *Section 7.1(b)(i) - (iv)*, give Ultimate Parent or Parent a right to terminate this Agreement pursuant to *Section 9.1(e)(ii)*. The Company shall, and shall cause its subsidiaries and their respective directors, officers and employees to, and shall use its reasonable best efforts to cause their respective Representatives to, (i) immediately cease and cause to be terminated any solicitations, discussions or negotiations with any Person (other than the Parties) in connection with an Acquisition Proposal, in each case that exist as of the date hereof, and (ii) promptly request each Person (other than the Parties) that has prior to the date hereof executed a confidentiality agreement or similar agreement in connection with its consideration of acquiring the Company to return or destroy all confidential information furnished to such Person by or on behalf of it or any of its subsidiaries prior to the date hereof. The Company shall promptly (and in any event within twenty-four (24) hours) notify Parent in writing of the receipt of any Acquisition Proposal after the date hereof, which notice shall include a summary of the material terms of, including the identity of the Person making, such Acquisition Proposal. The Company shall keep Parent informed in all material respects on a prompt basis of the current status and material terms of any such Acquisition Proposal including any material changes in respect of any such Acquisition Proposal and shall deliver to Parent a summary of any material changes to any such Acquisition Proposal. Notwithstanding anything to the contrary herein, the Company may grant a waiver, amendment or release under any confidentiality or standstill agreement to the extent necessary to allow for a confidential Acquisition Proposal to be made to the Company or the Company Board of Directors if the Company Board of Directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action could be reasonably likely to be inconsistent with its fiduciary duties under applicable Law and so long as the Company promptly notifies Parent thereof (including the identity of such counterparty) after granting any such waiver, amendment or release and, if requested by Parent, grants Parent a waiver, amendment or release of any similar provision under the Confidentiality Agreement.

(b) Notwithstanding anything to the contrary in *Section 7.1(a)* or *Section 7.3*, nothing contained in this Agreement shall prevent the Company or its Company Board of Directors from:

(i) (x) taking and disclosing to its shareholders a position in accordance with Rule 14d-9 or Rule 14e-2(a) promulgated under the Exchange Act, (y) making any "stop-look-and-listen" communication to the shareholders of the Company pursuant to Rule 14d-9(f) under the Exchange Act or (z) making any disclosure to shareholders of the Company with regard to the transactions contemplated by this Agreement or an Acquisition Proposal made after the date hereof if, in the good faith judgment of the Company Board of Directors, after consultation with its outside legal counsel, it determines that it is legally required to do so or failing to do so could be reasonably likely to be inconsistent with its fiduciary duties under applicable law; *provided* that neither the Company nor its Company Board of Directors may take an action that would constitute a Company Change of Recommendation in respect of an Acquisition Proposal unless permitted by *Section 7.1(d)*, and compliance with the foregoing shall not in any way limit or modify the effect that any action taken pursuant thereto has under any other provision of this Agreement;

(ii) prior to obtaining the Company Requisite Vote, contacting and engaging in discussions with any Person or group and their respective Representatives who has made an Acquisition Proposal after the date hereof solely for the purpose of clarifying such Acquisition Proposal and the terms thereof;

(iii) prior to obtaining the Company Requisite Vote, providing access to its properties, books and records and providing information or data in response to a request therefor by a Person or group who has made a bona fide written Acquisition Proposal after the date hereof

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if the Company Board of Directors (A) shall have determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal could reasonably be expected to constitute, result in or lead to a Superior Proposal, and (B) has received from the Person so requesting such information an executed Acceptable Confidentiality Agreement; or

(iv) prior to obtaining the Company Requisite Vote, participating and engaging in any negotiations or discussions with any Person or group and their respective Representatives who has made a bona fide written Acquisition Proposal after the date hereof (which negotiations or discussions need not be solely for clarification purposes) if the Company Board of Directors shall have determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal could reasonably be expected to constitute, result in or lead to a Superior Proposal;

provided, that with respect to *Section 7.1(b)(ii)* - (iv), (A) in the case of *Section 7.1(b)(ii)* - *(iv)*, such Acquisition Proposal was not solicited in material breach of *Section 7.1(a)*, (B) in the case of *Section 7.1(b)(iii)* - *(iv)*, the Company Board of Directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action could be reasonably likely to be inconsistent with its fiduciary duties under applicable Law, (C) in the case of *Section 7.1(b)(iii)* - *(iv)*, the Company gives Parent the notice required by *Section 7.1(a)*, and (D) in the case of *Section 7.1(b)(iii)*, the Company furnishes any information provided to the maker of the Acquisition Proposal only pursuant to an executed Acceptable Confidentiality Agreement and such furnished information is delivered to Parent at substantially the same time (to the extent such information has not been previously furnished or made available by the Company to Parent).

(c) Except as contemplated by *Section 7.1(d)*, neither the Company Board of Directors nor any committee thereof shall (i) (A) withhold, withdraw, qualify or modify, or resolve to or propose to withhold, withdraw, qualify or modify the Company Recommendation in a manner adverse to Ultimate Parent or Parent, (B) make any public statement inconsistent with the Company Recommendation, (C) approve, adopt or recommend any Acquisition Proposal, or any inquiry or proposal that would reasonably be expected to lead to any Acquisition Proposal, (D) fail to reaffirm or re-publish the Company Recommendation within ten (10) Business Days of being requested by Parent to do so (provided, however, that Parent shall not be entitled to request such a reaffirmation or re-publishing more than one (1) time with respect to any single Acquisition Proposal other than in connection with an amendment to any financial terms of such Acquisition Proposal or any other material amendment to such Acquisition Proposal) or (E) fail to announce publicly, within ten (10) Business Days after a tender offer or exchange offer relating to any securities of the Company has been commenced, that the Company Board of Directors recommends rejection of such tender or exchange offer (each such action set forth in clauses (A) through (E) above being a "*Company Change of Recommendation*"), (ii) authorize, cause or permit the Company to enter into a merger agreement, letter of intent, agreement in principle, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or other similar contract (other than the Acceptable Confidentiality Agreement) or recommend any tender offer providing for, with respect to, or in connection with any Acquisition Proposal or requiring the Company to abandon, terminate, delay or fail to consummate the Merger or any other transaction contemplated by this Agreement, or (iii) take any action pursuant to which any Person (other than Ultimate Parent, Parent, Merger Sub or their respective Affiliates) or Acquisition Proposal would become exempt from or not otherwise subject to any take-over statute or certificate of incorporation provision relating to an Acquisition Proposal. For the avoidance of doubt, a change of the Company Recommendation to "neutral" is a Company Change of Recommendation.

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(d) Notwithstanding anything in this *Section 7.1* to the contrary, at any time prior to obtaining the Company Requisite Vote, (i) the Company Board of Directors may effect a Company Change of Recommendation in response to an Intervening Event or (ii) if the Company Board of Directors determines in good faith, after consultation with its financial advisors and outside legal counsel, in response to an Acquisition Proposal from a third party that did not otherwise result from a material breach of *Section 7.1(a)* , that such proposal constitutes a Superior Proposal, and such Acquisition Proposal is not withdrawn, the Company or the Company Board of Directors may (i) make a Company Change of Recommendation and/or (ii) terminate this Agreement pursuant to *Section 9.1(d)(ii)* to enter into a definitive agreement with respect to such Superior Proposal, if (and only if) (A) in the event the Agreement is terminated pursuant to *Section 9.1(d)(ii)*, the Company pays to Parent any Company Termination Fee required to be paid pursuant to *Section 9.2(b)(i)* and (B) after consultation with its financial advisors and outside legal counsel, the Company Board of Directors determines that the failure to make a Company Change of Recommendation, or to terminate this Agreement pursuant to *Section 9.1(d)(ii)*, would be reasonably likely to be inconsistent with its fiduciary duties under applicable Laws; *provided*, *however*, that the Company or the Company Board of Directors, as applicable, may only take the actions described in clauses (i) and (ii) if (x) the Company delivers to Parent a written notice (a "*Company Notice*") advising Parent that the Company Board of Directors proposes to take such action and containing (1) the material details of such Intervening Event or the material terms and conditions of the Superior Proposal that is the basis of the proposed action by the Company Board of Directors and (2) a copy of the most current draft of any written agreement relating to the Superior Proposal and (y) at or after 5:00 p m., New York City time, on the third (3rd) Business Day immediately following the day on which the Company delivered the Company Notice (such period from the time the Company Notice is provided until 5:00 p m. New York City time on the third (3rd) Business Day immediately following the day on which the Company delivered the Company Notice, the "*Notice Period*"), the Company Board of Directors reaffirms in good faith (after consultation with its outside counsel and financial advisor) that the failure to make a Company Change of Recommendation, or to terminate this Agreement pursuant to *Section 9.1(d)(ii)*, would be reasonably likely to be inconsistent with its fiduciary duties under applicable Laws, and, in the case of an Acquisition Proposal, such Acquisition Proposal continues to constitute a Superior Proposal. If requested by Parent, the Company will, and will cause its Representatives to, during the Notice Period, engage in good faith negotiations with Parent and its Representatives (including by making the Company's officers and Representatives reasonably available to negotiate) to make such adjustments in the terms and conditions of this Agreement so that (A) in the case of an Acquisition Proposal, such Acquisition Proposal would cease to constitute a Superior Proposal (it being understood and agreed that if Ultimate Parent or Parent has committed to any changes to the terms of this Agreement and there has been any subsequent amendment to any material term of such Superior Proposal, the Company Board of Directors shall provide a new Company Notice and an additional three (3) Business Day period from the date of such notice) or (B) in the case of an Intervening Event, the failure of the

Company Board of Directors to make a Company Change of Recommendation would not be reasonably likely to be inconsistent with its fiduciary duties under applicable Laws. Any such Company Change of Recommendation shall not change the approval of this Agreement or any other approval of the Company Board of Directors in any respect that would have the effect of causing any corporate takeover statute or other similar statute or any provision of the Charter to be applicable to the transactions contemplated hereby, including the Merger. Notwithstanding any Company Change of Recommendation, unless this Agreement is terminated pursuant to its terms, this Agreement shall be submitted to the shareholders of the Company at the Company Shareholders Meeting for the purpose of approving the Merger, and nothing contained in this *Section 7.1*, including any rights of the Company to take certain actions pursuant to this *Section 7.1*, shall be deemed to relieve the Company of such obligation.

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(e) For purposes of this Agreement, the following terms shall have the meanings assigned below:

(i) "*Acquisition Proposal*" means any proposal, inquiry, indication of interest or offer from any Person or group of Persons (other than Ultimate Parent, Parent, Merger Sub or their respective Affiliates) relating to any transaction or series of transactions, involving (A) any direct or indirect acquisition or purchase of (1) a business or assets that constitute 20% or more of the net revenues, net income or assets of the Company and its subsidiaries, taken as a whole, or (2) 20% or more of the total voting power of the equity securities of the Company, (B) any tender offer, exchange offer or similar transaction that if consummated would result in any Person or group of Persons beneficially owning 20% or more of the total voting power of the equity securities of the Company, or (C) any merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company (or any subsidiary or subsidiaries of the Company whose business constitutes 20% or more of the net revenues, net income or assets of the Company and its subsidiaries, taken as a whole).

(ii) "*Superior Proposal*" means an Acquisition Proposal involving (A) assets that generate more than 50% of the consolidated total revenues of the Company and its subsidiaries, taken as a whole, (B) assets that constitute more than 50% of the consolidated total assets of the Company and its subsidiaries, taken as a whole, or (C) more than 50% of the total voting power of the equity securities of the Company, in each case, that the Company Board of Directors in good faith determines, after consultation with its outside counsel and financial advisor, would, if consummated, result in a transaction that is more favorable from a financial point of view to the shareholders of the Company than the transactions contemplated hereby after taking into account all such factors and matters considered appropriate in good faith by the Company Board of Directors (including, to the extent considered appropriate by the Company Board of Directors, (i) all strategic considerations, including whether such Acquisition Proposal is more favorable from a long-term strategic standpoint, (ii) financial provisions and the payment of the Company Termination Fee, (iii) legal and regulatory conditions and other undertakings relating to the Company's and its subsidiary's customers, suppliers, regulators, lenders, partners, employees and other constituencies, (iv) probable timing, (v) likelihood of consummation and (vi) with respect to which the cash consideration and other amounts (including costs associated with the Acquisition Proposal) payable at Closing are subject to fully committed financing from recognized financial institutions), and after taking into account any changes to the terms of this Agreement committed to in writing by Ultimate Parent and Parent in response to such Superior Proposal pursuant to, and in accordance with, *Section 7.1(d)* or otherwise.

SECTION 7.2 **Preparation of Registration Statement; Proxy Statement; Circular**.

(a) Promptly after the date of this Agreement, (i) the Company shall (in no event later than thirty (30) days after the date hereof), prepare and provide to Ultimate Parent and its advisors the Proxy Statement or Proxy Statement-related portions of the Registration Statement, as applicable, and (ii) the Company, Ultimate Parent, Parent and Merger Sub shall (in no event later than sixty (60) days after the date hereof) prepare, and Ultimate Parent shall cause to be filed with the SEC, the Registration Statement, which will include the Proxy Statement and a prospectus, as applicable. Ultimate Parent, Parent, Merger Sub and the Company will cooperate with each other in the preparation, amendment, filing, printing and mailing of the Registration Statement, Proxy Statement, and the Circular, as applicable. Each of the Company and Ultimate Parent shall use its reasonable best efforts to have the Registration Statement declared effective under the Securities Act as promptly as practicable after such filing. Without limiting the generality of the foregoing, each of Ultimate Parent, Parent, Merger Sub and the Company shall furnish the information

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relating to it its Affiliates and the holders of its capital stock to the other and provide such other assistance as may be reasonably requested in connection with the preparation, filing and distribution of the Registration Statement, Proxy Statement and the Circular. The Registration Statement, Proxy Statement and the Circular shall include all information reasonably requested by such other party to be included therein. The Circular shall provide shareholders of Ultimate Parent with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Ultimate Parent Shareholder Meeting. Each of Ultimate Parent, Parent, Merger Sub and

the Company shall promptly notify the other upon the receipt of any comments or correspondence from the SEC or the TSX, as applicable, or any request from the SEC or the TSX, as applicable, for amendments or supplements to the Registration Statement, the Proxy Statement and the Circular, and shall provide each other with copies of all correspondence that is customarily provided by or on behalf of it, on one hand, and by the SEC or the TSX, as applicable, on the other hand. The Company shall use its reasonable best efforts to resolve all SEC comments with respect to the Proxy Statement as promptly as reasonably practicable after receipt thereof, and Ultimate Parent, Parent and Merger Sub shall use its reasonable best efforts to resolve any comment from the SEC or the TSX with respect to the Circular or the Registration Statement, as applicable. Notwithstanding the foregoing, prior to filing the Registration Statement (or any amendment or supplement thereto) or mailing the Proxy Statement or any other materials used in connection with the Company Shareholders Meeting that constitute "proxy materials" or "solicitation materials" as those terms are used in Rules 14a-1 through 14a-17 under the Exchange Act or are otherwise used for the "solicitation" of "proxies" as those terms are defined in Rule 14a-1 under the Exchange Act (or any amendment or supplement thereto) or mailing the Circular or any other materials used in connection with the Ultimate Parent Shareholder Meeting that constitute an "information circular", "proxy-related materials" or are otherwise used for the "solicitation" of "proxies" as those terms are used under applicable Canadian securities Law or "proxy materials" or "solicitation materials" as those terms are used in Rules 14a-1 through 14a-17 under the Exchange Act or are otherwise used for the "solicitation" of "proxies" as those terms are defined in Rule 14a-1 under the Exchange Act (or any amendment or supplement thereto) or responding to any comments of the SEC or the TSX, as applicable, with respect thereto, each of Ultimate Parent, Parent, Merger Sub and the Company (i) shall provide the other an opportunity to review and comment on such document or response (including the proposed final version of such document or response) and (ii) shall include in such document or response all comments reasonably proposed by each other. Each of Ultimate Parent, Parent, Merger Sub and the Company agree to correct any information provided by it for use in the Registration Statement, Proxy Statement and Circular which shall have become false or misleading. Unless the Company Board of Directors has made a Company Change of Recommendation in accordance with *Section 7.1(d)*, terminated the Agreement and paid the Company Termination Fee, the Company Recommendation shall be included in the Proxy Statement.

(b) If, at any time prior to the Effective Time, any information relating to the Company, Ultimate Parent, Parent or Merger Sub, or any of their respective Affiliates, officers or directors, is discovered by any Party that should be set forth in an amendment or supplement to the Proxy Statement, Registration Statement or the Circular so that any such document would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading, the party that discovers such information shall as promptly as practicable notify the other Parties and an appropriate amendment or supplement describing such information shall be filed with the SEC or Canadian Securities Regulators, as applicable, as promptly as practicable after the other Parties have had a reasonable opportunity to review and comment thereon, and, to the extent required by applicable Law, disseminated to the shareholders of the Company and/or Ultimate Parent.

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SECTION 7.3 **Shareholders Meetings**.

(a) Notwithstanding any Company Change of Recommendation, the Company, acting through its Company Board of Directors (or a committee thereof), shall promptly (but in no more than twenty (20) Business Days) following declaration of effectiveness by the SEC of the Registration Statement or that the SEC has no further comments on or will not review the Proxy Statement or Registration Statement, take all reasonable action necessary to duly call, give notice of, convene and hold a meeting of its shareholders for the purpose of approving and adopting this Agreement (including any adjournment or postponement thereof, the "*Company Shareholders Meeting*"); *provided* that the Company may postpone, recess or adjourn such meeting for up to thirty (30) days (excluding any adjournment or postponements required by applicable Law) (i) to the extent required by Law or to prevent a breach of fiduciary duty, (ii) to allow reasonable additional time to solicit additional proxies to the extent the Company reasonably believes necessary in order to obtain the Company Requisite Vote, (iii) if as of the time for which the Company Shareholders Meeting is originally scheduled (as set forth in the Proxy Statement) there are insufficient shares of Company Common Stock represented (either in person or by proxy) and voting to constitute a quorum necessary to conduct the business of the Company Shareholders Meeting or (iv) to allow reasonable additional time for the filing and dissemination of any supplemental or amended disclosure which the Company Board of Directors has determined in good faith after consultation with outside counsel is necessary under applicable Law or to prevent a breach of fiduciary duty and for such supplemental or amended disclosure to be disseminated and reviewed by the Company's shareholders prior to the Company Shareholders Meeting. The Company, acting through its Company Board of Directors (or a committee thereof), shall subject to *Section 7.1(d)*, (a) include in the Proxy Statement the Company Recommendation and, subject to the consent of each of the Company Financial Advisors, the written opinion of the Company Financial Advisors, dated as of the date of this Agreement, that, as of such date, the Per Share Merger Consideration is fair, from a financial point of view, to the holders of the Company Common Stock and (b) use its reasonable best efforts to obtain the Company Requisite Vote. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be required to hold the Company Shareholders Meeting if this Agreement is terminated.

(b) Ultimate Parent, acting through the Ultimate Parent Board of Directors (or a committee thereof), shall promptly (and in no event later than sixty (60) days after the date hereof) prepare and provide the Circular to TSX for clearance and promptly following pre-clearance by the TSX of the Circular, take all reasonable action necessary to duly call, give notice of, convene and hold a meeting of its shareholders for the purpose of approving the Share Issuance (including any adjournment or postponement thereof, the "*Ultimate Parent Shareholders Meeting*"); *provided* that Ultimate Parent may postpone, recess or adjourn such meeting for up to thirty (30) days (excluding any adjournment or

postponements required by applicable Law) (i) to the extent required by Law or to prevent a breach of fiduciary duty, (ii) to allow reasonable additional time to solicit additional proxies to the extent Ultimate Parent reasonably believes necessary in order to obtain the Ultimate Parent Requisite Vote, (iii) if as of the time for which the Ultimate Parent Shareholders Meeting is originally scheduled (as set forth in the Circular) there are insufficient shares of Ultimate Parent represented (either in person or by proxy) and voting to constitute a quorum necessary to conduct the business of the Ultimate Parent Shareholders Meeting or (iv) to allow reasonable additional time for the filing and dissemination of any supplemental or amended disclosure which the Ultimate Parent Board of Directors has determined in good faith after consultation with outside counsel is necessary under applicable Law or to prevent a breach of fiduciary duty and for such supplemental or amended disclosure to be disseminated and reviewed by the Ultimate Parent's shareholders prior to the Ultimate Parent Shareholders Meeting. The Ultimate Parent, acting through the Ultimate Parent Board of Directors (or a committee thereof), shall (a) include in the Circular the Ultimate Parent Recommendation and (b) use its reasonable

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best efforts to obtain the Ultimate Parent Requisite Vote. Notwithstanding anything to the contrary contained in this Agreement, Ultimate Parent shall not be required to hold the Ultimate Parent Shareholders Meeting if this Agreement is terminated.

SECTION 7.4 **Regulatory Approvals**.

(a) During the Interim Period, the Parties will, in order to consummate the transactions contemplated hereby and except to the extent a different standard is specified in another applicable provision of this Agreement, (i) proceed diligently and in good faith and use best efforts, as promptly as practicable in accordance with *Section 7.4(c)*, to obtain the Consents and Filings listed in *Section 3.5(b)* of the Company Disclosure Schedule and *Sections 4.3(b)* and *5.5(b)* of the Parent Disclosure Schedule, and to make all required filings with, and to give all required notices to, the applicable Governmental Entities, (ii) take, or cause to be taken, all appropriate action and do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the Merger and the other transactions contemplated by this Agreement (including satisfying any of the conditions set forth in *Article VIII* as promptly as practicable), and (iii) cooperate in good faith with the applicable Governmental Entities or other Persons and provide promptly such other information and communications to such Governmental Entities or other Persons as such Governmental Entities or other Persons may reasonably request in connection therewith. The Company shall not consent to any voluntary delay of the Closing at the behest of any Governmental Entity without the consent of Parent, which consent shall not be unreasonably withheld, delayed or conditioned.

(b) During the Interim Period, the Parties will provide prompt notification to each other when any such approval referred to in *Section 7.4(a)* is obtained, taken, made, given or denied, as applicable, and will advise each other of any material communications with any Governmental Entity or other Person regarding any of the transactions contemplated by this Agreement, including (i) giving the other Parties prompt notice of the making or commencement of any material, written request, inquiry, investigation, action or legal proceeding by or before any Governmental Entity with respect to the Merger or any of the other transactions contemplated by this Agreement; and (ii) keeping the other Parties informed as to the status of any such request, inquiry, investigation, action or legal proceeding. Subject to applicable Laws relating to the exchange of information, and unless prohibited by the reasonable request of any Governmental Entity, Parent shall have the right to review and approve in advance and the Company shall have the right to review in advance, and, to the extent practicable, each will consult with the other on and consider in good faith the views of the other in connection with, any filing, analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal (including all of the information relating to Ultimate Parent, Parent or the Company, as the case may be, and any of their respective subsidiaries, that appears in any filing) made with, or written materials submitted to any third party and/or any Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement. In addition, except as may be prohibited by any Governmental Entity or by any Law, in connection with any such request, inquiry, investigation, action or legal proceeding, each Party will permit authorized representatives of the other Parties to be present at each meeting or conference relating to such request, inquiry, investigation, action or legal proceeding and to have access to and be consulted in connection with any material, written document, opinion or proposal made or submitted to any Governmental Entity in connection with such request, inquiry, investigation, action or legal proceeding. Ultimate Parent, Parent and Merger Sub shall, subject to and without limiting Ultimate Parent's, Parent's and Merger Sub's obligations under this *Section 7.4*, be permitted to implement its strategy and otherwise pursue its position as to which it has (i) consulted with the Company and taken the Company's views into account in good faith and (ii) developed, implemented and pursued with a view to obtaining any necessary clearances pursuant to antitrust Laws as promptly as practicable (and in any event by the End

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Date) and the Company agrees it shall not take a position in any filing, meeting or communication with any Governmental Entity that is contrary to, or inconsistent with, such strategy and position in connection with the transactions contemplated by this Agreement. Ultimate Parent, Parent and Merger Sub shall be permitted to take the lead in all joint meetings and communications with any Governmental Entity in connection with obtaining any necessary clearances pursuant to any competition law authorities; *provided*, that Ultimate Parent, Parent and Merger Sub shall

have complied with the other provisions of this *Section 7.4*. In exercising the foregoing rights, each of the Company, Ultimate Parent and Parent shall act reasonably and as promptly as practicable. Notwithstanding the foregoing, commercially and/or competitively sensitive information and materials of a Party may be provided to the other Party on an outside counsel-only basis.

(c) In furtherance of the foregoing covenants:

(i) Ultimate Parent, Parent, Merger Sub and the Company shall use their best efforts to make any premerger notification filing required under the HSR Act with respect to the transactions contemplated hereby at a time to be mutually agreed within five (5) months following the execution of this Agreement. Ultimate Parent, Parent, Merger Sub and the Company shall supply as promptly as reasonably practicable any additional information or documentary material that may be requested pursuant to the HSR Act and shall take all other actions, proper or advisable consistent with this *Section 7.4* (including *Section 7.4(d)*), to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable. Ultimate Parent, Parent, Merger Sub and the Company shall comply substantially with any additional requests for information, including requests for production of documents and production of witnesses for interviews or depositions, made by the Antitrust Division of the United States Department of Justice, the United States Federal Trade Commission or the antitrust or competition law authorities of any other jurisdiction (the "*Antitrust Authorities*") and use best efforts to take all other actions to obtain clearance from the Antitrust Authorities. Each of Parent and Merger Sub shall exercise its best efforts, and the Company shall cooperate fully with Parent and Merger Sub, to promptly prevent the entry in any claim brought by an Antitrust Authority of any order that would prohibit, make unlawful or delay the consummation of the transactions contemplated hereby in any material respect.

(ii) Other than with respect to filings under the HSR Act, the Parties will, as soon as reasonably practicable following the execution of this Agreement, and in any event at a mutually agreed time within one hundred twenty (120) days after the date hereof, prepare and file, and pay any fees due in connection therewith in accordance with *Section 9.3*, with each applicable Governmental Entity requests for such Consents as may be necessary for the consummation of the transactions contemplated hereby in accordance with the terms of this Agreement and as set forth on *Section 3.5(b)* of the Company Disclosure Schedule, other than with respect to applications and filings to be made with the Federal Communications Commission, which shall be made at a time mutually agreeable to Parent and the Company. The Parties will diligently pursue and use their best efforts to obtain such Consents and will cooperate with each other in seeking such Consents. To such end, the Parties agree to make reasonably available the personnel and other resources of their respective organizations in order to obtain all such Consents. Each Party will promptly inform the other Parties of any material communication received by such Party from, or given by such party to, any Governmental Entity from which any such Consent is required, unless prohibited by the reasonable request of any Governmental Entity, and of any material communication received or given in connection with any claim by a private party, in each case regarding any of the transactions contemplated hereby, and will permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, any such Governmental Entity or, in connection with any claim by a private

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party, with such other Person, and to the extent permitted by such Governmental Entity or other Person, give the other party the opportunity to attend and to participate in such meetings and conferences.

(d) Notwithstanding anything in this Agreement and this *Section 7.4*, Ultimate Parent, Parent and Merger Sub agree that the making of the Filings and obtaining the Consents listed in *Section 3.5(b)* of the Company Disclosure Schedule and *Section 4.3(b)* and *Section 5.5(b)* of the Parent Disclosure Schedule and the making of any other required Filings and the obtaining of any other required Consents with or from any Governmental Entity, are the responsibility of Ultimate Parent, Parent and Merger Sub, and that Ultimate Parent, Parent and Merger Sub shall, and shall cause their Affiliates to, take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to make such Filings or obtain such Consents with or from any Governmental Entity as are required in connection with the consummation of the transactions contemplated hereby, including (i) taking such actions and agreeing to such requirements, commitments, restrictions, rate, capitalization or other concessions or conditions to mitigate any concerns as may be requested or required by a Governmental Entity in connection with any Filing or Consent, (ii) proposing, negotiating, committing to and effecting, by consent decree, settlement agreement, hold separate order or otherwise, the sale, divestiture or disposition of businesses, product lines or assets of Parent or its Affiliates (including the Surviving Corporation and its subsidiaries) or any interests therein, (iii) terminating or restructuring existing relationships, contractual or governance rights or obligations of Parent or its Affiliates (including the Surviving Corporation and its subsidiaries), (iv) terminating any venture or other arrangement and (v) otherwise taking or committing to take actions that after the Closing Date would limit Parent's or its Affiliates' (including the Surviving Corporation's and its subsidiaries') freedom of action with respect to, or its ability to retain or control, one or more of the businesses, product lines or assets of Parent and its Affiliates (including the Surviving Corporation and its subsidiaries) or any interests therein, in each case as may be required in order to enable the consummation of the transactions contemplated hereby to occur as soon as reasonably possible (and in any event no later than the End Date) and to otherwise avoid the entry of, or to effect the dissolution of, any preliminary or permanent injunction which would otherwise have the effect of preventing the consummation of the transactions contemplated hereby as soon as reasonably possible (and in any event no later than the End Date). Without limiting the foregoing, from the date hereof through the Closing Date, Ultimate Parent, Parent and Merger Sub agree that except as may be agreed in writing by the Company, Ultimate Parent, Parent and Merger Sub shall not, shall cause their Affiliates not to, and shall not permit any action, which would reasonably be expected

to materially and adversely impact the ability of the Parties to secure all required Filings or Consents with or from any Governmental Entity to consummate the transactions hereunder, or take any action with any Governmental Entity relating to the foregoing, or agree, in writing or otherwise, to do any of the foregoing, in each case which would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated hereby or result in the failure to satisfy any condition to consummation of the transactions contemplated hereby.

(e) Subject to the obligations under *Section 7.4(a)*, in the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Entity or private party challenging the Merger or any other transaction contemplated by this Agreement, or any other agreement contemplated hereby, (i) each of Ultimate Parent, Parent, Merger Sub and the Company shall cooperate in all respects with each other and use its respective best efforts to contest, resist, prevent, oppose and remove any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prevents, restrains, restricts or otherwise prohibits consummation of the transactions contemplated by this Agreement, and (ii) Ultimate Parent, Parent and Merger Sub must defend, at their cost and expense, any action or actions,

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whether judicial or administrative, in connection with the transactions contemplated by this Agreement. Notwithstanding the foregoing, the Company and its subsidiaries shall not be required to agree to any term or take any action in connection with its obligations under this *Section 7.4(e)* that is not conditioned on consummation of the Merger.

(f) The Company shall, and shall cause its Subsidiaries to (i) inform reasonably in advance Parent prior to making any material changes in the Company's or its Subsidiaries' rates or charges, standards of service or accounting from those in effect on the date of this Agreement and (ii) further inform reasonably in advance Parent prior to initiating any material proceeding (or filing any amendment thereto), or effecting any material agreement, commitment, settlement, arrangement or consent, whether written or oral, formal or informal, with respect thereto.

SECTION 7.5 **Notification of Certain Matters**. The Company shall give prompt notice to Ultimate Parent and Parent, and Ultimate Parent and Parent shall give prompt notice to the Company, of (a) any notice or other communication received by such Party from any Governmental Entity in connection with the Merger or the other transactions contemplated hereby or from any Person alleging that the consent of such Person is or may be required in connection with the Merger, if the subject matter of such communication or the failure of such Party to obtain such consent would reasonably be expected to be material to the Company, the Surviving Corporation, Ultimate Parent or Parent and (b) any actions, suits, claims or proceedings commenced or, to such Party's knowledge, threatened against, relating to or involving or otherwise affecting such Party or any of its subsidiaries which relate to the Merger or the other transactions contemplated hereby; *provided* that neither the delivery of any notice pursuant to this *Section 7.5* nor the access to any information pursuant to *Section 7.6* shall (i) cure any breach of, or non-compliance with, any other provision of this Agreement or (ii) limit the remedies available to the Party receiving such notice. The Parties agree and acknowledge that the Company's, on the one hand, and Ultimate Parent's or Parent's on the other hand, compliance or failure of compliance with this *Section 7.5* shall not be taken into account for purposes of determining whether the condition referred to in *Section 8.2(b)* or *Section 8.3(b)*, respectively, shall have been satisfied with respect to performance in all material respects with this *Section 7.5*.

SECTION 7.6 **Access to Information; Confidentiality**.

(a) From the date hereof to the Effective Time or the earlier termination of this Agreement pursuant to *Article X*, upon reasonable prior written notice from Parent, the Company shall, and shall cause its subsidiaries to, and shall use its reasonable best efforts to cause its Representatives to, (i) afford Ultimate Parent, Parent, the Financing Sources and their respective Representatives reasonable access, consistent with applicable Law, during business hours to its and their respective officers, employees and Representatives and properties, offices, and other facilities and to all books and records, and shall furnish Ultimate Parent, Parent, the Financing Sources and their respective Representatives promptly with all financial, operating and other data and information as Ultimate Parent, Parent, the Financing Sources and their respective Representatives from time to time reasonably request in writing, (ii) to the extent permitted by Law, furnish promptly each report, schedule and other document filed or received by the Company or any of the Company's subsidiaries pursuant to the requirements of federal or state securities or regulatory Laws or filed with or sent to the SEC, FERC, the U.S. Department of Justice, the Federal Trade Commission or any other Governmental Entity, and (iii) upon written request, as soon as reasonably practicable provide Parent and Ultimate Parent with information relating to any material developments in any audit or similar proceeding related to any material Tax matters of the Company or any of its subsidiaries. Notwithstanding the foregoing, any such investigation or consultation shall be conducted in such a manner as not to interfere unreasonably with the business or operations of the Company or its subsidiaries or otherwise result in any significant interference with the prompt and timely discharge by such officers, employees and other authorized Representatives of their normal duties and shall not include any environmental sampling or invasive environmental testing. Neither

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the Company nor any of its subsidiaries shall be required to provide access or to disclose information where such access or disclosure would violate or prejudice its rights or the rights of any of its officers, directors or employees, jeopardize any attorney-client privilege of the Company or any of its subsidiaries, or contravene any Law, rule, regulation, order, judgment, decree or binding agreement; *provided*, *however* that the Company shall use its reasonable best efforts to (a) allow for such access or disclosure in a manner that does not result in a loss of attorney-client privilege, (b) obtain the required consent of any third party to provide access to or disclosure of such information with respect to any confidential Contract to which the Company or its subsidiaries is party, or (c) develop an alternative to providing such information so as to address such matters that is reasonably acceptable to Ultimate Parent, Parent and the Company; it being understood and agreed that (i) the Company shall advise Ultimate Parent and Parent in such circumstances that it is unable to comply with Ultimate Parent's and Parent's reasonable requests for information as a result of attorney-client privilege, Contract obligation or applicable Law, and the Company shall use its reasonable best efforts to generally describe the types of information being withheld and (ii) Parent shall reimburse the Company for its reasonable, documented, out-of-pocket expenses incurred in connection with the Company's actions described above in clauses (a) - (c). All requests for information made pursuant to this *Section 7.6(a)* shall be directed to the executive officer or other Person designated by the Company. No access, review or notice pursuant to this *Section 7.6* shall have any effect for the purpose of determining the accuracy of any representation or warranty given by any of the Parties to any of the other Parties.

(b) Each Party will comply with terms and conditions of the Non-Disclosure Agreement, dated November 2, 2015, between the Company and Ultimate Parent (the "*Confidentiality Agreement*"), and will hold and treat, and will cause their respective officers, employees, auditors and other Representatives to hold and treat, in confidence all documents and information concerning, on the one hand, the Company and its subsidiaries furnished to Ultimate Parent, Parent or Merger Sub, and on the other hand, Ultimate Parent, Parent or Merger Sub and their respective subsidiaries furnished to the Company, in each case in connection with the transactions contemplated by this Agreement in accordance with the Confidentiality Agreement, which Confidentiality Agreement shall remain in full force and effect in accordance with its terms. Notwithstanding the foregoing, the Confidentiality Agreement shall be deemed amended as of the date hereof (i) to permit Parent and its Affiliates to take any action permitted to be taken hereunder, including any action taken by Ultimate Parent or Parent in connection with an Acquisition Proposal by a Person other than Ultimate Parent and Parent, (ii) such that each of the Representatives and Financing Sources hereunder shall be deemed a "Representative" under the Confidentiality Agreement and (iii) to permit disclosure of information by the Financing Sources in accordance with the confidentiality provisions in the Commitment Letters or any other confidentiality provisions substantially consistent therewith entered into with any Financing Sources in connection with the Financing. The Company acknowledges and agrees that nothing in this Agreement, or the taking of any action permitted by this Agreement, shall constitute or be deemed a request from Parent or Ultimate Parent that the Company amend, waive, grant any consent under or otherwise not enforce any provision of Section 7 of the Confidentiality Agreement or any reference to any desire or intention to do so.

SECTION 7.7 **Stock Exchange Delisting.** Prior to the Closing Date, the Company shall cooperate with Ultimate Parent and Parent and use reasonable efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under applicable Laws and rules and policies of the New York Stock Exchange to enable the delisting by the Surviving Corporation of the shares of Company Common Stock from the New York Stock Exchange and the deregistration of the Company Shares under the Exchange Act as promptly as practicable after the Effective Time.

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SECTION 7.8 **Publicity.** The initial press release regarding the Merger shall be a joint press release of the Parties and (except in connection with (a) a Company Change of Recommendation or an Acquisition Proposal, (b) any dispute between or among the Parties regarding this Agreement or the transactions contemplated hereby or (c) a press release or other public statement that is consistent in all material respects with previous press releases, public disclosures or public statements made by a Party in accordance with this Agreement, including in investor conference calls, the Proxy Statement, the Circular, the Registration Statement, SEC Filings, Q&As or other publicly disclosed documents, in each case, to the extent such disclosure is still accurate) thereafter the Company, Ultimate Parent and Parent shall (i) consult with each other prior to issuing any press releases or otherwise making public announcements with respect to the Merger and the other transactions contemplated by this Agreement, (ii) provide to each other for review a copy of any such press release or public statement, (iii) not issue any such press release or public statement prior to providing each other with reasonable period of time to review and comment on such press release or public statement, and (iv) consult with each other prior to making any filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto, except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Governmental Entity (or, in the case of the Company, in accordance with *Section 7.1(b)(i)*). Prior to making any material, broad-based written communications to the employees of the Company or any of the Company's subsidiaries that primarily relates to the transactions contemplated by this Agreement, the Company shall use its reasonable best efforts to provide Ultimate Parent and Parent with a copy of the intended communication and provide Ultimate Parent and Parent with a reasonable period of time to review and comment on the communication.

SECTION 7.9 **Employee Benefits.**

(a) For a period of at least three (3) years following the Effective Time, Parent shall cause the Surviving Corporation to provide, to each employee of the Company or its subsidiaries who continues to be employed by the Company or the Surviving Corporation or any subsidiary or Affiliate thereof (each a "*Continuing Employee*" and collectively, the "*Continuing Employees*") (i) a salary, wage, target annual cash bonus opportunity, long-term target incentive opportunity and employee pension benefits, in each case, that is no less favorable than the salary, wage, target annual cash bonus opportunity, long-term target incentive opportunity and employee pension benefits that was provided to such Continuing Employee immediately prior to the Effective Time and (ii) welfare and other benefits that are substantially comparable in the aggregate to the welfare and other benefits provided to such Continuing Employee immediately prior to the Effective Time. For a period of three (3) years following the Effective Time, the principal work location of each Continuing Employee shall not be relocated by more than fifty (50) miles from the Continuing Employee's principal work location as of immediately prior to the Effective Time.

(b) Parent shall cause the Surviving Corporation to honor, in accordance with their terms, the Company Plans set forth on *Section 7.9(b)* of the Company Disclosure Schedule, including, without limitation, subject to the amendment and termination provisions thereof.

(c) Parent shall cause (i) any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of Parent or its Affiliates to be waived with respect to Continuing Employees and their eligible dependents, (ii) each Continuing Employee to receive credit for the plan year in which the Effective Time occurs towards applicable deductibles and annual out-of-pocket limits for medical expenses incurred prior to the Effective Time for which payment has been made and (iii) to the extent that such service was recognized under a similar Company Plan, each Continuing Employee to receive service credit for such Continuing Employee's employment with the Company for purposes of eligibility to participate and vesting credit (but excluding benefit accrual under any defined benefit pension plan,) under each

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applicable Parent benefit plan as if such service had been performed with Parent or one of its Affiliates; *provided* that such recognition of service shall not apply (x) for purposes of any Parent benefit plan under which similarly situated employees of Parent and its subsidiaries do not receive credit for prior service, (y) to the extent it would result in a duplication of benefits or (z) for purposes of any plan or arrangement that is grandfathered or frozen, either with respect to the level of benefits or participation.

(d) The Company may establish a cash-based retention program to promote retention and to incentivize efforts to consummate the Closing (the "*Retention Program*") in accordance with the terms set forth in *Section 7.9(d)* of the Company Disclosure Schedule.

(e) Parent and the Surviving Corporation, as applicable, shall pay or cause the applicable subsidiary to pay to each employee of the Company and its subsidiaries, on the first payroll date following the Effective Time and subject to such employee remaining continuously employed through the Effective Time, (i) any accrued but unpaid annual bonus (or other cash incentive award) relating to the complete year (or completed performance period) prior to the year (or performance period) in which the Effective Time occurs that has been accrued on the audited consolidated financial statements of the Company, and (ii) a pro-rated portion of the annual bonus (and other cash incentive award) relating to the year (or other applicable performance period) in which the Effective Time occurs based on the higher of (A) the Company's achievement of the applicable performance targets as of the Effective Time (based on the amount accrued on the Company's financial statements), and (B) the target-level achievement, which payment shall be pro-rated based on a fraction (x) the numerator of which is the number days in the year (or performance period) that has elapsed through the Effective Time and (y) the denominator of which is the number of days in such year (or performance period).

(f) If Parent determines that an event would trigger obligations under the Worker Adjustment and Retraining Notification Act and the regulations promulgated thereunder or any similar state or local Law (collectively, the "*WARN Act*") within sixty (60) days following the Effective Time, the Company or the Company's subsidiaries shall, at Parent's reasonable request, distribute WARN Act notices on Parent's behalf to such employees as directed by Parent in a form prepared by Parent in compliance with the WARN Act.

(g) Nothing in this Agreement shall confer upon any Continuing Employee any right to continue in the employ or service of Parent, the Surviving Corporation or any Affiliate of Parent, or shall interfere with or restrict in any way the rights of Parent, the Surviving Corporation or any Affiliate of Parent, which rights are hereby expressly reserved, to discharge or terminate the services of any Continuing Employee at any time for any reason with or without cause.

(h) Notwithstanding any provision in this Agreement to the contrary, nothing in this *Section 7.9* or *Section 7.16* shall (i) be deemed or construed to be an amendment or other modification of any Company Plan, (ii) prevent Parent, the Surviving Corporation or any Affiliate of Parent from amending or terminating any Company Plans in accordance with their terms or (iii) create any third-party rights in any current or former Company Employee or service provider of the Company or its Affiliates (or any beneficiaries or dependents thereof).

SECTION 7.10 **Directors' and Officers' Indemnification and Insurance.**

(a) From and after the Effective Time and ending on the sixth (6th) anniversary of the Effective Time, the Surviving Corporation agrees that it will indemnify and hold harmless each present and former director and officer of the Company or any of its subsidiaries (in each case,

when acting in such capacity) (the "*Indemnified Parties*"), against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities or awards paid in settlement (collectively, "*Costs*") incurred in connection with any actual or threatened claim,

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action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative and whether formal or informal (each, a "*Proceeding*"), arising out of, relating to or in connection with matters existing or occurring at or prior to the Effective Time (including the fact that such Person is or was a director or officer of the Company or any of its subsidiaries or any acts or omissions occurring or alleged to occur prior to the Effective Time), whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that the Company would have been permitted under Michigan Law and its Company Articles of Incorporation and Company Bylaws in effect on the date of this Agreement to indemnify such Person (and the Surviving Corporation shall advance expenses (including reasonable legal fees and expenses) incurred in the defense of any Proceeding, including any expenses incurred in enforcing such Person's rights under this *Section 7.10*, to the extent that such indemnification with respect to or advancement of such expenses is authorized under the Company Articles of Incorporation, the Company Bylaws or the articles of incorporation and bylaws, or equivalent organizational documents, of any subsidiary; *provided* that the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification pursuant to this *Section 7.10*); *provided*, *further*, that any determination required to be made with respect to whether an officer's or director's conduct complies with the standards set forth under Michigan Law and the Company's Articles of Incorporation and Bylaws shall be made by independent counsel selected by the Surviving Corporation and approved by a majority of the Indemnified Parties who are seeking indemnity with respect to such Proceeding (and if such parties cannot agree, counsel will be selected by Judicial Arbitration and Mediation Services). In the event of any such Proceeding (x) neither Parent nor Surviving Corporation shall settle, compromise or consent to the entry of any judgment in any Proceeding in which indemnification could be sought by such Indemnified Party hereunder, unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liability arising out of such Proceeding or such Indemnified Party otherwise consents, and (y) the Surviving Corporation shall cooperate in the defense of any such matter, and no such settlement shall affect the Surviving Corporation's indemnification obligations hereunder. In the event any Proceeding is brought against any Indemnified Party and in which indemnification could be sought by such Indemnified Party under this *Section 7.10*, (i) the Surviving Corporation shall have the right to control the defense thereof after the Effective Time, using Jones Day as counsel or such other counsel as may be selected by the board of directors of the Surviving Corporation and approved by a majority of the Indemnified Parties who are seeking indemnity with respect to such Proceeding (and if such parties cannot agree, counsel will be selected by Judicial Arbitration and Mediation Services), (ii) each Indemnified Party shall be entitled to retain his or her own counsel at the Surviving Corporation's expense (which may be Jones Day) if the Surviving Corporation shall elect not to control the defense of any such Proceeding and (iii) no Indemnified Party shall be liable for any settlement effected without his or her prior express written consent.

(b) Any Indemnified Party wishing to claim indemnification under *Section 7.10(a)*, upon learning of any such Proceeding, shall promptly notify Parent thereof, but the failure to so notify shall not relieve Parent or the Surviving Corporation of any liability it may have to such Indemnified Party except to the extent such failure materially prejudices the indemnifying Party.

(c) The provisions in the Surviving Corporation's articles of incorporation and bylaws with respect to indemnification, advancement of expenses and exculpation of former or present directors and officers shall be no less favorable to such directors and officers than such provisions contained in the Company Articles of Incorporation and Company Bylaws in effect as of the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years after the Effective Time in any manner that would adversely affect the rights thereunder of any such individuals.

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(d) Parent shall cause the Surviving Corporation to purchase, at no expense to the beneficiaries, a six-year prepaid "tail policy" providing at least the same coverage and amounts as, and containing terms and conditions that are no less advantageous to the insured than the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by the Company and its subsidiaries with respect to claims arising from facts or events that occurred at or before the Effective Time, including the transactions contemplated hereby, and from insurance carriers having at least an "A- VII" rating by A.M. Best with respect to directors' and officers' liability insurance. The Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) maintain such "tail policy" in full force and effect and continue to honor their respective obligations thereunder.

(e) If the Surviving Corporation or its successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Surviving Corporation shall assume all of the obligations set forth in this *Section 7.10*.

(f) The provisions of this *Section 7.10* shall survive the Merger and are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties and their heirs and representatives.

(g) The rights of the Indemnified Parties under this *Section 7.10* shall be in addition to any rights such Indemnified Parties may have under the Company Articles of Incorporation or Company Bylaws or the comparable governing instruments of any of its subsidiaries, or under any applicable Contracts or Laws. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or its officers, directors and employees, it being understood that the indemnification provided for in this *Section 7.10* is not prior to, or in substitution for, any such claims under any such policies.

SECTION 7.11 **Treatment of Company Indebtedness.** The Company shall use, or shall cause its applicable subsidiaries to use, commercially reasonable efforts to arrange for customary payoff letters and instruments of discharge to be delivered at Closing providing for the payoff, discharge and termination on the Closing Date of all then-outstanding indebtedness listed on *Section 7.11* of the Company Disclosure Schedule, and shall deliver, or cause its applicable subsidiaries to deliver, prepayment and termination notices in accordance with the terms of such indebtedness to the holders of such indebtedness (*provided* that such prepayment and termination notices may be conditional on the occurrence of the Closing).

SECTION 7.12 **Transaction Litigation.** In the event that any shareholder litigation related to this Agreement, the Merger or the other transactions contemplated by this Agreement is brought, or to the Company's knowledge, threatened in writing against the Company or any members of its Company Board of Directors after the date of this Agreement and prior to the Effective Time (the "*Transaction Litigation*"), the Company shall promptly notify Ultimate Parent and Parent of any such Transaction Litigation and shall keep Ultimate Parent and Parent reasonably informed with respect to the status thereof. The Company shall give Ultimate Parent and Parent the opportunity to participate, at Ultimate Parent's and Parent's expense, in the defense and settlement of any Transaction Litigation and give due consideration to Ultimate Parent's and Parent's views with respect thereto, and the Company shall not settle or agree to settle any Transaction Litigation without Ultimate Parent's and Parent's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).

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SECTION 7.13 **Obligations of Merger Sub.** Parent shall take all action necessary to cause Merger Sub and the Surviving Corporation to perform their respective obligations under this Agreement.

SECTION 7.14 **Rule 16b-3.** Prior to the Effective Time, the Company shall be permitted to take such steps as may be reasonably necessary or advisable hereto to cause any dispositions of Company equity securities (including derivative securities) pursuant to the transactions contemplated by this Agreement by each individual (including any Person who is deemed to be a "director by deputization" under applicable securities Laws) who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company to be exempt under Rule 16b-3 promulgated under the Exchange Act.

SECTION 7.15 **Company Financing Cooperation.**

(a) The Company shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange the Financing and transactions related to the Financing, including using reasonable best efforts to (i) negotiate and enter into definitive agreements with respect thereto, (ii) satisfy (or obtain a waiver of) on a timely basis all conditions to obtaining the Financing, and (iii) consummate the Financing at or prior to the Closing Date.

(b) The Company shall use its reasonable best efforts to, and to cause its Representatives to, on a timely basis, provide all customary cooperation that is reasonably requested by Parent to assist in connection with obtaining the Financing. The Company shall use its reasonable best efforts to obtain an amendment to the credit facilities set forth on *Section 7.15(b)* of the Company Disclosure Schedule so that, after giving effect to the Merger, there exists no default or event of default with respect to such credit facilities; *provided*, that any such amendment would be conducted in coordination with the syndication of the Financing. Without limiting the generality of the foregoing, such cooperation shall in any event include using reasonable best efforts with respect to: (i) participating in a reasonable number of meetings and drafting sessions, and providing and participating in reasonable and customary due diligence, in each case at mutually agreeable times and places and with reasonable advance notice, (ii) furnishing the Financing Sources with such financial and other pertinent information as may be reasonably requested to consummate the Financing, including information regarding the Company and its subsidiaries reasonably necessary to assist Parent and Ultimate Parent in preparing financial statements and financial data of the type required by Regulation S-X and Regulation S-K under the Securities Act and applicable to a registration statement under the Securities Act on Form F-3 and/or Form F-10, including delivery of (A) audited consolidated balance sheets and related audited statements of income, stockholders' equity and cash flows of the Company for each of the three fiscal years most recently ended at least sixty (60) days prior to the Closing Date (it being understood and agreed that no such audited annual

financial statements shall be required under this clause (A) in respect of any fiscal year ended less than sixty (60) days prior to the Closing Date) and (B) unaudited consolidated balance sheets and related unaudited statements of income, stockholders' equity and cash flows of the Company for each subsequent fiscal quarter ended at least forty (40) days prior to the Closing Date (it being understood and agreed that no such unaudited quarterly financial statements shall be required under this clause (B) in respect of any fiscal quarter ended less than forty (40) days prior to the Closing Date) (the financial statements described in sub-clauses (A) and (B) of this clause (ii), the "*Required Financial Statements*"), (iii) furnishing information regarding the Company and its subsidiaries reasonably necessary to assist Parent and Ultimate Parent in the preparation of pro forma financial information and financial statements to the extent required by applicable Law or reasonably required by the Financing Sources to be included in any bank information memoranda, confidential information memoranda or other similar marketing documents, (iv) assisting the Financing Sources in the preparation of (I) offering or syndication

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documents for any portion of the Financing and (II) materials for rating agency presentations and providing customary authorization letters related thereto, in each case described in sub-clauses (I) and (II) to the extent, and solely to the extent, such documents or materials contain information concerning the Company and its subsidiaries, the Merger or the transactions contemplated hereby, (v) using reasonable best efforts to cause the Company's independent registered public accounting firm to cooperate with Parent, Ultimate Parent and any Financing Sources, including by participating in accounting due diligence sessions upon reasonable notice, and to obtain consents of, and facilitate the delivery of, customary accountants' comfort letters (including "negative assurance" comfort) (including by providing customary management letters and requesting consent for use of (and using reasonable best efforts to obtain such consent) their reports in any materials relating to the Financing and in connection with any filings required to be made by Ultimate Parent or Parent relating to the Financing) from such accounting firm, (vi) reasonably cooperating with the marketing efforts for any portion of the Financing and (vii) furnishing Ultimate Parent, Parent and any Financing Sources at least five (5) days prior to the Closing Date with documentation and other information reasonably necessary in order for the Financing Sources to comply with applicable Law or as required by any Governmental Entity with respect to any Financing under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, in each case, to the extent that such documentation and information has been reasonably requested in writing at least ten (10) days prior to the Closing Date; provided, however, that nothing in this *Section 7.15* shall require such cooperation to the extent it would (A) unreasonably disrupt or interfere with the business or operations of the Company or any of its subsidiaries or the conduct thereof, (B) require the Company or any of its subsidiaries to pay any fees, incur or reimburse any costs or expenses, or make any payment in connection with the Financing, prior to the Effective Time (except to the extent Parent promptly reimburses (in the case of ordinary course out-of-pocket costs and expenses) or provides the funding (in all other cases) to the Company or such subsidiary therefor), or incur any liability in connection with the Financing that is effective prior to the occurrence of the Effective Time, (C) other than with respect to the second sentence of *Section 7.15(b)*, require the Company or any of its subsidiaries to enter into any instrument, document, certificate, or agreement (other than the authorization letters and management letters referred to above) or agree to any change or modification to any instrument or agreement at or prior to the Effective Time or that would be effective if the Effective Time does not occur, (D) other than with respect to the second sentence of *Section 7.15(b)*, require the Company to issue or deliver, or cause its legal counsel to issue or deliver, any opinions at or prior to the Effective Time or that would be effective if the Effective Time does not occur, (E) require Persons who are directors of the Company or any of its subsidiaries prior to the Effective Time, in their capacity as such, to pass resolutions or consents to approve or authorize the execution of the Financing, (F) provide access to or disclose information that the Company or any of its subsidiaries reasonably determines would jeopardize any attorney-client privilege of the Company or any of its subsidiaries; provided, that the Company shall use its reasonable best efforts to minimize the effects of such restriction or to provide a reasonable alternative to such access, (G) require the Company to prepare any pro forma financial statements or pro forma adjustments giving effect to the Merger or the other transactions contemplated herein, but rather, any information provided by the Company shall relate solely to the financial information and data derived from the Company's and its subsidiaries' historical books and records, or (H) require the Company to prepare separate financial statements for any subsidiary of the Company, prepare any "guarantor/non-guarantor" footnote to any financial statements of the Company and its subsidiaries or change any fiscal period. Without limiting the foregoing proviso, Parent and Ultimate Parent agree to reimburse the Company and its subsidiaries for all of their reasonable and documented out-of-pocket costs, fees and expenses (including reasonable fees and disbursements of counsel) in connection with the Financing promptly following the issuance or incurrence thereof (but excluding any costs, fees and expenses of preparing the Required Financial

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Statements, which shall not be reimbursed). Parent shall indemnify and hold harmless the Company from and against any and all liabilities, obligations, losses, damages, claims, costs, expenses, awards, judgments and penalties of any type actually suffered or incurred by any of them in connection with any action taken, or cooperation provided, by the Company or its subsidiaries or any of their respective Representatives at the request of Parent pursuant to this *Section 7.15*; in each case, except to the extent that any such obligations, losses, damages, claims, costs, expenses, awards, judgments and penalties, fees, costs or other liabilities are suffered or incurred as a result of the Company's gross negligence, bad faith, willful misconduct, material breach of this Agreement or arising out of a material misstatement in or failure to state a material fact pertinent to the information provided by or on behalf of the Company pursuant to this *Section 7.15(b)*, as applicable, as determined in a final, non-appealable judgment by court of competent jurisdiction.

(c) The Company hereby consents to the use of its and its subsidiaries' logos by Ultimate Parent, Parent, their respective licensees and any Financing Source in connection with the Financing, provided, that such logos are used solely in a customary manner that is not intended to or reasonably likely to harm or disparage the Company or any of its subsidiaries or the reputation or goodwill of the Company or any of its subsidiaries and on such other customary terms and conditions as the Company shall reasonably impose. Parent, Ultimate Parent and Merger Sub acknowledge and agree that the obtaining of the Financing or any alternative financing is not a condition to the Closing and reaffirm their obligation to consummate the transactions contemplated by this Agreement irrespective and independently of the availability of the Financing or any alternative financing, subject to fulfillment or waiver of the conditions set forth in *Article VIII*. Notwithstanding anything to the contrary provided herein or in the Confidentiality Agreement, Parent and Ultimate Parent shall be permitted, in connection with the syndication of the Financing, to share all information subject to such agreement with any Financing Sources and their Representatives, subject to customary confidentiality undertakings by such Financing Sources with respect thereto.

(d) In the event Ultimate Parent and Parent desire to undertake a Third Party Investment to be effective on or prior to Closing, binding commitments for such Third Party Investment must be in place no later than ninety (90) days after the date hereof (which date may be extended for thirty (30) days with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), which consent shall not be required where such Third Party Investor would not reasonably be expected to delay any Required Regulatory Approval) and prior to such date Ultimate Parent shall provide written notice to the Company which such notice shall contain the identity of each Third Party Investor, the amount that such Third Party Investor will invest in the Third Party Investment and all of the other material terms and conditions of such Third Party Investment. Third Party Investors shall not be permitted to have direct or indirect beneficial ownership of the Company (on, prior to or immediately following the Closing) (i) that exceeds 19.9% in the aggregate or (ii) that would prevent Parent from meeting the requirements of Section 1504(a)(2) of the Code with respect to its ownership of the Surviving Corporation (taking into account any agreement relating to the rights of the Third Party Investors to nominate or appoint directors to the board of directors of the Surviving Corporation). No Third Party Investor will, at any time from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with *Article IX*, impair the incentives granted by FERC to subsidiaries of the Company as a result of the Company's independence from Market Participants. In connection with any Third Party Investment, Ultimate Parent and Parent shall keep the Company reasonably informed with respect to the status of such Third Party Investment, shall consult with the Company and, upon the written request of the Company or its Representatives, regarding the terms of such Third Party Investment and shall consider in good faith any advice or comments provided by the Company or its Representatives with respect to such Third Party Investment. Notwithstanding the foregoing in this *Section 7.15(d)*, Ultimate Parent, Parent and

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Merger Sub shall not undertake any Third Party Investment that would reasonably be expected to materially delay, materially impede or otherwise prevent the consummation of the transactions contemplated by this Agreement, including as a result of any Consents of any Governmental Entity necessary to consummate the transactions contemplated by this Agreement. Ultimate Parent shall use reasonable efforts to cause such Third Party Investor to provide reasonable cooperation and assistance as necessary or advisable in connection with obtaining any Consents of any Governmental Entity to consummate the transactions contemplated by this Agreement (including any Third Party Investment).

(e) Notwithstanding anything to the contrary contained herein (including, without limitation, *Section 9.2(f)*), the Company (on behalf of itself and its Affiliates and each officer, director, employee, equityholder, member, manager, partner, advisor, attorney, agent and representative thereof) (i) hereby waives any claims or rights against any Financing Source relating to or arising out of this Agreement, the Financing, the Commitment Letters and the transactions contemplated hereby and thereby, whether at law or in equity and whether in tort, contract or otherwise, (ii) hereby agrees not to commence or support any suit, action or proceeding against any Financing Source in connection with this Agreement, the Financing, the Commitment Letters and the transactions contemplated hereby and thereby, whether at law or in equity and whether in tort, contract or otherwise and (iii) hereby acknowledges and agrees that no Financing Source shall have any liability for any claims or damages to the Company (or such other Persons) in connection with this Agreement, the Financing, the Commitment Letters and the transactions contemplated hereby or thereby.

SECTION 7.16 **Post-Merger Operations.**

(a) For ten (10) years from and after the Effective Time, the Surviving Corporation shall maintain (i) its headquarters in Novi, Michigan and (ii) the regional headquarters of each of the Company's operating subsidiaries in the metropolitan area where it is located as of immediately prior the Effective Time.

(b) The Parties each agree that provision of charitable contributions and community support in the communities in which the Company currently operate serve a number of important corporate goals. During the one-year period immediately following the Effective Time, Ultimate Parent, Parent and their respective Affiliates will provide charitable contributions and other community support within the communities in which the Company and its subsidiaries operates, at a level comparable in the aggregate to the levels currently provided by the Company and its subsidiaries as set forth in *Section 7.16* of the Company Disclosure Schedule.

(c) For three (3) years from and after the Effective Time, Ultimate Parent, Parent and the Surviving Corporation, as applicable, shall not

and shall not permit any of its subsidiaries, to implement any voluntary workforce reduction, employee restructuring or job elimination programs or initiatives that would result in the Surviving Corporation and its subsidiaries employing substantially fewer individuals in the aggregate than they employed immediately prior to the Effective Time.

SECTION 7.17 **Ultimate Parent, Parent and Merger Sub Financing Cooperation.**

(a) Subject to *Section 7.17(c)*, each of Ultimate Parent and Merger Sub shall use its reasonable best efforts to take, or cause to be taken, such actions and do, or cause to be done, such things necessary, proper or advisable to arrange and obtain the Committed Financing, including using reasonable best efforts to enforce in all material respects its rights under the Commitment Letters. Ultimate Parent shall keep the Company reasonably informed with respect to any material developments concerning the status of the Financing and shall promptly respond to any reasonable written requests from the Company concerning such status. Ultimate Parent agrees

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to notify the Company promptly, and in any event within two (2) Business Days, after Ultimate Parent has knowledge thereof, if at any time prior to the Closing Date (i) any of the Commitment Letters or any of the commitments with respect to the Committed Financing thereunder or any definitive financing agreement entered into in respect of any of the Permanent Financing, as applicable, shall expire or be terminated (except, in either case, in accordance with its terms or unless concurrently replaced by commitments from other financing sources or from proceeds of any Permanent Financing or other cash or cash equivalents or otherwise in accordance with the terms of *Section 7.17(c)*), (ii) for any reason, all or a portion of the Committed Financing under the Commitment Letters becomes unavailable (except in accordance with its terms or unless concurrently replaced by any Permanent Financing) or (iii) any Financing Source or any other Person that is a party to any of the Commitment Letters breaches, defaults or repudiates any of its obligations with respect to the Commitment Letters or, to the knowledge of Ultimate Parent, threatens to do any of the foregoing and which breach, default or repudiation would reasonably be expected to adversely affect the conditionality, timing, availability or amount of the Committed Financing. If Ultimate Parent becomes aware that any portion of the Committed Financing becomes unavailable under either of the Commitment Letters, except in accordance with the terms of the Commitment Letters or unless concurrently replaced any Permanent Financing, Ultimate Parent shall use its reasonable best efforts to arrange and obtain in replacement thereof alternative financing from alternative sources in an amount sufficient to consummate the Merger and the other transactions contemplated by this Agreement as promptly as practicable following the occurrence of such event (and Ultimate Parent shall not agree or consent to such Committed Financing becoming unavailable except as permitted under *Section 7.17(c)*).

(b) In the event the Committed Financing (or any Permanent Financing) or any portion thereof is funded in advance of the Closing Date, then Ultimate Parent, Merger Sub or any other applicable subsidiary thereof shall keep and maintain at all times prior to the Closing Date the net proceeds of the Committed Financing (or any Permanent Financing) available for the purpose of funding the transactions contemplated by this Agreement; *provided* that if the terms of the Committed Financing (or any Permanent Financing) require the net proceeds of the Committed Financing (or any Permanent Financing) to be held in escrow (or similar arrangement) pending the consummation of the transactions contemplated under this Agreement, then such proceeds may be held in escrow, so long as the conditions to the release of such funds are no more onerous to Ultimate Parent or its applicable subsidiary than the conditions to borrowing of the Committed Financing contemplated by the Commitment Letters. (unless such conditions would not be reasonably expected to (i) delay or prevent the Closing or (ii) adversely impact the ability of Ultimate Parent or Merger Sub to obtain the Financing).

(c) Except as otherwise provided in this *Section 7.17(c)*, neither Ultimate Parent, Parent nor Merger Sub shall agree to or permit any amendment, supplement, modification, termination or reduction of (other than in accordance with its terms), or grant any waiver of, any condition, remedy or other provision under either Commitment Letter without the prior written consent of the Company (not to be unreasonably withheld or delayed) if such amendment, supplement, modification, termination, reduction or waiver would or would reasonably be expected to (i) delay or prevent the Closing, (ii) impose new or additional conditions or otherwise expand any of the conditions to the funding of the Committed Financing (unless such new, additional or other conditions would not be reasonably expected to (A) delay or prevent the Closing or (B) adversely impact the ability of Ultimate Parent or Merger Sub to obtain the Financing), (iii) adversely impact the ability of Ultimate Parent or Merger Sub to obtain the Financing or (iv) materially adversely impact the ability of Ultimate Parent or Merger Sub to enforce its rights against the other parties to the Commitment Letters; provided that, notwithstanding anything in this *Section 7.17(c)* or in *Section 7.17(a)* to the contrary, Ultimate Parent, Parent or Merger Sub may (x) amend, supplement or modify any Commitment Letter to (I) add lenders, lead arrangers,

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bookrunners, syndication agents or similar entities who had not executed the applicable Commitment Letter as of the date of this Agreement (and, in connection therewith, to otherwise modify the applicable Commitment Letter in the manner contemplated by its terms) and/or (II) to reduce the commitments under either or both Commitment Letters if Ultimate Parent reasonably determines that, after giving effect to such

reduction, the aggregate net proceeds contemplated by the Commitment Letters, together with cash and cash equivalents on hand, will provide Ultimate Parent, Parent and Merger Sub with cash proceeds on the Closing Date sufficient to permit Ultimate Parent and Parent to fund its obligations under this Agreement, and (y) enter into alternative, replacement, take-out or additional financing arrangements (whether debt or equity and whether incurred by Ultimate Parent or any of its Affiliates, and including any Third Party Investment) and thereby reduce all or a portion of the aggregate amount of the Committed Financing by the amount of, or the amount of any commitment (including pursuant to working capital facilities) for, any such financing so long as the conditions to funding, if any, under such financing arrangements satisfy clause (ii) above (any such alternative, replacement, take-out or additional financing arrangements, a "*Permanent Financing*" and, together with the Committed Financing, the "*Financing*"). Upon any amendment, supplement, modification, termination, reduction or waiver of any Commitment Letter in accordance with this *Section 7.17* or any replacement of any Commitment Letter in accordance with *Section 7.17(a)*, (i) references herein to a "Commitment Letter" shall include such document as amended, supplemented, modified, terminated, reduced, or replaced in accordance with *Section 7.17* and (ii) references to "Committed Financing" shall include the financing contemplated by such Commitment Letter as amended, supplemented, modified or waived in compliance with this *Section 7.17(c)*.

SECTION 7.18 **Listing of Shares of Ultimate Parent Common Stock**. Prior to the Closing Date, Ultimate Parent shall use its reasonable best efforts to cause the Ultimate Parent Shares to be issued in the Merger to be authorized for listing on the New York Stock Exchange and the TSX, subject, if necessary, to official notice of issuance. The Company shall use its reasonable best efforts to cooperate with Ultimate Parent in connection with the foregoing, including by providing information reasonably requested by Ultimate Parent in connection therewith.

SECTION 7.19 **Ultimate Parent Board of Directors**. The chief executive officer of the Company as of the date hereof (the "*Chief Executive Officer*") shall be permitted to attend (but not participate in) all meetings of the Ultimate Parent Board of Directors and to receive all information distributed to the directors from the Effective Time until the first annual general meeting of Ultimate Parent's shareholders following the Effective Time (the "*First Ultimate Parent AGM*"). Prior to the First Ultimate Parent AGM, Ultimate Parent shall use its reasonable efforts to cause the Chief Executive Officer or, if the Chief Executive Officer is still the chief executive officer of the Surviving Corporation, a Person mutually agreed by the board of directors of the Surviving Corporation and the Ultimate Parent Board of Directors, in consultation with the Chief Executive Officer, to be elected to the Ultimate Parent Board of Directors at the First Ultimate Parent AGM and at the next annual general meeting of the Ultimate Parent's shareholders immediately following the First Ultimate Parent AGM to serve until the next subsequent annual general meeting of the Ultimate Parent's shareholders; *provided*, that the Chief Executive Officer or other Person, as applicable, shall have consented in writing to be nominated and to act as a director of Ultimate Parent.

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ARTICLE VIII

CONDITIONS OF MERGER

SECTION 8.1 **Conditions to Obligation of Each Party to Effect the Merger**. The respective obligations of each Party to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) *Company Shareholder Approval.* This Agreement shall have been duly adopted by holders of shares of Company Common Stock constituting the Company Requisite Vote;

(b) *Orders.* No Law (whether temporary, preliminary or permanent) shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits, restrains or enjoins the consummation of the Merger, and shall remain in effect (each, a "*Legal Restraint*");

(c) *Regulatory Approvals.* The Consents or Filings marked with an asterisk on *Section 3.5(b)* of the Company Disclosure Schedule or *Section 4.3(b)* of the Parent Disclosure Schedule shall have been duly obtained, made or given and shall be in full force and effect and not subject to appeal, and all terminations or expirations of applicable waiting periods imposed by any Governmental Entity with respect to the transactions contemplated thereby (including under the HSR Act) shall have occurred (collectively, the "*Required Regulatory Approvals*");

(d) *Ultimate Parent Shareholder Approval.* The Share Issuance shall have been duly approved by holders of Ultimate Parent Shares constituting the Ultimate Parent Requisite Vote;

(e) *Stock Exchange Listings.* The Ultimate Parent Shares to be issued in connection with the Merger shall have been approved for listing on the New York Stock Exchange and the TSX (in each case, or any successor inter-dealer quotation system or stock exchange thereto), subject to official notice of issuance; and

(f) *Effectiveness of the Registration Statement.* The Registration Statement shall have been declared effective by the SEC under the

Securities Act or otherwise become effective. No stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC, and no proceedings for that purpose shall have been initiated or threatened by the SEC.

SECTION 8.2 **Conditions to Obligations of Ultimate Parent, Parent and Merger Sub**. The obligations of Ultimate Parent, Parent and Merger Sub to effect the Merger shall be further subject to the satisfaction (or waiver by Ultimate Parent, Parent and Merger Sub) at or prior to the Effective Time of the following conditions:

(a) *Representations and Warranties.* (i) The representations and warranties of the Company set forth in this Agreement (other than the representations and warranties of the Company set forth in *Sections 3.3(a)*, *3.4* and *3.5(a)(i)* , clause (x) of the last sentence of *Section 3.1*, and the first two sentences of *Section 3.3(b)*) shall be true and correct in all respects (without giving effect to any "materiality," "Material Adverse Effect" or similar qualifiers contained in any such representations and warranties other than those contained in *Section 3.9(a)(ii)*) as of the Effective Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failures of any such representations and warranties to be so true and correct, in the aggregate, do not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company; and (ii) the representations and warranties of the Company set forth in *Sections 3.3(a)*, *Section 3.4* and *3.5(a)(i)*, clause (x) of the last sentence of *Section 3.1*, and the first two sentences of *Section 3.3(b)* shall be true and correct in all material respects as of the Effective Time as though made on and as of such date (except to the extent that any such representation or

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warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(b) *Performance of Obligations of the Company.* The Company shall have performed in all material respects the obligations, and complied in all material respects with the agreements and covenants, required to be performed by, or complied with by, it under this Agreement at or prior to the Effective Time;

(c) *Certificate.* Parent shall have received a certificate of an executive officer of the Company, certifying that the conditions set forth in *Section 8.2(a)*, *Section 8.2(b)* and *Section 8.2(d)* have been satisfied;

(d) *No Material Adverse Effect.* Since the date of this Agreement, there shall not have occurred any event, development, change, effect or occurrence that, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on the Company; and

(e) *Required Financial Statements*. Ultimate Parent and Parent shall have received the Required Financial Statements, as set forth in *Section 7.15(b)*.

SECTION 8.3 **Conditions to Obligations of the Company**. The obligation of the Company to effect the Merger shall be further subject to the satisfaction (or waiver by the Company) at or prior to the Effective Time of the following conditions:

(a) *Representations and Warranties.* (i) The representations and warranties of Ultimate Parent, Parent, and Merger Sub set forth in this Agreement (other than the representations and warranties of Parent and Merger Sub set forth in *Sections 4.2* and *4.3(a)(i)* and of Ultimate Parent set forth in *Sections 5.3(a)*, *5.4* and *5.5(a)(i)*, clause (x) of the first sentence of *Section 5.1(b)*, and the first two sentences of *Section 5.3(b)*) shall be true and correct in all respects (without giving effect to any "materiality," "Material Adverse Effect" or similar qualifiers contained in any such representations and warranties other than those contained in *Section 5.10(a)(ii)*) as of the Effective Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failures of any such representations and warranties to be so true and correct, in the aggregate, do not have would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Ultimate Parent and (ii) that the representations and warranties of Parent and Merger Sub set forth in *Sections 4.2* and *4.3(a)(i)* and of Ultimate Parent set forth in *Sections 5.3(a)*, *5.4* and *5.5(a)(i)*, clause (x) of the first sentence of *Section 5.1(b)*, and the first two sentences of *Section 5.3(b)* shall be true and correct in all material respects as of the Effective Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(b) *Performance of Obligations of Ultimate Parent, Parent and Merger Sub.* Each of Ultimate Parent, Parent and Merger Sub shall have performed in all material respects the obligations, and complied in all material respects with the agreements and covenants, required to be performed by or complied with by it under this Agreement at or prior to the Effective Time;

(c) *Certificate.* The Company shall have received a certificate of an executive officer of Ultimate Parent and Parent, certifying that the

conditions set forth in *Section 8.3(a)*, *Section 8.3(b)* and *Section 8.3(d)* have been satisfied; and

(d) *No Material Adverse Effect.* Since the date of this Agreement, there shall not have occurred any event, development, change, effect or occurrence that, individually or in the

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aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on Ultimate Parent.

SECTION 8.4 **Frustration of Closing Conditions**. None of the Company, Ultimate Parent or Parent may rely, either as a basis for not consummating the Merger or terminating this Agreement and abandoning the Merger, on the failure of any condition set forth in *Section 8.1*, *Section 8.2* or *Section 8.3*, as the case may be, to be satisfied if such failure was caused by such Party's breach in any material respect of any provision of this Agreement or failure in any material respect to use the standard of efforts required from such Party to consummate the Merger and the other transactions contemplated hereby.

ARTICLE IX

TERMINATION, AMENDMENT AND WAIVER

SECTION 9.1 **Termination**. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, notwithstanding the adoption of this Agreement by the shareholders of the Company:

(a) by mutual written consent of Ultimate Parent and the Company;

(b) by Ultimate Parent or the Company if any court of competent jurisdiction or other Governmental Entity located or having jurisdiction over the Parties shall have issued an order, decree or ruling or taken any other final action restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action is or shall have become final and nonappealable; *provided* that the Party seeking to terminate this Agreement pursuant to this *Section 9.1(b)* shall have used such standard of efforts as may be required pursuant to *Section 7.4* to prevent, oppose and remove such restraint, injunction or other prohibition;

(c) by Ultimate Parent or the Company if the Effective Time shall not have occurred on or before 5:00 p m. Michigan local time on February 9, 2017 (the "*End Date*"); *provided* that if, prior to the End Date, all of the conditions to the Closing set forth in *Article VIII* have been satisfied or waived, as applicable, or for conditions that by their nature are to be satisfied at the Closing, shall then be capable of being satisfied (except for any condition set forth in *Section 8.1(b)* or *Section 8.1(c)*), the Company or Ultimate Parent may, prior to 5:00 p.m. Michigan local time on the End Date, extend the End Date to a date that is six (6) months after the End Date (and if so extended, such later date being the End Date); *provided, further*, that the right to terminate this Agreement pursuant to this *Section 9.1(c)* shall not be available to the Party seeking to terminate if any action of such Party (or, in the case of Ultimate Parent, Parent or Merger Sub) or the failure of such Party (or, in the case of Ultimate Parent, Parent or Merger Sub) to perform any of its obligations, representations or warranties under this Agreement required to be performed or be true, as applicable, at or prior to the Effective Time has been the primary cause of the failure of the Effective Time to occur on or before the End Date;

(d) by written notice from the Company if:

(i) there shall have been a breach or failure to perform of any representation, warranty, covenant or agreement on the part of Ultimate Parent, Parent or Merger Sub contained in this Agreement, or any such representation or warranty shall be untrue, such that the conditions set forth in *Section 8.3(a)* or *Section 8.3(b)* would not be satisfied and, in either such case, such breach or condition is not curable or, if curable, is not cured prior to the earlier of (A) thirty (30) days after written notice thereof is given by the Company to Ultimate Parent or (B) three (3) Business Days prior to the End Date; *provided* that the Company shall not have the right to terminate this Agreement pursuant to this *Section 9.1(d)(i)* if the

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Company is then in material breach of any of its, covenants or agreements contained in this Agreement;

(ii) prior to obtaining the Company Requisite Vote, in accordance with, and subject to, and in compliance with, all of the terms and conditions of, *Section 7.1(d)* in order to enter into a definitive agreement with respect to a Superior Proposal, if prior to or concurrently

with such termination, the Company pays the Company Termination Fee due under Section 9.2(b)(i); or

(iii) the Ultimate Parent Board of Directors (A) shall have made, prior to obtaining the Ultimate Parent Requisite Vote, an Ultimate Parent Change of Recommendation (it being understood and agreed that, for all purposes of this Agreement (including *Section 7.1* and *Section 7.3*), a communication by the Ultimate Parent Board of Directors to the shareholders of Ultimate Parent in accordance with Rule 14d-9(f) of the Exchange Act or any Canadian equivalent, or any "stop-look-and-listen" communication to the shareholders of Ultimate Parent in connection with the commencement of a tender offer or exchange offer, shall not be deemed to constitute an Ultimate Parent Change of Recommendation), (B) shall have failed to include the Ultimate Parent Recommendation in the Circular distributed to shareholders, or (C) shall have formally resolved to effect or publicly announced an intention to effect any of the foregoing, prior to obtaining the Ultimate Parent Requisite Vote.

(e) by written notice from Ultimate Parent if:

(i) there shall have been a breach or failure to perform of any representation, warranty, covenant or agreement on the part of the Company contained in this Agreement, or any such representation or warranty shall be untrue, such that the conditions set forth in *Section 8.2(a)* or *Section 8.2(b)* would not be satisfied and, in either such case, such breach or condition is not curable or, if curable, is not cured prior to the earlier of (A) thirty (30) days after written notice thereof is given by Ultimate Parent to the Company or (B) three (3) Business Days prior to the End Date; *provided* that Ultimate Parent shall not have the right to terminate this Agreement pursuant to this *Section 9.1(e)(i)* if Ultimate Parent, Parent or Merger Sub is then in material breach of any of its covenants or agreements contained in this Agreement; or

(ii) the Company Board of Directors (A) shall have made, prior to obtaining the Company Requisite Vote and whether or not in compliance with *Section 7.1*, a Company Change of Recommendation (it being understood and agreed that, for all purposes of this Agreement (including *Section 7.1* and *Section 7.3*), a communication by the Company Board of Directors to the shareholders of the Company in accordance with Rule 14d-9(f) of the Exchange Act, or any "stop-look-and-listen" communication to the shareholders of the Company in connection with the commencement of a tender offer or exchange offer, shall not be deemed to constitute a Company Change of Recommendation), (B) shall have failed to include the Company Recommendation in the Proxy Statement distributed to shareholders, (C) shall have recommended, prior to obtaining the Company Requisite Vote, to the shareholders of the Company an Acquisition Proposal other than the Merger, or (D) shall have formally resolved to effect or publicly announced an intention to effect any of the foregoing, prior to obtaining the Company Requisite Vote (it being agreed that the taking of any action by the Company, its Company Board of Directors or any of its Representatives permitted by *Section 7.1(b)* shall not give rise to a right to terminate pursuant to this *Section 9.1(e)(ii)*);

(f) by either Ultimate Parent or the Company if the Company Requisite Vote shall not have been obtained at the Company Shareholders Meeting duly convened therefor or at any adjournment or postponement thereof, at which a vote on the approval of this Agreement was taken; or

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(g) by Ultimate Parent or the Company if the Ultimate Parent Requisite Vote shall not have been obtained at the Ultimate Parent Shareholders Meeting duly convened therefor or at any adjournment or postponement thereof, at which a vote on the approval of the Share Issuance was taken.

SECTION 9.2 **Effect of Termination**.

(a) In the event of the termination of this Agreement pursuant to *Section 9.1*, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of any Party hereto, except as provided in *Section 7.6(b)*, *Section 7.8*, *Section 7.15(e)*, this *Section 9.2*, *Section 9.3* and *Article X*, each of which shall survive such termination; *provided* that, except to the extent set forth in *Section 9.2(f)*, nothing herein shall relieve any Party hereto of any liability for damages resulting from fraud or Willful Breach prior to such termination by any Party hereto but solely to the extent such liability arises out of a Willful Breach by such Party of a covenant or agreement set forth herein that gave rise to the failure of a condition set forth in *Article VIII* (which damages the Parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and in the case of any damages sought by the Company from Ultimate Parent, Parent or Merger Sub, including for any Willful Breach, such damages can be based on the damages incurred by the Company's shareholders in the event such shareholders would not receive the benefit of the bargain negotiated by the Company on their behalf as set forth in this Agreement). The Parties acknowledge and agree that nothing in this *Section 9.2* shall be deemed to affect their right to specific performance under *Section 10.12*.

(b) In the event that:

(i) this Agreement is terminated by the Company pursuant to *Section 9.1(d)(ii)*, or by Ultimate Parent pursuant to *Section 9.1(e)(ii)*, then the Company shall pay $245,000,000 (the "*Company Termination Fee*") to Parent, on or prior to the date of termination in the case of a termination pursuant to *Section 9.1(d)(ii)* or as promptly as reasonably practicable in the case of a termination

pursuant to *Section 9.1(e)(ii)* (and, in any event, within two (2) Business Days following such termination), payable by wire transfer of immediately available funds; and

(ii) this Agreement is terminated by Ultimate Parent or the Company pursuant to *Section 9.1(c)* or *Section 9.1(f)* and (A) at any time after the date of this Agreement and prior to the taking of a vote to approve this Agreement at the Company Shareholders Meeting or any postponement or adjournment thereof an Acquisition Proposal shall have been made to the Company, or the Company Board of Directors or shareholders, or an Acquisition Proposal shall have otherwise become publicly known, and (B) within twelve (12) months after such termination, the Company shall have entered into a definitive agreement with respect to an Acquisition Proposal (which is subsequently consummated) or shall have consummated an Acquisition Proposal, then, in the event that the actions described in both clauses (A) and (B) above occur, the Company shall pay to Parent the Company Termination Fee, such payment to be made within two (2) Business Days following the consummation of such Acquisition Proposal by wire transfer of immediately available funds. For the purpose of this *Section 9.2(b)(ii)*, all references in the definition of the term Acquisition Proposal to "20% or more" will be deemed to be references to "more than 50%".

(c) In the event that:

(i) this Agreement is terminated by the Company pursuant to *Section 9.1(d)(iii)*, then Ultimate Parent shall pay to the Company the Parent Termination Payment by wire transfer of immediately available funds, such payment to be made within two (2) Business Days of the applicable termination; or

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(ii) this Agreement is terminated (i)(A) by Ultimate Parent or the Company pursuant to *Section 9.1(b)* (if, and only if, the applicable Legal Restraint giving rise to such termination arises in connection with the Required Regulatory Approvals), (B) by Ultimate Parent or the Company pursuant to *Section 9.1(c)* and, at the time of such termination, any of the conditions set forth in *Section 8.1(c)* or, in connection with the Required Regulatory Approvals, *Section 8.1(b)* shall have not been satisfied or (C) if the Company terminates this Agreement pursuant to *Section 9.1(d)(i)* based on a failure by Ultimate Parent or Parent to perform its covenants or agreements under *Section 7.4*, and (ii) in each case of the foregoing clauses (A), (B) and (C), at the time of such termination, all other conditions to the Closing set forth in *Section 8.1* and *Section 8.2* shall have been satisfied or waived (except for (I) those conditions that by their nature are to be satisfied at the Closing, but which condition would be satisfied or would be capable of being satisfied if Closing Date were the date of such termination and (II) those conditions that have not been satisfied as a result of a breach of this Agreement by Ultimate Parent, Parent or Merger Sub), then Ultimate Parent shall pay to the Company the Parent Termination Payment by wire transfer of immediately available funds, such payment to be made within two (2) Business Days of the applicable termination.

(d) The Parties hereto acknowledge and hereby agree that in no event shall either the Company be required to pay the Company Termination Fee or Ultimate Parent be required to pay the Parent Termination Fee, on more than one occasion.

(e) Each of the Company, Ultimate Parent, Parent and Merger Sub acknowledges that the agreements contained in this *Section 9.2* are an integral part of the transactions contemplated by this Agreement and that, without these agreements, the Parties would not enter into this Agreement. If the Company fails to promptly pay an amount due pursuant to *Section 9.2(b)*, or Parent fails to promptly pay an amount due pursuant to *Section 9.2(c)*, and, in order to obtain such payment, Parent, on the one hand, or the Company, on the other hand, commences a suit that results in a judgment against the Company for the amount set forth in *Section 9.2(b)*, or any portion thereof, or a judgment against Parent for the amount set forth in *Section 9.2(c)*, or any portion thereof, the Company shall pay to Parent, on the one hand, or Parent shall pay to the Company, on the other hand, its costs and expenses (including reasonable attorneys' fees and the fees and expenses of any expert or consultant engaged by the Company) in connection with such suit, together with interest on the amount of such payment from the date such payment was required to be made until the date of payment at the prime rate as published in *The Wall Street Journal*, Eastern Edition in effect on the date of such payment. Any amount payable pursuant to *Section 9.2(b)*, or *Section 9.2(c)* shall be paid by the applicable Party by wire transfer of same day funds prior to or on the date such payment is required to be made under *Section 9.2(b)* or *Section 9.2(c)*.

(f) Notwithstanding anything to the contrary in this Agreement, in any circumstance in which this Agreement is terminated and Parent is entitled to receive the Company Termination Fee from the Company or the Company is entitled to receive the Parent Termination Payment from Ultimate Parent pursuant to *Section 9.2*, the Company Termination Fee, the Parent Termination Payment and the costs and expenses of Parent or the Company pursuant to *Section 9.3*, each to the extent applicable, shall, subject to *Section 10.12*, if Parent is entitled to the Company Termination Fee, be the sole and exclusive remedy of Ultimate Parent, Parent, Merger Sub, and their respective Affiliates against the Company, its subsidiaries and any of their respective former, current, or future general or limited partners, shareholders, directors, officers, managers, members, Affiliates, employees, representatives or agents, on the one hand, and, if the Company is entitled to the Parent Termination Payment, be the sole and exclusive remedy, the Company and its Affiliates against Ultimate Parent, Parent, Merger Sub, their respective subsidiaries and any of their respective former, current, or future general or limited partners, shareholders, directors, officers,

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managers, members, Affiliates, employees, representatives or agents, on the other hand, for any loss suffered as a result of any breach of any covenant or agreement in this Agreement giving rise to such termination, or in respect of any representation made or alleged to be have been made in connection with this Agreement, and upon payment of such amounts, such paying Party and its respective subsidiaries or and their respective former, current, or future general or limited partners, shareholders, directors, officers, managers, members, Affiliates, employees, representatives or agents shall have no further liability or obligation relating to or arising out of this Agreement or in respect of representations made or alleged to be made in connection herewith, whether in equity or at law, in contract, in tort or otherwise.

SECTION 9.3 **Expenses**. Except as otherwise specifically provided herein, each Party shall bear its own expenses in connection with this Agreement and the transactions contemplated hereby. Expenses incurred in connection with the filing, printing and mailing of the Registration Statement and Proxy Statement shall be shared equally by Parent and the Company.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.1 **Non-Survival of Representations, Warranties, Covenants and Agreements**. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and agreements, shall survive the Effective Time, except for (a) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Effective Time and (b) those contained in *Section 7.15(e)* and this *Article X*.

SECTION 10.2 **Modification or Amendment**. Subject to the provisions of applicable Law, at any time prior to the Effective Time, the Parties may modify or amend this Agreement by written agreement, executed and delivered by duly authorized officers of the respective Parties. No amendment, waiver or other modification to this *Section 10.2* or *Section 7.15(c)*, *Section 7.15(e)*, *Section 9.2(a)*, *Section 9.2(f)*, *Section 10.1*, *Section 10.7*, the first sentence of *Section 10.8* (to the extent relating to clause (e) thereof) and the last sentence of *Section 10.8*, the last sentence of *Section 10.9*, the last sentence of *Section 10.13*, *Section 10.14* or any defined term used therein that is adverse to any Financing Source shall be effective as to such Financing Source without the prior written consent of such Financing Source.

SECTION 10.3 **Waiver**. At any time prior to the Effective Time, any Party hereto may (a) extend the time for the performance of any of the obligations or other acts of the other Parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) subject to the requirements of applicable Law, waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the Party or Parties to be bound thereby and specifically referencing this Agreement. The failure of any Party to assert any rights or remedies shall not constitute a waiver of such rights or remedies.

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SECTION 10.4 **Notices**. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by facsimile or e-mail or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to Ultimate Parent, Parent or Merger Sub:

c/o Fortis Inc.
The Fortis Building, 139 Water Street, Suite 1201
P.O. Box 8837
St. John's, Newfoundland A1B3T2
Canada
Attention: David Bennett
Facsimile: (709) 737-5307
E-Mail: dbennett@fortisinc.com

with an additional copy (which shall not constitute notice) to:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Attention: John M. Reiss
Matthew J. Kautz
Daniel A. Hagan
Facsimile: (212) 354-8113
E-Mail: jreiss@whitecase.com
mkautz@whitecase.com
dhagan@whitecase.com

(b) if to the Company:

ITC Holdings Corp.
27175 Energy Way
Novi, Michigan 48377
Attention: Christine Soneral, Senior Vice President and General Counsel
Facsimile: (248) 946-3562
E-Mail: csoneral@itctransco.com

with an additional copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attention: Mario Ponce / Brian Chisling
Facsimile: (212) 455-2502
E-Mail: mponce@stblaw.com / bchisling@stblaw.com

and

Jones Day
222 E. 41st Street
New York, NY 10017
Attention: Robert Profusek / Andrew Levine
Facsimile: (212) 755-7306
Email: raprofusek@jonesday.com / amlevine@jonesday.com

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SECTION 10.5 **Certain Definitions**. For purposes of this Agreement, the term:

(a) "*Acceptable Confidentiality Agreement*" means a confidentiality agreement on terms no less favorable in the aggregate to the Company, as determined by the Company in good faith, to those contained in the Confidentiality Agreement (except for such changes specifically necessary in order for the Company to be able to comply with its obligations under this Agreement), it being understood that such confidentiality agreement need not prohibit the making or amendment of an Acquisition Proposal.

(b) "*Affiliate*" means, with respect to any Person, any other Person directly or indirectly, controlling, controlled by, or under common control with, such Person, except that for purposes of *Section 5.23*, an "Affiliate" of Parent includes Ultimate Parent and any Person eight percent (8%) or more of the outstanding voting securities of which are owned, controlled, or held with power to vote, directly or indirectly, by Parent or Ultimate Parent.

(c) "*Business Day*" means any day other than a Saturday or Sunday or a day on which banks are required or authorized to close in the United States in New York, New York or Lansing, Michigan or in Canada in the Provinces of Ontario or Newfoundland and Labrador.

(d) "*Commercial Paper*" means the Company's ongoing commercial paper program, established pursuant to the authorization of the Company Board of Directors, for the issuance and sale of short-term, unsecured commercial paper notes in an aggregate amount not to exceed $400.0 million outstanding at any one time.

(e) "*Canadian Securities Regulators*" means the securities commissions or equivalent entity in each of the provinces of Canada.

(f) "*Contract*" means any legally binding written or oral agreement, contract, subcontract, lease, understanding, instrument, note, option, warranty, sales order, purchase order, license, sublicense, insurance policy, benefit plan or commitment or undertaking of any nature, excluding any Permit.

(g) "*control*" (including the terms "*controlling*", "*controlled*", "*controlled by*" and "*under common control with*") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(h) "*Convertible Debentures*" means the four percent (4%) convertible unsecured subordinated debentures of Ultimate Parent.

(i) "*Credit Facilities*" means the agreements (as in effect on the date of this Agreement) listed in *Section 10.5(i)* of the Company Disclosure Schedule, and any replacements or refinancings thereof entered into after the date hereof in compliance with *Section 6.1*.

(j) "*Equity Award Consideration*" means the sum of (i) the Per Share Cash Consideration *plus* (ii) the product of (x) the Per Share Stock Consideration *multiplied* by (y) the Average Price *multiplied* by (z) the Conversion Rate.

(k) "*Equivalent Performance Share*" means the Performance Shares into which dividends and other distributions, paid prior to the applicable vesting date of outstanding Performance Shares and to which the holder of such Performance Shares is entitled pursuant to the applicable Performance Share grant agreement, are converted in accordance with such agreement.

(l) "*Exchange Act*" means Securities Exchange Act of 1934, as amended.

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(m) "*Exemptive Relief*" means the exemptive relief granted to Ultimate Parent and certain of its subsidiaries by the Canadian Securities Regulators dated January 24, 2014, pursuant to which Ultimate Parent is permitted to prepare its financial statements in accordance with GAAP.

(n) "*FERC*" means Federal Energy Regulatory Commission.

(o) "*Financing Sources*" means the collective reference to each lender, equity investor and each other Person (including, without limitation, each agent, underwriter and arranger) that have committed, or are considering committing, to provide or otherwise entered into, or are considering entering into, agreements in connection with the Financing or the Third Party Investment, including by purchasing securities from or placing securities or arranging or providing loans or equity to Ultimate Parent, Parent, Merger Sub or the Surviving Corporation, in connection with the transactions contemplated hereby, including, without limitation, any commitment letters, engagement letters, credit agreements, loan agreements, underwriting agreements, purchase agreements (whether for debt or equity) or indentures relating thereto (and any joinders or amendments thereof), together with each former, current and future affiliate thereof and each former, current and future officer, director, employee, equityholder, member, manager, partner, controlling person, advisor, attorney, agent and other Representative of each such lender, equity investor, other Person or affiliate, and together with the heirs, executors, successors and assigns of any of the foregoing.

(p) "*FPA*" means, the Federal Power Act, as amended.

(q) "*GAAP*" means the generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession in the United States, in each case, as applicable, as of the time of the relevant financial statements referred to herein.

(r) "*Governmental Entity*" means any governmental, quasi-governmental or regulatory (including stock exchange) authority, agency, court, commission or other governmental body, whether foreign or domestic, of any country, nation, republic, federation or similar entity or any state, county, parish or municipality, jurisdiction or other political subdivision thereof.

(s) "*HSR Act*" means Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(t) "*ITC Great Plains*" means ITC Great Plains, LLC, an indirect wholly owned subsidiary of the Company.

(u) "*ITC Midwest*" means ITC Midwest LLC, a wholly owned subsidiary of the Company.

(v) "*ITC Transmission*" means ITC Transmission Company, a wholly owned subsidiary of the Company.

(w) "*Intellectual Property*" means all worldwide intellectual property, industrial property and proprietary rights, including all (i) patents, methods, technology, designs, processes, inventions, copyrights, works of authorship, software and systems, trademarks, service marks, trade names, corporate names, domain names, logos, trade dress and other source indicators and the goodwill of the business symbolized thereby,

trade secrets, know-how and tangible and intangible proprietary information and materials, and (ii) registrations, applications, provisionals, divisions, continuations, continuations-in-part, re-examinations, extensions, re-issues, renewals and foreign counterparts of or for any of the foregoing.

(x) "*Interim Period*" means the period from the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with its terms.

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(y) "*Intervening Event*" means any event, development, change, effect or occurrence that affects or would reasonably be expected to affect (i) the business, financial condition or continuing results of operation of the Company and its subsidiaries, taken as a whole or (ii) the shareholders of the Company (including the benefits of the Merger to the shareholders of the Company) in either case that (a) is material, (b) was not known to the Company Board of Directors as of the date of this Agreement (and which could not have become known through any further reasonable investigation, discussion, inquiry or negotiation with respect to any event, fact, circumstance, development or occurrence known to the Company as of the date of this Agreement), (c) becomes known to the Company Board of Directors prior to obtaining the Company Requisite Vote and (d) does not relate to or involve any Acquisition Proposal; *provided* that no event, fact, circumstance, development or occurrence that has had or would reasonably be expected to have an adverse effect on the business, financial condition or continuing results of operations of, or the market price of the securities (including Ultimate Parent Common Stock) of, Ultimate Parent or any of its subsidiaries shall constitute an "Intervening Event" unless such event, fact, circumstance, development or occurrence has had or would reasonably be expected to have a Material Adverse Effect on Ultimate Parent; *provided*, *further*, that none of the following shall constitute an Intervening Event: (i) any action taken by any party hereto pursuant to and in compliance with the affirmative covenants set forth in *Section 7.4*, or the consequences of any such action, and (ii) the receipt, existence or terms of an Acquisition Proposal, or the consequences thereof.

(z) "*knowledge*" (i) with respect to the Company means the actual knowledge of any of the individuals listed in *Section 10.5(z)* of the Company Disclosure Schedule after reasonable inquiry of those employees of the Company or its subsidiaries known to such individuals to have specialized knowledge of the subject matter of the applicable representation or warranty and (ii) with respect to Ultimate Parent, Parent or Merger Sub means the actual knowledge of any of the individuals listed in *Section 10.5(z)* of the Parent Disclosure Schedule after reasonable inquiry of those employees of Ultimate Parent, Parent, Merger Sub or their respective subsidiaries known to such individuals to have specialized knowledge of the subject matter of the applicable representation or warranty.

(aa) "*Law*" means any federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, ordinance, code, decree, order, judgment, injunction, rule, regulation, executive order, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity and any order or decision of an applicable arbitrator or arbitration panel.

(bb) "*Market Participant*" means any entity that, either directly or through an affiliate, sells or brokers electric energy, or provides ancillary services to a Regional Transmission Organization, consistent with the definition in FERC regulations at 18 C.F.R. § 35.34(b)(2).

(cc) "*Material Adverse Effect*" means any event, development, change, effect or occurrence that, individually or in the aggregate with all other events, developments, changes, effects or occurrences, has a material adverse effect on or with respect to the business, results of operation or financial condition of such Person and its subsidiaries taken as a whole; *provided* that no events, developments, changes, effects or occurrences relating to, arising out of or in connection with or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general changes or developments in the economy or the financial, debt, capital, credit, commodities or securities markets in the United States, Canada or elsewhere in the world, including as a result of changes in geopolitical conditions, (ii) any changes in the international, national, regional, state, provincial or local wholesale or retail markets for electric power, capacity or fuel or related products; (iii) any changes in the national, regional, state, provincial or local electric transmission or distribution systems or increases or decreases in planned spending with respect thereto, (iv) the negotiation, execution and delivery of

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this Agreement or the public announcement or pendency of the Merger or other transactions contemplated hereby, including any impact thereof on relationships, contractual or otherwise, with customers, suppliers, regulators, lenders, partners or employees of such Person and its subsidiaries, (v) any action taken or omitted to be taken by such Person at the written request of or with the written consent of the other Parties, (vi) any Consent or Filing, with respect to the Company and with respect to Ultimate Parent, Parent and Merger Sub, required under applicable Laws for the consummation of the Merger and other transactions contemplated herein, including any actions required under this Agreement to obtain any such Consent, (vii) changes or prospective or anticipated changes, occurring after the date hereof, in any applicable Laws or applicable accounting regulations or principles or interpretation or enforcement thereof, (viii) any hurricane, tornado, earthquake, flood, tsunami, natural disaster, act of God or other comparable events or outbreak or escalation of hostilities or war (whether or not declared), military actions

or any act of sabotage, terrorism, or national or international political or social conditions, (ix) any change in the market price or trading volume of the shares of any Party or the credit rating of such Person or any of its subsidiaries, (x) any failure by such Person to meet any published analyst estimates or expectations of such Person's revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by such Person to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself, (xi) any matter disclosed on *Schedule 10.5(cc)* of the Company Disclosure Schedule or (xii) any litigation or claim threatened or initiated by shareholders, ratepayers, customers or suppliers of such Person or representatives thereof against such Person, any of its subsidiaries, or any of their respective officers or directors, in each case arising out of the execution of this Agreement or the transactions contemplated thereby (it being understood that in the cases of clauses (ix) or (x), the facts, events or circumstances giving rise to or contributing to such change or failure may be deemed to constitute, and may be taken into account in determining whether there has been a Material Adverse Effect); except in the cases of clauses (i), (ii), (iii), or (viii), to the extent that such Person and its subsidiaries, taken as a whole, are disproportionately affected thereby as compared with other participants in the industry in which such Person operates in the United States and Canada (in which case solely the incremental disproportionate impact or impacts may be taken into account in determining whether there has been a Material Adverse Effect).

(dd) "*MBCA*" means the Business Corporation Act of the State of Michigan, as amended.

(ee) "*METC*" means Michigan Electric Transmission Company, LLC, an indirect wholly owned subsidiary of the Company.

(ff) "*Parent Termination Payment*" means (i) if payable in connection with a termination of this Agreement by the Company or Ultimate Parent pursuant to *Section 9.1(d)(iii)*, an amount equal to $245,000,000 and (ii) if payable in any other circumstance, an amount equal to $280,000,000.

(gg) "*Person*" means an individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

(hh) "*Regional Transmission Organizations*" means the Midcontinent Independent System Operator, Inc., and the Southwest Power Pool, Inc., and as of June 1, 2016, PJM Interconnection, LLC.

(ii) "*Regulated Operating Subsidiaries*" means ITC Transmission, METC, ITC Midwest and ITC Great Plains.

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(jj) "*Significant Subsidiary*" means a subsidiary of any Person that would be a "significant subsidiary" within the meaning of Rule 1-02 of Regulation S-X of the SEC.

(kk) "*subsidiary*" or "*subsidiaries*" means, with respect to any Person (a) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of stock or other equity interests of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof and (b) any partnership, joint venture or limited liability company of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and (ii) such Person or any subsidiary of such Person is a controlling general partner or otherwise controls such entity.

(ll) "*Third Party Investment*" means any investment or acquisition or purchase of, securities of the Company or the Surviving Corporation or any commitment to do any of the foregoing.

(mm) "*Third Party Investor*" means any Person making a Third Party Investment.

(nn) "*Ultimate Parent Change of Recommendation*" means, either the Ultimate Parent Board of Directors or any committee thereof shall (i) withhold, withdraw, qualify or modify, or resolve to or propose to withhold, withdraw, qualify or modify the Ultimate Parent Recommendation in a manner adverse to the Company or (ii) make any public statement inconsistent with the Ultimate Parent Recommendation.

(oo) "*Willful Breach*" means with respect to any breaches or failures to perform any of the covenants or other agreements contained in this Agreement, a material breach that is a consequence of an act or failure to act undertaken by the breaching Party with actual knowledge that such Party's act or failure to act would, or would reasonably be expected to, result in or constitute a breach of this Agreement. For the avoidance of doubt, a Party's failure to consummate the Closing when required pursuant to *Section 1.2* shall be a Willful Breach of this Agreement.

SECTION 10.6 **Severability**. If any term or other provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

SECTION 10.7 **Entire Agreement; Assignment**. This Agreement (including the Exhibits hereto and the Company Disclosure Schedule and the Parent Disclosure Schedule) and the Confidentiality Agreement constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and thereof. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of each of the other Parties, and any assignment without such consent shall be null and void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

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SECTION 10.8 **Parties in Interest**. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, other than (a) with respect to the provisions of *Section 7.10* which shall inure to the benefit of the Persons or entities benefiting therefrom who are intended to be third-party beneficiaries thereof, (b) at and after the Effective Time, the rights of the holders of Company Shares to receive the Per Share Merger Consideration in accordance with the terms and conditions of this Agreement, (c) at and after the Effective Time, the rights of the holders of Options, Restricted Stock and Performance Shares to receive the payments contemplated by the applicable provisions of *Section 2.2* at the Effective Time in accordance with the terms and conditions of this Agreement, (d) prior to the Effective Time, the rights of the holders of Company Common Stock to pursue claims for damages and other relief, including equitable relief, for Ultimate Parent's, Parent's or Merger Sub's breach of this Agreement subject to *Section 9.2(a)*; *provided* that the rights granted to the holders of Company Common Stock pursuant to the foregoing clause (d) of this *Section 10.8* shall only be enforceable on behalf of such holders by the Company in its sole and absolute discretion; and (e) each Financing Source is intended to be, and shall be, an express third-party beneficiary of this first sentence of *Section 10.8* (to the extent relating to this clause (e)), the last sentence of this *Section 10.8* and *Section 7.15(c)*, *Section 7.15(e)* , *Section 9.2(a)*, Section *9.2(f)*, *Section 10.1*, *Section 10.2*, *Section 10.7*, the last sentence of *Section 10.9*, the last sentence of Section *10.13*, and *Section 10.14*. The representations and warranties in this Agreement are the product of negotiations among the Parties hereto and are for the sole benefit of the Parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the Parties in accordance with *Section 10.3* without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the Parties hereto of risks associated with particular matters regardless of the knowledge of any of the Parties hereto. Consequently, Persons other than the Parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date. Without limiting any of the foregoing, no Financing Source shall be responsible for any indirect, incidental, special, punitive, exemplary or consequential damages in connection with this Agreement, the Financing, the Commitment Letters and the transactions contemplated hereby and thereby.

SECTION 10.9 **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without giving effect to choice of law principles thereof), except to the extent that the mandatory provisions of the laws of the State of Michigan are applicable. Notwithstanding anything to the contrary contained herein, (a) except as specified in (b) below, any right or obligation with respect to any Financing Source in connection with this Agreement, any agreements with such Financing Source and the transactions contemplated hereby and thereby, and any claim, controversy, dispute, suit, action or proceeding relating thereto or arising thereunder, shall be governed by and construed in accordance with the law of the State of New York, and (b) solely with respect to any Financing Source whose Financing letters or agreements contemplate being governed by and construed in accordance with the law of the Province of Ontario, any right or obligation with respect to such Financing Source in connection with this Agreement, any letters or agreements with such Financing Source and the transactions contemplated hereby and thereby, and any claim, controversy, dispute, suit, action or proceeding relating thereto or arising thereunder, shall be governed by and construed in accordance with the law of the Province of Ontario.

SECTION 10.10 **Headings**. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.11 **Counterparts**. This Agreement may be executed and delivered (including by facsimile transmission, ".pdf," or other electronic transmission) in one or more counterparts, and by the

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different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 10.12 **Specific Performance**. The Parties agree that irreparable damage for which monetary damages, even if available, may not be an adequate remedy, would occur in the event that the Parties do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The Parties acknowledge and agree that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without any requirement for the posting of security, this being in addition to any other remedy to which they are entitled at law or in equity. The Parties hereby further acknowledge and agree that prior to the Closing, the Company shall be entitled to seek specific performance to enforce specifically the terms and provisions of, and to prevent or cure breaches of *Section 7.4* by Ultimate Parent, Parent or Merger Sub and to cause the other Parties to consummate the transactions contemplated hereby, including to effect the Closing in accordance with *Section 1.2*, on the terms and subject to the conditions in this Agreement.

SECTION 10.13 **Jurisdiction**. Each of the Parties irrevocably (a) consents to submit itself to the personal jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline to accept jurisdiction over a particular matter, in which case, in any Delaware state or federal court within the State of Delaware), in connection with any matter based upon or arising out of this Agreement or any of the transactions contemplated by this Agreement or the actions of Ultimate Parent, Parent, Merger Sub or the Company in the negotiation, administration, performance and enforcement hereof and thereof, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts of the State of Delaware, as described above, and (d) consents to service being made through the notice procedures set forth in *Section 10.4*. Each of the Company, Ultimate Parent, Parent and Merger Sub hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in *Section 10.4* shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each Party hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this *Section 10.13*, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the Party is entitled pursuant to the final judgment of any court having jurisdiction. Each Party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; *provided* that each such Party's consent to jurisdiction and service contained in this *Section 10.13* is solely for the purpose referred to in this *Section 10.13* and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose. Notwithstanding anything to the contrary contained herein (and subject to, and without limiting, *Section 7.15(e)*), each party hereto hereby submits itself to the exclusive jurisdiction of (a) except as specified in (b) below, the United States District Court for the Southern District of New York or, if

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that court does not have subject matter jurisdiction, in the Supreme Court of the State of New York sitting in the Borough of Manhattan in the City of New York and any appellate courts thereof with respect to any suit, action or proceeding against any Financing Source in connection with this Agreement, any letters or agreements with such Financing Source and the transactions contemplated hereby and thereby, whether at law or in equity and whether in tort, contract or otherwise, and hereby agrees that it will not bring or support any such suit, action or proceeding in any other forum, and (b) solely with respect to any Financing Source whose Financing letters or agreements contemplate being governed by and construed in accordance with the law of the Province of Ontario, the courts of the Province of Ontario with respect to any suit, action or proceeding against any Financing Source in connection with this Agreement, any letters or agreements with such Financing Source and the transactions contemplated hereby and thereby, whether at law or in equity and whether in tort, contract or otherwise, and hereby agrees that it will not bring or support any such suit, action or proceeding in any other forum.

SECTION 10.14 **WAIVER OF JURY TRIAL**. EACH OF ULTIMATE PARENT, PARENT, MERGER SUB AND THE COMPANY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF ULTIMATE PARENT, PARENT OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF, INCLUDING, WITHOUT

LIMITATION, IN RESPECT OF ANY ACTION PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) AGAINST ANY FINANCING SOURCE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FINANCING, THE COMMITMENT LETTERS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

SECTION 10.15 **Transfer Taxes**. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including penalties and interest) incurred in connection with the Merger shall be paid by Ultimate Parent, Parent, Merger Sub or the Surviving Corporation when due.

SECTION 10.16 **Interpretation**. When reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein," "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" shall not be exclusive. References to "dollars" or "$" are to United States of America dollars. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

[*Remainder of Page Intentionally Left Blank*]

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IN WITNESS WHEREOF, Ultimate Parent, Parent, Merger Sub and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:

ITC HOLDINGS CORP.

By: /s/ Joseph L. Welch

Name: Joseph L. Welch
Title: Chairman, President and Chief Executive Officer

PARENT:

FORTISUS INC.

By: /s/ Barry V. Perry

Name: Barry V. Perry
Title: President and Chief Executive Officer

By: /s/ David C. Bennett

Name: David C. Bennett
Title: Vice President, Chief Legal Officer and Corporate Secretary

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MERGER SUB:

ELEMENT ACQUISITION SUB INC.

By: /s/ Barry V. Perry

Name: Barry V. Perry

Title: President and Chief Executive Officer

By: /s/ David C. Bennett

Name: David C. Bennett
Title: Vice President, Chief Legal Officer and Corporate Secretary

ULTIMATE PARENT:

FORTIS INC.

By: /s/ Barry V. Perry

Name: Barry V. Perry
Title: President and Chief Executive Officer

By: /s/ David C. Bennett

Name: David C. Bennett
Title: Vice President, Chief Legal Officer and Corporate Secretary

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SECOND AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

ITC Holdings Corp.

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

1. The present name of the corporation is: ITC Holdings Corp.

2. The identification number assigned by the Bureau is: 405-95C.

3. The former name(s) of the corporation are: None.

4. The date of filing the original Articles of Incorporation was: March 23, 1973.

The following Second Amended and Restated Articles of Incorporation supersede the Amended and Restated Articles of Incorporation, as amended, for the corporation:

ARTICLE I
Name

The name of the corporation (the "*Corporation*") is: ITC Holdings Corp.

ARTICLE II
Purpose

The Corporation is formed to engage in any activity within the purposes for which corporations may be formed under the Michigan Business Corporation Act, as amended (the "MBCA").

ARTICLE III
Capital Stock

The total number of shares which the Corporation shall have authority to issue: [ ] shares of Common Stock, with no par value.

ARTICLE IV
Registered Office and Resident Agent

The name of the resident agent is The Corporation Company. The address and mailing address of the registered office of the Corporation is 30600 Telegraph Road, Bingham Farms, Michigan 48025.

ARTICLE V
Limitation of Director Liability; Indemnification

No director of the corporation shall be personally liable to the corporation or its shareholders for money damages for any action taken, or any failure to take any action, except liability for any of the following: (1) the amount of a financial benefit received by a director to which he or she is not entitled; (2) intentional infliction of harm on the corporation or its shareholders; (3) a violation of §551 of the MBCA, the Michigan Compiled Laws Annotated 450.1551, Michigan Statutes Annotated 21.200(551); or (4) an intentional violation of criminal law. If the MBCA hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the MBCA as so amended. No amendment or repeal of this *Article V* shall apply to or have any effect on the liability or

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alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

To the maximum extent permitted by the MBCA, the corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal, including any appeal, by reason of the fact that the person is or was a director or officer of the corporation, or, while serving as a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, member, partner, trustee, employee, fiduciary, or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, or other enterprise, including service with respect to employee benefit plans or public service or charitable organizations, against expenses (including actual and reasonable attorney fees and disbursements), liabilities, judgments, penalties, fines, excise taxes, and amounts paid in settlement actually and incurred by him or her in connection with such action, suit, or proceeding. Indemnification may continue as to a person who has ceased to be a director, officer, employee or agent of the corporation and may inure to the benefit of such person's heirs, executors and administrators. The corporation, by provisions in its bylaws or by agreement, may grant to any current or former director, officer, employee or agent of the corporation the right to, or regulate the manner of providing to any current or former director, officer, employee or agent of the corporation, indemnification to the fullest extent permitted by the MBCA. Any right to indemnification conferred as permitted by this *Article V* shall not be deemed exclusive of any other right which any person may have or hereafter acquire under any statute (including the MBCA), any other provision of these Articles, any provision of the bylaws, any agreement, any vote of shareholders or the Board of Directors or otherwise.

ARTICLE VII
Corporate Action Without Meeting of Shareholders

Any action required or permitted by the MBCA to be taken at an annual or special meeting of shareholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of record of outstanding shares of stock of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take action at a meeting at which all shares entitled to vote thereon were present and voted. The written consent shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take corporate action unless, within sixty (60) days after the record date for determining shareholders entitled to express consent to or dissent from a proposal with a meeting, written consents dated not more than ten (10) days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the Corporation. Delivery shall be to the Corporation's registered office, its principal place of business or an officer or agent of the Corporation having custody of the minutes of the proceedings of its shareholders. Deliver made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented to the action in writing. An electronic transmission consenting to an action must comply with Section 407(3) of the MBCA.

ARTICLE VIII
Applicability of Chapter 7A

The corporation expressly elects not to be governed by Chapter 7A of the MBCA.

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ARTICLE IX
Amendments

The corporation reserves the right to adopt, repeal, alter or amend any provision of these Articles in the manner now or hereafter prescribed by the MBCA and all rights, preferences and privileges conferred on shareholders, directors, officers, employees, agents and other persons in these Articles, if any, are granted subject to this reservation (subject to the last sentence of the first paragraph of *Article* V).

ADOPTION OF AMENDED AND RESTATED ARTICLES

These Second Amended and Restated Articles of Incorporation were duly adopted on the [ ] day of [ ], 2016 in accordance with the provisions of Sections 611(3), 641 and 642 of the MBCA.

Signed this [ ] day of [ ], 2016

By: _____

Name:
Title:

EXHIBIT E-1

EXHIBIT E-1

Pre-Transaction Fortis and ITC Organizational Chart

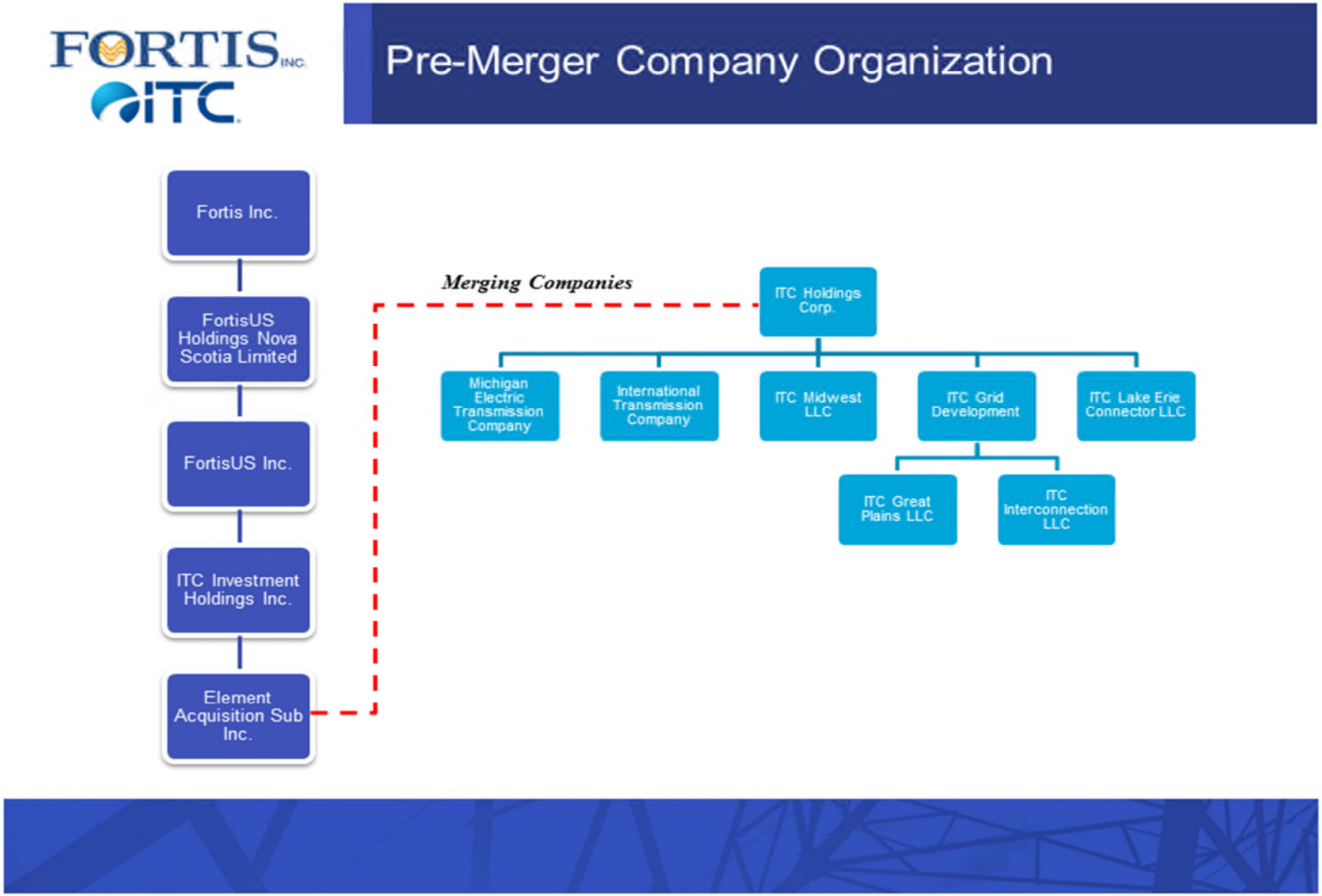

EXHIBIT E-2

EXHIBIT E-2

Post-Transaction Organizational Chart

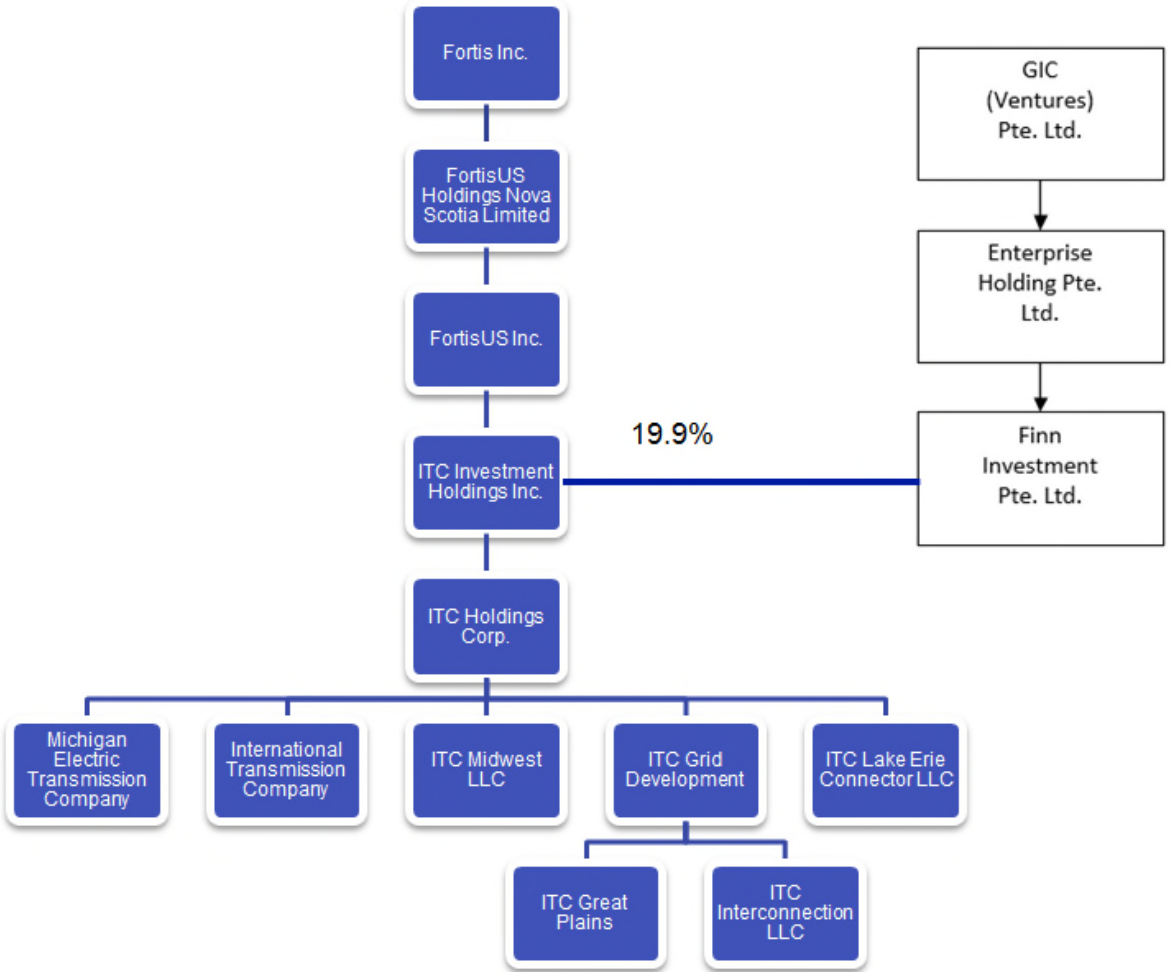

EXHIBIT F

EX-10.9 2 a2228133zex-10_9.htm EX-10.9

Exhibit 10.9

Subscription Agreement
by and among

Finn Investment Pte Ltd,

Fortis Inc.,

FortisUS Inc.,

ITC Investment Holdings Inc.

and

Element Acquisition Sub Inc.

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This SUBSCRIPTION AGREEMENT (this "Agreement"), by and among Finn Investment Pte Ltd, a Singapore private limited company (the "Investor"), Fortis Inc., a corporation organized under the laws of Newfoundland

and Labrador ("Fortis"), FortisUS Inc., a Delaware corporation ("FortisUS"), ITC Investment Holdings Inc., a Michigan corporation ("ITC Investments"), and Element Acquisition Inc., a Michigan corporation ("Merger Sub" and, together with Investor, Fortis, FortisUS and ITC Investments, the "Parties"), is dated as of April 20, 2016.

W I T N E S S E T H

WHEREAS, on February 9, 2016, Fortis, FortisUS, Merger Sub, and ITC Holdings Corp., a Michigan corporation ("ITC") entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Merger Sub will merge with and into ITC (the "Merger");

WHEREAS, on the date hereof, FortisUS assigned to ITC Investments its rights and obligations under the Merger Agreement, subject to certain exceptions;

WHEREAS, on the date hereof, FortisUS directly owns 100% of ITC Investments Common Stock;

WHEREAS, on the date hereof, ITC Investments directly owns 100% of Merger Sub Common Stock;

WHEREAS, upon the effectiveness of the Merger, the separate corporate existence of Merger Sub will cease and the Surviving Corporation will be the surviving corporation in the Merger;

WHEREAS, immediately following the consummation of the Merger, ITC will issue Surviving Corporation Common Stock to ITC Investments in accordance with Section 2.1(c)(ii) of the Merger Agreement;

WHEREAS, immediately following the consummation of the Merger, the conversion of the Merger Sub Common Stock into Surviving Corporation Common Stock in connection therewith, and the issuance of Surviving Corporation Common Stock to ITC Investments as aforesaid, ITC Investments will own 100% of ITC; and

WHEREAS, subject to the terms and conditions of this Agreement, immediately prior to the occurrence of the Merger, Investor desires to subscribe for and purchase from ITC Investments shares of ITC Investments Common Stock.

NOW, THEREFORE, in consideration of the premises set forth above and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" has the meaning set forth in the Merger Agreement; provided, however, that no entity other than GIC Pte Ltd (or any successor thereto or assignee of all or a substantial portion of the business or assets thereof) and its subsidiaries and entities managed or advised by GIC Pte Ltd (or any successor thereto or assignee of all or a

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substantial portion of the business or assets thereof) and its subsidiaries shall be deemed an Affiliate of the Investor hereunder.

"Agreement" has the meaning set forth in the Preamble.

"Bankruptcy and Equity Exception" has the meaning set forth in the Merger Agreement.

"Burdensome Requirement" has the meaning set forth in Section 6.3(d).

"Business Day" has the meaning set forth in the Merger Agreement.

"Cash Funding Amount" means $1,228,228,000.

"Cash Subscription Price" means $1,029,228,000.

"CFIUS" means the Committee on Foreign Investment in the United States.

"Closing" has the meaning set forth in Section 2.3(b).

"Closing Date" has the meaning set forth in the Merger Agreement.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Committed Financing" has the meaning set forth in the Merger Agreement.

"Commitment Letters" has the meaning set forth in the Merger Agreement.

"Company Shares" has the meaning set forth in the Merger Agreement.

"Consent" has the meaning set forth in the Merger Agreement.

"Contract" has the meaning set forth in the Merger Agreement.

"Eligible Holder" has the meaning set forth in the Shareholders' Agreement.

"Eligible Transferee" has the meaning set forth in the Shareholders' Agreement.

"Effective Time" has the meaning set forth in the Merger Agreement.

"End Date" has the meaning set forth in the Merger Agreement.

"Excepted Transaction" has the meaning set forth in the Shareholders' Agreement.

"Exchange Act" means U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Agent" has the meaning set forth in the Merger Agreement.

"Exchange Agent Agreement" has the meaning set forth in Section 2.2(a).

"FERC" means the Federal Energy Regulatory Commission.

"Filing" has the meaning set forth in the Merger Agreement.

"Fortis" has the meaning set forth in the Preamble.

"Fortis Common Stock" means the common stock of Fortis.

"Fortis Group" means Fortis or any of its Affiliates (other than ITC Investments, Merger Sub and ITC and its subsidiaries).

"Fortis Share" means each share of Fortis Common Stock.

"FortisUS" has the meaning set forth in the Preamble.

"FortisUS Disclosure Schedule" has the meaning set forth in ARTICLE IV.

"FortisUS Note Amount" means $801,000,000.

"FortisUS Shareholder Note" has the meaning set forth in Section 2.3(a).

"Governmental Entity" has the meaning set forth in the Merger Agreement, and shall also include, for the avoidance of doubt, the North American Electric Reliability Corporation, the Electric Reliability Organizations, and any entity that operates, controls or monitors an electricity transmission grid and is recognized by FERC (as defined in the Merger Agreement) as a system operator or regional transmission organization.

"Investor" has the meaning set forth in the Preamble.

"Investor Disclosure Schedule" has the meaning set forth in ARTICLE V.

"Investor Related Party" has the meaning set forth in Section 8.17(b).

"Investor Shareholder Note" has the meaning set forth in Section 2.3(a).

"Investor Note Amount" means $199,000,000.

"ITC" has the meaning set forth in the Recitals.

"ITC Common Stock" means the "Common Stock" as defined in the Merger Agreement.

"ITC Disclosure Schedule" means the "Company Disclosure Schedule" as defined in the Merger Agreement.

"ITC Investments" has the meaning set forth in the Preamble.

"ITC Investments Common Stock" means the common stock, no par value, of ITC Investments.

"ITC Group" means ITC Investments, Merger Sub, ITC or any of its subsidiaries.

"ITC Shares" means the "Company Shares" as defined in the Merger Agreement.

"ITC Termination Fee" means the "Company Termination Fee" as defined in the Merger Agreement.

"Law" has the meaning set forth in the Merger Agreement.

"Liens" has the meaning set forth in the Merger Agreement.

"Market Participant" has the meaning set forth in the Merger Agreement.

"Merger" has the meaning set forth in the Recitals.

"Merger Agreement" has the meaning set forth in the Recitals.

"Merger Exchange Stock" means a number of shares of ITC Investment Common Stock equal to the number of shares of Fortis common stock constituting the Merger Stock Consideration.

"Merger Failure Liability" has the meaning set forth in Section 8.16(c).

"Merger Stock Consideration" means the aggregate Per Share Stock Consideration deliverable to the holders of Company Shares in accordance with the Merger Agreement.

"Merger Sub" has the meaning set forth in the Preamble.

"Merger Sub Common Stock" means the common stock of Merger Sub.

"Parties" has the meaning set forth in the Preamble.

"Percentage Interest" means, with respect to FortisUS or Investor, the percentage yielded by dividing (x) the number of shares of ITC Investments Common Stock held by such Person or its wholly-owned subsidiary *by* (y) the aggregate number shares of ITC Investments Common Stock.

"Permitted Liens" has the meaning set forth in the Merger Agreement.

"Per Share Cash Consideration" has the meaning set forth in the Merger Agreement.

"Per Share Stock Consideration" has the meaning set forth in the Merger Agreement.

"Person" has the meaning set forth in the Merger Agreement.

"Proposed Regulations" has the meaning set forth in Section 6.7(a).

"Related Party Transaction" has the meaning set forth in the Shareholders' Agreement.

"Relevant Time" means (a) with respect to the deposit of the Cash Funding Amount and the Remaining Cash Consideration with the Exchange Agent, the time of such deposit and (b) with respect to the subscription of the Subscribed Common Stock, the Subscription Time.

"Remaining Cash Consideration" means (x) the aggregate of all amounts payable in cash to which the shareholders of ITC or holders of options or other incentive equity in ITC are entitled pursuant to Article II of the Merger Agreement *minus* (y) the Cash Funding Amount.

"Remaining Common Stock" has the meaning set forth in Section 2.1(b).

"Remaining Percentage" means 80.1%.

"Remaining Pre-Merger Stock" means a number of shares of ITC Investments Common Stock that, when added to the Merger Exchange Stock and any other ITC Investments Common Stock owned by FortisUS immediately prior to the Subscription Time and divided by all outstanding ITC Investments Common Stock, causes the Percentage Interest of FortisUS to equal the Remaining Percentage.

"Remaining Subscription Amount" means (x) the Remaining Cash Consideration *minus* (y) the FortisUS Note Amount.

"Required Regulatory Approvals" has the meaning set forth in the Merger Agreement.

"RH Reserved Matter" has the meaning set forth in the Shareholders' Agreement.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shared Company Expenses" has the meaning set forth in Section 8.16(a).

"Shareholder" has the meaning set forth in the Shareholders' Agreement.

"Shareholders' Agreement" means the shareholders' agreement to be entered into on the Closing Date by and among ITC Investments, ITC, FortisUS, and Investor, in substantively the form of Annex A.

"State PUC Adverse Determination" means an order, judgment, decree or determination of any state or local public utility commission that Investor or any of its Affiliates (x) is a public utility "holding company" and is subject to "holding company" requirements or regulation that Investor determines in its sole discretion are or would be unfavorable to Investor or any of its Affiliates or (y) has breached or otherwise violated any "asset cap" respecting nonutility assets.

"Supermajority Shareholder Matter" has the meaning set forth in the Shareholders' Agreement.

"Subscribed Common Stock" has the meaning set forth in Section 2.1(a).

"Subscription" has the meaning set forth in Section 2.3.

"Subscription Percentage" means 19.9%.

"Subscription Time" has the meaning set forth in Section 2.3(a).

"Surviving Corporation" has the meaning set forth in the Merger Agreement.

"Surviving Corporation Common Stock" means the common stock, no par value, of the Surviving Corporation.

"Taxes" has the meaning set forth in the Merger Agreement.

"Ultimate Parent Requisite Vote" has the meaning set forth in the Merger Agreement.

"Wholly-Owned Affiliate" has the meaning set forth in the Shareholders' Agreement.

Section 1.2. Construction. When reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein," "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" shall not be exclusive. References to "dollars" or "$" are to United States of America dollars. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

ARTICLE II

COMMITMENTS; EXCHANGE AGENT; SUBSCRIPTION

Section 2.1. Commitments.

(a) Investor hereby commits, subject only to the occurrence of the Subscription Time in accordance herewith and to the satisfaction or waiver by the Investor in writing of each of the conditions precedent set forth in ARTICLE III, to pay the Cash Funding Amount to ITC Investments (indirectly or directly, as applicable) in accordance with this Agreement. Upon the paying of the Cash Subscription Price to ITC Investments in accordance herewith, and in consideration of such Cash Subscription Price, at the closing of the Subscription, ITC Investments shall issue to Investor (or its Wholly-Owned Affiliate) shares of ITC Investments Common Stock, in an amount that would

cause (after giving *pro forma* effect to the Merger and the issuance of the Merger Exchange Stock) Investor's (or its Wholly-Owned Affiliate's) Percentage Interest to equal the Subscription Percentage (the "Subscribed Common Stock"). Upon the funding of the Investor Note Amount in accordance herewith, and in consideration of such funds, at the Subscription Time, ITC Investments shall issue to Investor, or its wholly-owned subsidiary, the Investor Shareholder Note in accordance with Section 2.3(a)(ii).

(b) FortisUS hereby commits, subject only to the occurrence of the Subscription Time and the Effective Time in accordance herewith, to pay the Remaining Cash Consideration and deliver the Merger Stock Consideration to ITC Investments (indirectly or directly, as applicable) in accordance with this Agreement. Upon the paying of the Remaining Subscription Amount and the delivery of the Merger Stock Consideration to ITC Investments in accordance herewith, and in consideration of such Remaining Subscription Amount, the Merger Stock Consideration and all other consideration provided by FortisUS and its Affiliates in accordance with the Merger Agreement, at the closing, ITC Investments shall issue to FortisUS (or its wholly-owned subsidiary) shares of ITC Investments Common Stock in an aggregate amount that would cause (after giving *pro forma* effect to the Merger and the issuance of the Merger Exchange Stock) FortisUS' (or its wholly-owned subsidiary's) Percentage Interest to equal the Remaining Percentage (the "Remaining Common Stock") in accordance with Section 2.3 and Section 2.4. Upon the funding of the FortisUS Note Amount in accordance herewith, and in consideration of such funds, at the Subscription Time, ITC Investments shall issue to FortisUS, or its wholly-owned subsidiary, the FortisUS Shareholder Note in accordance with Section 2.3(a)(iv).

(c) All sums payable by Investor or FortisUS hereunder shall be paid in United States dollars by wire transfer of immediately available funds, full, free and clear of any deductions or withholdings for any and all present and future Taxes. If Investor or FortisUS shall be required by any Law to deduct any Taxes from, or in respect of, any sum payable pursuant hereto, (i) the sum payable shall be increased as may be necessary so that after making all required deductions ITC Investments receives an amount equal to the sum that would have been received had no such deductions been required, (ii) Investor or FortisUS (as applicable) shall make such deductions, and (iii) Investor or FortisUS (as applicable) shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with such Law.

Section 2.2. Exchange Agent.

(a) ITC Investments shall, in accordance with Section 2.3 of the Merger Agreement, appoint Computershare as the Exchange Agent or, if Computershare is not appointed Exchange Agent or refuses to accept such appointment, such other Exchange Agent as has been approved in writing by Investor, which approval shall not be unreasonably conditioned, withheld or delayed. ITC Investments,

FortisUS and the Investor shall enter into an agreement with such Exchange Agent in form and substance reasonably acceptable to FortisUS and Investor (the "Exchange Agent Agreement").

(b) FortisUS shall give Investor not less than five Business Days prior written notice of the date it expects the Merger will occur.

(c) On the Business Day immediately preceding the Merger, and subject to the satisfaction or waiver by Investor in writing of the conditions precedent set forth in ARTICLE III, FortisUS shall deposit the Remaining Cash Consideration with the Exchange Agent and, after receiving confirmation that FortisUS has made such deposit, Investor shall deposit the Cash Funding Amount with the Exchange Agent.

(d) ITC Investments shall cause the Exchange Agent Agreement to provide, *inter alia*, that (i) the Cash Subscription Price and the Investor Note Amount deposited by Investor with the Exchange Agent shall be held in trust for the benefit of Investor until the Subscription Time, (ii) if this Agreement is terminated in accordance with Section 7.1(a), then the Cash Subscription Price and the Investor Note Amount deposited by the Investor with the Exchange Agent shall be unconditionally and immediately returned or repaid to the Investor upon such termination, and (iii) if the closing does not occur within two Business Days of the deposit contemplated in Section 2.2(c), then the Cash Subscription Price and the Investor Note Amount deposited by the Investor with the Exchange Agent shall be unconditionally and immediately returned or repaid to the Investor upon written request therefor by the Investor.

Section 2.3. Subscription.

(a) Immediately prior and subject to the consummation of the Merger (the "Subscription Time"), and the deemed conversion of the Merger Sub Common Stock into Surviving Corporation Common Stock pursuant to the Merger Agreement, and subject to the satisfaction or waiver by the relevant Parties in writing of the conditions precedent set forth in ARTICLE III, the following shall occur (collectively, the "Subscription"):

(i) the Cash Subscription Price shall be deemed to have been indefeasibly paid and the Investor Note Amount shall be deemed to have been funded by Investor to ITC Investments (with such amounts in this clause (i) being deemed to have been contributed by ITC Investments to Merger Sub);

(ii) (A) ITC Investments shall issue to Investor, or its wholly-owned subsidiary, the Subscribed Common Stock and (B) ITC Investments shall issue to Investor a note in respect of the Investor Note Amount in the form contemplated by Section 6.8 (the "Investor Shareholder Note");

(iii) the Remaining Subscription Amount shall be deemed to have been indefeasibly paid by FortisUS and the FortisUS Note Amount shall be deemed to have been funded by FortisUS to ITC Investments (with such amounts in this clause (iii) being deemed to have been contributed by ITC Investments to Merger Sub); and

(iv) (A) ITC Investments shall issue to FortisUS, or its wholly-owned subsidiary, the Remaining Pre-Merger Stock and (B) ITC Investments will issue to FortisUS a note in respect of the FortisUS Note Amount in the form contemplated by Section 6.8 (the "FortisUS Shareholder Note").

(b) The closing for the Subscription (the "Closing") shall take place at the offices of White & Case LLP, 1155 Avenue of the Americas, New York, New York, at 9:00 a.m., New York City

time, on the Closing Date, or at such other time and place as Investor and FortisUS shall determine (it being understood that it is the intent of the parties for the closing of the Subscription to be contemporaneous with the closing under the Merger Agreement).

Section 2.4. Merger; Constituent Documents.

(a) At or prior to the Effective Time, (i) FortisUS will deliver the Merger Stock Consideration to ITC Investments in consideration of the Merger Exchange Stock in an exchange governed by Section 351 of the Code, (ii) ITC Investments will deliver the Merger Stock Consideration to Merger Sub in consideration of Merger Sub Common Stock in an exchange governed by Section 351 of the Code, and (iii) Merger Sub shall deliver the Merger Stock Consideration to the Exchange Agent for further application in accordance with the Merger Agreement in an exchange governed by Section 351 of the Code.

(b) Upon the effectiveness of the Merger:

(i) in accordance with the terms of the Merger Agreement, each share of Merger Sub Common Stock, issued and outstanding immediately prior to the Effective Time, and after giving effect to the Subscription, shall be converted into one share of Surviving Corporation Common Stock;

(ii) the Surviving Corporation shall issue Surviving Corporation Common Stock to ITC Investments in accordance with Section 2.1(c)(ii) of the Merger Agreement;

(iii) the articles of incorporation substantially in the form set forth on Exhibit A of the Merger Agreement shall be the articles of incorporation of the Surviving Corporation, in accordance with the Merger Agreement; and

(iv) the bylaws of Merger Sub shall be the bylaws of the Surviving Corporation, in accordance with the Merger Agreement.

Section 2.5. Deliveries.

(a) Prior to the time that the deposit of cash is made by Investor in accordance with Section 2.2(c), the Investor, FortisUS and ITC Investments shall duly execute and deliver to each other the Shareholders' Agreement in the Form of Annex A.

(b) Immediately after the Effective Time, (i) the following certificates representing ITC Investments Common Stock shall be delivered (which certificates shall, at the Closing, be executed and held in escrow by the Parties' counsel subject only to the occurrence of the Effective Time): (A) the Investor shall receive a certificate representing the Subscribed Common Stock and (B) FortisUS shall receive a certificate representing the Remaining Common Stock; and (ii) the FortisUS Shareholder Note shall be delivered to FortisUS and the Investor Shareholder Note shall be delivered to Investor.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Each Party's Obligations. The respective obligations of Investor and FortisUS to deposit the Cash Funding Amount or the Remaining Cash Consideration, respectively, with the Exchange Agent in accordance with Section 2.2 and the respective obligations of each Party to subscribe for or to issue the Subscribed Common Stock and/or the Remaining Common Stock and lend or borrow the Investor Note Amount and the FortisUS Note Amount in accordance with

Section 2.3 or Section 2.4(a) (as applicable) shall be subject to the satisfaction at, or prior to, the Relevant Time of the following conditions precedent:

(a) all conditions to the respective obligations of each Party (as defined in the Merger Agreement) to effect the Merger shall have been satisfied or waived in accordance therewith and in accordance with Section 6.1 (a) (other than those conditions that by their nature are to be satisfied at the closing under the Merger Agreement, but subject to the fulfillment or, to the extent permitted by applicable Law and subject to Section 6.1(a), waiver of those conditions at such closing); and

(b) no Law (whether temporary, preliminary or permanent) shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits, restrains or enjoins the consummation of the Subscription, and shall remain in effect.

Section 3.2. Conditions Precedent to Investor's Obligations. In addition to the conditions precedent set forth in Section 3.1, the obligation of Investor to deposit the Cash Subscription Price and the Investor Note Amount with the Exchange Agent in accordance with Section 2.2 and subscribe for the Subscribed Common Stock in accordance with Section 2.3 shall be subject solely to the satisfaction (or waiver in writing by Investor) at or prior to the Relevant Time of the following conditions precedent:

(a) (i) the representations and warranties of FortisUS, ITC Investments and Merger Sub (other than the representations and warranties of FortisUS, ITC Investments and Merger Sub set forth in Section 4.2, Section 4.3(a)(i), Section 4.5 and Section 4.10), shall be true and correct in all respects (without giving effect to any "materiality," "material adverse effect" or similar qualifiers contained in any such representations and warranties) as of the Relevant Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date), except where the failures of any such representations and warranties to be so true and correct, in the aggregate, do not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Surviving Corporation or its Shareholders (after giving effect to the Merger) and (ii) the representations and warranties of FortisUS, ITC Investments and Merger Sub set forth in Section 4.2 and Section 4.3(a)(i), Section 4.5, and Section 4.10 shall be true and correct in all material respects as of the Relevant Time as though made on and as of such date (except to

the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date);

(b) FortisUS, ITC Investments and Merger Sub shall have performed in all material respects the obligations, and complied in all material respects with the agreements and covenants, required to be performed, or complied with, by each such Party under this Agreement at or prior to the Relevant Time;

(c) FortisUS, ITC Investments and Merger Sub shall have provided the Investor with the confirmation contemplated in Section 2.2(c) and shall have delivered all other documents required to be delivered to the Investor under this Agreement prior to the Relevant Time;

(d) the Required Regulatory Approvals shall have been duly obtained, made or given, without any Burdensome Requirement; and

(e) the credit facilities set forth on Section 7.15(b) of ITC Disclosure Schedule shall have been amended such that, after giving effect to the Merger, there exists no default or event of default with respect to such credit facilities.

Section 3.3. Conditions Precedent to FortisUS, ITC Investments and Merger Sub's Obligations. In addition to the conditions precedent set forth in Section 3.1, the obligation of FortisUS to

deposit the Remaining Cash Consideration and the FortisUS Note Amount with the Exchange Agent in accordance with Section 2.2 and subscribe for the Remaining Common Stock in accordance with Section 2.3 and the obligation of ITC Investments to issue the Subscribed Common Stock and the Remaining Common Stock and borrow the FortisUS Note Amount and the Investor Note Amount in accordance with Section 2.3 or Section 2.4(a) shall be subject solely to the satisfaction on the Subscription Time (or waiver in writing by each of FortisUS, ITC Investments and Merger Sub) of the following conditions precedent:

(a) (i) the representations and warranties of Investor (other than the representations and warranties of Investor set forth in Section 5.2 and Section 5.3(a)(i)), shall be true and correct in all respects (without giving effect to any "materiality," "material adverse effect" or similar qualifiers contained in any such representations and warranties) as of the Relevant Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date), except where the failures of any such representations and warranties to be so true and correct, in the aggregate, do not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Surviving Corporation or its Shareholders (after giving effect to the Merger) and (ii) the representations and warranties of Investor set forth in Section 5.2 and Section 5.3(a)(i) shall be true and correct in all material respects as of the Relevant Time as though made on and as of such date (except to the extent that any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date); and

(b) Investor shall have performed in all material respects the obligations, and complied in all material respects with the agreements and covenants, required to be performed, or complied with, by it under this Agreement at or prior to the Relevant Time.

Section 3.4. Frustration of Closing Conditions. None of Investor, FortisUS, ITC Investments or Merger Sub may rely, either as a basis for not depositing the Cash Funding Amount, the Remaining Cash Consideration, or the Merger Stock Consideration with the Exchange Agent in accordance with Section 2.2 or subscribing for or issuing the Subscribed Common Stock and the Remaining Common Stock in accordance with Section 2.3 or Section 2.4(a) (as applicable) or lending or borrowing under the Investor Shareholder Note or the FortisUS Shareholder Note or terminating this Agreement and abandoning the Merger, on the failure of any condition set forth in Section 3.1, Section 3.2, or Section 3.3, as the case may be, to be satisfied if such failure was caused by such Party's breach in any material respect of any provision of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF FORTIS, FORTISUS AND MERGER SUB

Fortis, FortisUS, and Merger Sub each hereby represent and warrant that, except as set forth on the corresponding sections or subsections of the disclosure schedules delivered to Investor by FortisUS concurrently with entering into this Agreement (the "FortisUS Disclosure Schedule"), it being agreed that disclosure of any item in any section or subsection of the FortisUS Disclosure Schedule shall also be deemed disclosure with respect to any other section or subsection of this Agreement to which the relevance of such item is reasonably apparent on the face of such disclosure:

Section 4.1. Organization. Each of Fortis, FortisUS, ITC Investments and Merger Sub is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as

presently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so qualified or, to the extent such concept is applicable, in such good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impede the consummation by Fortis, FortisUS, ITC Investments or Merger Sub of the Subscription, the Merger, and the other transactions contemplated hereby. FortisUS has made available to Investor prior to the date of this Agreement a complete and correct copy of the articles of incorporation and bylaws of each of ITC Investments and Merger Sub, each as amended to the date of this Agreement, and each as so delivered in full force and effect.

Section 4.2. Authority. Each of Fortis, FortisUS, ITC Investments and Merger Sub has all requisite corporate power and authority, and has taken all corporate action necessary, in order to execute, deliver and perform its obligations under, this Agreement, and to consummate the Subscription, the Merger and the other transactions contemplated hereby. The execution, delivery and performance of this Agreement by each of Fortis, FortisUS, ITC Investments and Merger Sub and the consummation by each of Fortis, FortisUS, ITC Investments and Merger Sub of the transactions contemplated hereby, including the Subscription and the Merger, have been duly and validly authorized by all requisite corporate action of Fortis, FortisUS, ITC Investments and Merger Sub (except that the consummation of the Share Issuance (as defined in the Merger Agreement) by Fortis requires the receipt of the Ultimate Parent Requisite Vote). This Agreement has been duly and validly executed and delivered by each of Fortis, FortisUS, ITC Investments and Merger Sub and, assuming the due authorization, execution and delivery hereof by Investor, constitutes a legal, valid and binding obligation of Fortis, FortisUS, ITC Investments and Merger Sub, enforceable against each of Fortis, FortisUS, ITC Investments and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 4.3. No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance of this Agreement by Fortis, FortisUS, ITC Investments and Merger Sub do not, and the consummation of the Subscription and the Merger and the other transactions contemplated hereby, including the ownership and operation of the Surviving Corporation and its subsidiaries following the Effective Time, will not (i) breach or violate the certificate of incorporation or bylaws of Fortis or FortisUS, the articles of incorporation or bylaws of ITC Investments or Merger Sub or the comparable governing instruments of any of their respective subsidiaries, (ii) assuming that all consents, approvals and authorizations contemplated by subsection (b) below have been obtained, and all filings described in such clauses have been made, conflict with or violate any Law, rule, regulation, order, judgment or decree applicable to Fortis, FortisUS, ITC Investments or Merger Sub or by which either of them or any of their respective properties are bound or (iii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would become a default) or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration of, or result in the creation of a Lien (except a Permitted Lien) on any of the material assets of Fortis, FortisUS, ITC Investments or Merger Sub pursuant to, any Contracts to which FortisUS, ITC Investments or Merger Sub, or any Affiliate thereof, is a party, except in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which would not

reasonably be expected to prevent, materially delay or materially impede the consummation by Fortis, FortisUS, ITC Investments or Merger Sub of the transactions contemplated hereby.

(b) No Consent or Filing with, any Governmental Entity or third party is required for, or in connection with, the execution, delivery and performance of this Agreement by Fortis, FortisUS, ITC Investments or Merger Sub or the consummation by Fortis, FortisUS, ITC Investments or Merger

Sub of the transactions contemplated hereby other than such Consents and Filings that arise from the consummation of the Merger and are set forth in the Merger Agreement.

Section 4.4. Absence of Litigation. There are no civil, criminal, administrative or other suits, claims, investigations, audits, actions, proceedings or arbitrations pending or, to the knowledge of Fortis, FortisUS, threatened against Fortis, FortisUS, ITC Investments or Merger Sub or any of their respective subsidiaries, other than any such suit, claim, investigation, audit, action, proceeding or arbitration that would not or would not reasonably be expected to, prevent, materially delay or materially impede the consummation by Fortis, FortisUS, ITC Investments or Merger Sub of the transactions contemplated hereby. Neither Fortis, FortisUS nor any of its subsidiaries nor any of their respective material properties is or are subject to any order, writ, judgment, injunction, decree or award except for those that would not reasonably be expected to, prevent, materially delay or materially impede the consummation of the transactions contemplated by this Agreement by Fortis, FortisUS, ITC Investments or Merger Sub.

Section 4.5. Operations and Ownership of ITC Investments and Merger Sub.

(a) (i) The authorized capital stock of ITC Investments consists solely of 60,000 shares of common stock, no par value, 100 of which are validly issued and outstanding, (ii) FortisUS owns 100% of such capital stock, and (iii) there are no outstanding or authorized options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights), or agreements, orally or in writing, for the purchase or acquisition from ITC Investments of any equity or voting interests in ITC Investments, other than this Agreement. ITC Investments has been formed solely for the purpose of engaging in the transactions contemplated hereby and by the Shareholders' Agreement and prior to the Effective Time will have engaged in no other business activities and will have no assets, liabilities or obligations of any nature other than as expressly contemplated hereby and by the Merger Agreement or in furtherance of the transactions contemplated hereby and by the Shareholders' Agreement.

(b) (i) The authorized capital stock of Merger Sub consists solely of 60,000 shares of common stock, no par value, 10,000 of which are validly issued and outstanding, (ii) ITC Investments owns 100% of such capital stock, and (iii) there are no outstanding or authorized options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights), or agreements, orally or in writing, for the purchase or acquisition from Merger Sub of any equity or voting interests in Merger Sub, other than this Agreement. Merger Sub has been formed solely for the purpose of engaging in the transactions contemplated hereby and by the Merger Agreement and prior to the Effective Time will have engaged in no other business activities and will have no assets, liabilities or obligations of any nature other than as expressly contemplated herein or in furtherance of the transactions contemplated hereby and by the Merger Agreement.

(c) ITC Investments is a member of the "affiliated group" (as defined in Section 1504(a) of the Code) of which FortisUS is the common parent and which files U.S. federal income tax returns on a consolidated basis.

Section 4.6. Brokers. No broker, finder or investment banker (other than Goldman, Sachs & Co. and Scotia Capital Inc., whose fees shall be paid by FortisUS) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Fortis, FortisUS, ITC Investments or Merger Sub or any of their respective Affiliates for which Investor could have liability in a circumstance where the Subscription or the Merger is not consummated.

Section 4.7. Vote/Approval Required. Other than the Ultimate Parent Requisite Vote, no vote or consent of the holders of any class or series of capital stock of FortisUS or any of its Affiliates is

necessary to approve this Agreement or the transactions contemplated hereby, including the Subscription and the Merger.

Section 4.8. Available Funds. Assuming the Committed Financing is funded in accordance with the Commitment Letters and the Subscription is funded in accordance herewith, the aggregate net proceeds contemplated by the Commitment Letters and this Agreement, together with cash and cash equivalents on hand, will provide FortisUS, ITC Investments and Merger Sub with cash proceeds on the Closing Date sufficient to fund the aggregate Per Share Cash Consideration and other cash payments to be made pursuant to Article II of the Merger Agreement and any other amounts payable by FortisUS, ITC Investments and Merger Sub in connection with this Agreement, the Merger Agreement, and the transactions contemplated hereby and thereby. To the knowledge of Fortis, FortisUS, ITC Investments and Merger Sub, the Committed Financing is available in accordance with the terms and conditions of the Commitment Letters, and the Commitment Letters constitute a legal, valid, and binding obligation of the parties thereto, as applicable, to fund the Committed Financing. FortisUS has not received any communication or notice, written or oral, from any Person indicating that the Committed Financing or funds distributable therefrom is, or may become, reduced or otherwise impaired in any way.

Section 4.9. Market Participant; Eligible Transferee. (i) As of the date of the Merger Agreement, none of FortisUS or any of its Affiliates was a Market Participant in the Midcontinent Independent System Operator, Inc. or the Southwest Power Pool, Inc. and (ii) FortisUS was otherwise an Eligible Transferee.

Section 4.10. Valid Issuance. The Subscribed Common Stock when issued and delivered in accordance with this Agreement and the Shareholders' Agreement, will be duly authorized, validly issued, and nonassessable, issued in compliance with Laws and will be free from any and all Liens.

Section 4.11. Exclusivity of Representations and Warranties; Non-Reliance.

(a) The representations and warranties made in this ARTICLE IV are the exclusive representations and warranties made by Fortis, FortisUS, ITC Investments and Merger Sub to Investor in respect of the transactions contemplated hereby or by the Merger Agreement. None of Fortis, FortisUS, ITC Investments or Merger Sub makes any representation or warranty in respect of ITC. The Subscribed Common Stock are sold "AS IS, WHERE IS," and Fortis, FortisUS, ITC Investments and Merger Sub expressly disclaim any other representations or warranties of any kind or nature, express or implied, as to liabilities, operations of the facilities, the title, condition, value, or quality of assets of ITC Investments (or Merger Sub or ITC) or the prospects (financial and otherwise), risks and other incidents of ITC Investments (or Merger Sub or ITC), and EXCEPT AS SPECIFICALLY SET FORTH HEREIN, FORTIS, FORTISUS, ITC INVESTMENTS AND MERGER SUB SPECIFICALLY DISCLAIM ANY REPRESENTATION OR WARRANTY WITH RESPECT TO (I) ANY FINANCIAL PROJECTION OR FORECAST RELATING TO ITC INVESTMENTS OR MERGER SUB (OR ITC), AND (II) QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE ASSETS OF ITC INVESTMENTS OR MERGER SUB (OR ITC), WHETHER LATENT OR PATENT.

(b) No material or information provided by, or on behalf of, or communications made by, or on behalf of, Fortis, FortisUS, ITC Investments or Merger Sub or their Affiliates, or by any advisor thereof, whether by use of a "data room," or in any information memorandum, due diligence or expert report or otherwise, or by any broker or investment banker, will cause or create any warranty, express or implied, as to or in respect of ITC Investments (or Merger Sub or ITC) or the title, condition, value, or quality of the assets or liabilities of ITC Investments (or Merger Sub or ITC), in each case, except as expressly set forth in this Agreement. None of Fortis, FortisUS, ITC Investments, or Merger Sub makes any representation or warranty whatsoever with respect to any estimates, projections, and

other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections, and forecasts). Investor agrees that none of Fortis, FortisUS, ITC Investments or Merger Sub or any other Person will have or be subject to any liability to Investor or any other Person resulting from the distribution to Investor, or Investor's use of,

any information regarding ITC Investments, Merger Sub's or ITC's respective assets and liabilities, including any offering memorandum or due diligence or expert report prepared, in each case as supplemented or amended, and any information, document, or material made available to Investor or its respective Affiliates in certain physical or on-line "data rooms," management presentations, due diligence calls or any other form in expectation of the transactions contemplated by this Agreement. Investor acknowledges that there are uncertainties inherent in attempting to make estimates, forecasts, plans, and financial projections, that Investor is familiar with such uncertainties, that Investor is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, forecasts, plans, and financial projections so furnished to it (including the reasonableness of the assumptions underlying such estimates, forecasts, plans, and financial projections), and that Investor shall have no claim against FortisUS, ITC Investments or Merger Sub or any of their representatives with respect thereto.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor represents and warrants that, except as set forth on the corresponding sections or subsections of the disclosure schedules delivered to Fortis, FortisUS, ITC Investments and Merger Sub by Investor concurrently with entering into this Agreement (the "Investor Disclosure Schedule"), it being agreed that disclosure of any item in any section or subsection of Investor Disclosure Schedule shall also be deemed disclosure with respect to any other section or subsection of this Agreement to which the relevance of such item is reasonably apparent on the face of such disclosure:

Section 5.1. Organization. Investor is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or, to the extent such concept is applicable, in such good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impede (x) the consummation by Investor of the Subscription and the other transactions contemplated hereby or (y) the consummation by Merger Sub of the Merger and the other transactions contemplated by the Merger Agreement.

Section 5.2. Authority. Investor has all requisite corporate power and authority, and has taken all corporate action necessary, in order to execute, deliver and perform its obligations under, this Agreement, and to consummate the Subscription, the Merger and the other transactions contemplated hereby. The execution, delivery and performance of this Agreement by Investor and the consummation by Investor of the transactions contemplated hereby, including the Subscription, have been duly and validly authorized by all requisite corporate action by Investor. This Agreement has been duly and validly executed and delivered by Investor and, assuming the due authorization, execution and delivery hereof by Fortis, FortisUS, ITC Investments and Merger Sub, constitutes a legal, valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 5.3. No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance of this Agreement by Investor do not, and the consummation of the Subscription and the Merger and the other transactions contemplated hereby, including the ownership and operation of ITC and its subsidiaries following the Effective Time, will not (i) breach or violate the governing instruments of Investor, (ii) assuming that all consents, approvals and authorizations contemplated by subsection (b) below have been obtained, and all filings described in such clauses have been made, conflict with or violate any Law, rule, regulation, order, judgment or decree applicable to Investor or by which it or any of its properties are bound or (iii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would become a default) or result in the loss of a benefit under, or give rise to any right of termination, cancellation, amendment or acceleration of, or result in the creation of a Lien (except a Permitted Lien) on any of the material assets of Investor pursuant to, any Contracts to which Investor or any controlled Affiliate thereof, is a party, except in the case of clauses (ii) and (iii), for any such conflict, violation, breach, default, loss, right or other occurrence which would not

reasonably be expected to prevent, materially delay or materially impede the consummation by Investor of the transactions contemplated hereby.

(b) No Consent or Filing with, any Governmental Entity or third party is required for or in connection with the execution, delivery and performance of this Agreement by Investor or the consummation by Investor of the transactions contemplated hereby (other than such Consents or Filings that arise from the consummation of the Merger (as opposed to the Subscription) as to which no representation or warranty is made in this Section 5.3(b)).

Section 5.4. Absence of Litigation. There are no civil, criminal, administrative or other suits, claims, actions, proceedings or arbitrations pending or, to the knowledge of Investor, threatened against Investor or any of its subsidiaries, other than any such suit, claim, action, proceeding or arbitration that would not or would not reasonably be expected to, prevent, materially delay or materially impede the consummation by Investor of the transactions contemplated hereby. Neither Investor nor any of its subsidiaries nor any of their respective material properties is or are subject to any order, writ, judgment, injunction, decree or award except for those that would not reasonably be expected to, prevent, materially delay or materially impede the consummation of the transactions contemplated by this Agreement by Investor.

Section 5.5. Brokers. No broker, finder or investment banker (other than Citigroup Global Markets Inc., whose fees shall be paid by Investor) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Investor or any of their respective Affiliates for which Fortis, FortisUS, ITC Investments or Merger Sub could have liability in a circumstance where the Subscription or the Merger is not consummated.

Section 5.6. Ownership of Shares of ITC Common Stock or Fortis Common Stock.

(a) Other than pursuant to this Agreement and the Merger Agreement, as of the date hereof, none of Investor or any of its subsidiaries beneficially owns (as defined in Rule 13d-3 under the Exchange Act) any shares of ITC Common Stock or any securities that are convertible into or exchangeable or exercisable for shares of ITC Common Stock, or holds any rights to acquire or vote any ITC Shares, or any option, warrant, convertible security, stock appreciation right, swap agreement or other security, contract right or derivative position, whether or not presently exercisable, that provides Investor or any of its subsidiaries with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of the shares of ITC Common Stock or a value determined in whole or part with reference to, or derived in whole or part from, the value of the shares of ITC Common Stock, in any case without regard to whether (x) such derivative conveys any voting rights in such securities to such Person or such Person's subsidiaries, (y) such derivative is required to be, or capable of

being, settled through delivery of securities or (z) such Person or such Person's subsidiaries may have entered into other transactions that hedge the economic effect of such derivative.

(b) Other than as set forth on Investor Disclosure Schedule, as of the date hereof, none of Investor or any of its subsidiaries beneficially owns (as defined in Rule 13d-3 under the Exchange Act) any shares of Fortis Common Stock or any securities that are convertible into or exchangeable or exercisable for shares of Fortis Common Stock, or holds any rights to acquire or vote any Fortis Shares, or any option, warrant, convertible security, stock appreciation right, swap agreement or other security, contract right or derivative position, whether or not presently exercisable, that provides Investor or any of its subsidiaries with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of the shares of Fortis Common Stock or a value determined in whole or part with reference to, or derived in whole or part from, the value of the shares of Fortis Common Stock, in any case without regard to whether (x) such derivative conveys any voting rights in such securities to such Person or such Person's subsidiaries, (y) such derivative is required to be, or capable of being, settled through delivery of securities or (z) such Person or such Person's subsidiaries may have entered into other transactions that hedge the economic effect of such derivative.

Section 5.7. No Vote/Approval Required. No vote or consent of the holders of equity interests in Investor or any of its Affiliates is necessary to approve this Agreement or the transactions contemplated hereby, including the Subscription and the Merger.

Section 5.8. Available Funds. Investor will have, when and as required by the terms of this Agreement, cash sufficient to permit Investor to fund the aggregate Cash Funding Amount and any other amounts payable by Investor or any of its subsidiaries in connection with this Agreement, the Merger Agreement, and the transactions contemplated hereby and thereby, and Investor's obligations hereunder are not subject to any conditions regarding Investor's or, except as provided in Section 3.3, any other Person's ability to obtain financing for the transactions contemplated hereby.

Section 5.9. Market Participant; Eligible Transferee. (i) As of July 1, 2016, none of Investor or any of its Affiliates that is managed or controlled by GIC Special Investments Private Ltd is a Market Participant in the Midcontinent Independent System Operator, Inc. or the Southwest Power Pool, Inc. and (ii) Investor is otherwise an Eligible Transferee.

Section 5.10. Company Consents/Filings. Investor represents and warrants, to the best of its knowledge, that no Consent or Filing is reasonably expected to be required to effect the Merger as a result of the Subscription by Investor immediately prior to the Merger, other than those set forth in the Merger Agreement.

Section 5.11. Access to Information; Disclaimer. Investor acknowledges and agrees that it has conducted its own independent investigation and analysis of Merger Sub, ITC and its subsidiaries, their respective businesses and the transactions contemplated hereby, and has not relied on any representation, warranty or other statement by any Person on behalf of Fortis, FortisUS, Merger Sub, ITC or any of their respective Affiliates, other than the representations and warranties of FortisUS, ITC Investments and Merger Sub expressly contained in ARTICLE IV and, derivatively through its ownership of Merger Sub after the Subscription Time, the representations and warranties of ITC expressly contained in Article III of the Merger Agreement, and that all other representations and warranties are specifically disclaimed. Without limiting the foregoing, Investor further acknowledges and agrees that none of Fortis, FortisUS, Merger Sub, ITC or any of their respective shareholders, directors, officers, employees, Affiliates, advisors, agents or other representatives has made any representation or warranty concerning any estimates, projections, forecasts, business plans or other forward-looking information regarding ITC, its subsidiaries or their respective businesses and operations.

Section 5.12. Investment Intent. Investor represents and warrants that it is acquiring the Subscribed Common Stock for its own account, for investment purposes only, and not with a current view toward, or for resale in connection with, any distribution thereof, nor with any present intention of distributing or selling the Subscribed Common Stock, in violation of any applicable securities laws. Investor acknowledges and understands that the Subscribed Common Stock purchased pursuant to this Agreement has not been registered under the Securities Act or the securities laws of any state and are issued by reason of specific exemptions from registration under the provisions thereof which depend in part upon the investment intent of Investor and upon the other representations and warranties made by Investor in this Agreement. Investor is an "accredited investor" as defined under Rule 501 promulgated under the Securities Act. Investor acknowledges and understands that Merger Sub is relying upon the representations, warranties, and agreements made by Investor in this Agreement.

Section 5.13. Questionnaire. The questionnaire delivered on behalf of an Affiliate of Investor to representatives of Fortis on April 19, 2016 was, to the knowledge of Investor, true, complete, and correct in all material respects when delivered with respect to any and all Persons in which Investor or any of its Affiliates owns 5% or more of the outstanding ownership interests.

Section 5.14. Exclusivity of the Representations and Warranties; Non-Reliance. The representations and warranties made in this ARTICLE V are the exclusive representations and warranties made by the Investor or any of its Affiliates in respect of the transactions contemplated hereby or by the Merger Agreement. The Investor specifically disclaims any and all other express or implied warranties. Fortis, FortisUS, ITC Investments and Merger Sub acknowledge that none of them have relied on any statements, communications or other documentation (other than the representations and warranties made in this ARTICLE V) made by or on behalf of the Investor or any of its Affiliates, or by any advisor thereof, in connection with their entry into this Agreement.

ARTICLE VI

COVENANTS

Section 6.1. Merger Agreement; Certain Actions.

(a) Amendments, Etc. Fortis, FortisUS, ITC Investments, and Merger Sub shall not agree to amend, modify or grant any waiver (including any waiver of any conditions) or consent or extension in respect of the Merger Agreement that would, in each case, be material and adverse to the interests of Investor, as a Shareholder or as a Party to this Agreement, unless such amendment, modification, waiver, consent, or extension is approved in advance in writing by Investor; it being understood that (i) increases to the consideration payable to the holders of ITC Common Stock in connection with the Merger or the transactions contemplated thereby shall not be deemed material and adverse, (ii) decreases to the consideration payable to the holders of ITC Common Stock in connection with the Merger or the transactions contemplated thereby shall be deemed material and adverse, (iii) changes to the type of consideration payable to the holders of ITC Common Stock in connection with the Merger or the transactions contemplated thereby shall be deemed material and adverse solely to the extent that the result thereof reduces the amount of consideration payable to the holders of ITC Common Stock in connection with the Merger or the transactions contemplated thereby or would be reasonably likely to result in an adverse effect on ITC, and (iv) extensions of the End Date (other than pursuant to the first proviso set forth in Section 9.1(c) of the Merger Agreement) shall be deemed material and adverse.

(b) Notices. Fortis, FortisUS, ITC Investments and Merger Sub, as applicable, shall give prompt notice to Investor of:

(i) any notice or other communication received by FortisUS, ITC Investments or Merger Sub from ITC or delivered to ITC from FortisUS, ITC Investments or Merger Sub, in each case pursuant to the Merger Agreement or in connection with the Merger, if the subject matter of such notice or other communication could reasonably be expected to be material to Investor, together with a copy of such notice or other communication;

(ii) any amendment, modification, waiver or grant of consent or extension in respect of any term or condition of the Merger Agreement;

(iii) upon knowledge thereof, any material breach by any party to the Merger Agreement of its representations, warranties or covenants thereunder; and

(iv) any material notice or other material communication received by FortisUS, ITC Investments or Merger Sub from a Governmental Entity or delivered to a Governmental Entity from FortisUS, ITC Investments or Merger Sub which relate to the Merger Agreement or the Merger, together with a copy of such notice or other communication;

(v) any communication or notice, written or oral, from any Person reasonably indicating that the Committed Financing or funds distributable therefrom is, or may become, reduced or otherwise impaired in any way; and

(vi) upon knowledge thereof, any action, suit, claim or proceeding commenced or threatened against, relating to or involving or otherwise affecting FortisUS, Merger Sub or any of their affiliates which relate to the Merger Agreement or the Merger.

(c) Assignment. Neither FortisUS nor Merger Sub shall assign the Merger Agreement unless the same is approved in writing by Investor.

(d) Certain Actions. Prior the time that the Shareholders' Agreement becomes effective in accordance with its terms, Fortis shall not, and shall cause its Affiliates not to:

(i) other than (A) an Excepted Transaction (B) as may be required by the express terms of this Agreement or of the Merger Agreement or (C) as will have no binding effect after the Effective Time, enter into or commit, resolve or agree to enter into (x) any Related Party Transaction unless such Related Party Transaction would be permitted by the Shareholders' Agreement if entered into on or after the effectiveness thereof or (y) any agreement, transaction or arrangement by any member of the ITC Group that would result in a material benefit to any member of the Fortis Group (other than through such member's direct or indirect shareholdings in ITC Investments) that is not shared generally and pro rata by all shareholders of ITC Investments, including any agreement, transaction or arrangement pursuant to which a member of the ITC Group agrees to be a borrower or guarantor in respect of any debt or other securities issued by any member of the Fortis Group or to provide any pledge, mortgage or other security interest in its assets to secure any obligations of any member of the Fortis Group;

(ii) cause ITC Investments or Merger Sub to take any action or commit, resolve or agree to take any action or refrain from taking any action that if taken or not taken after the effectiveness of the Shareholders' Agreement would constitute an RH Reserved Matter or a Supermajority Shareholder Matter;

(iii) request, facilitate or encourage ITC or any of its subsidiaries to take any action or refrain from taking any action that if taken or not taken after the effectiveness of the Shareholders' Agreement, constitutes an RH Reserved Matter or a Supermajority Shareholder Matter; or

(iv) cause ITC Investments or Merger Sub to, or request ITC or its subsidiaries to, take any action or refrain from taking any action that would ordinarily or customarily be discussed and/or subject to approval by the board of directors of the Surviving Corporation if taken or not taken after the Closing, without first reasonably consulting with Investor.

Section 6.2. Bylaws. At or prior to the Subscription Time, Merger Sub shall amend and restate its bylaws in the form of Annex C and ITC Investments shall amend and restate its bylaws in the form of Annex B, with only such modifications as (i) are required by applicable Law, if any, (ii) are not inconsistent with the requirements of the Shareholders' Agreement, or (iii) are approved by Investor.

Section 6.3. Regulatory Approvals.

(a) Subject to the terms and conditions of this Agreement and applicable Law, Investor shall (i) proceed diligently and in good faith and use reasonable best efforts, as promptly as reasonably practicable to obtain all Consents and make all required Filings with, and to give all required notices to, the applicable Governmental Entities in connection with the Subscription and the Merger and the other transactions contemplated by this Agreement and the Merger Agreement, (ii) take, or cause to be taken, all appropriate action and do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the Subscription and the Merger and the other transactions contemplated by this Agreement (including satisfying any of the conditions set forth in ARTICLE III as promptly as practicable) and the Merger Agreement, and (iii) cooperate in good faith with the applicable Governmental Entities or other Persons and use reasonable best efforts to provide promptly such other information and communications to such Governmental Entities or other Persons as such Governmental Entities or other Persons may reasonably request in connection with the Subscription, the Merger, or the other transactions contemplated by this Agreement or the Merger Agreement. In furtherance of the foregoing, Investor agrees, at the request of FortisUS, ITC Investments or Merger Sub, to provide such cooperation, assistance, information, and documentation as is reasonably required for FortisUS, ITC Investments and Merger Sub to comply with their respective obligations in Section 7.4 of the Merger Agreement; provided, that to the extent necessary to address confidentiality concerns with respect to sensitive information, such information may, at the election of the Investor, be provided on an outside counsel only basis or directly to the relevant Governmental Entity.

(b) If Fortis, FortisUS, Merger Sub, or ITC is required pursuant to this Section 6.3 to make a regulatory filing that identifies by name, or otherwise relates specifically to Investor or any of its Affiliates or related parties, then FortisUS shall, submit an advance draft of such regulatory filing to Investor. Investor shall have the right,

within five Business Days (or, if shorter, the period prescribed by Law or the relevant Governmental Entity *minus* one Business Day), to provide comments to such regulatory filing and FortisUS shall, prior to submitting or approving the submittal of such filing, incorporate Investor's comments to the extent that (i) such comments are necessary to correct a misrepresentation of fact with respect to any Investor or any of its respective Affiliates or related parties or (ii) such comments relate solely to the description of the Investor and its Affiliates or their respective business activities and relationships and FortisUS does not determine (acting upon the advice of counsel) that such comments make such description misleading such that their inclusion would constitute a violation of applicable Law. Without limiting the foregoing, Investor agrees that except as may be agreed in writing by FortisUS, ITC Investments and Merger Sub, Investor shall not, and shall not cause or permit

its Affiliates to, take any action, which would reasonably be expected to materially delay, materially impede, or otherwise prevent the ability of FortisUS, Merger Sub or ITC to prepare all required Filings and seek Consents with or from any Governmental Entity in connection with the Subscription and the Merger and the other transactions contemplated by this Agreement and the Merger Agreement.

(c) Fortis, FortisUS, ITC Investments and Merger Sub will provide Investor with prompt notification when any Consent or Filing required under the Merger Agreement is obtained, taken, made, given or denied, as applicable, and will advise Investor of any material communications with any Governmental Entity or other Person regarding any of the transactions contemplated by this Agreement or the Merger Agreement including (i) giving Investor prompt notice of the making or commencement of any written request, inquiry, investigation, action or legal proceeding by or before any Governmental Entity with respect to the Subscription, the Merger or any of the other transactions contemplated by this Agreement or the Merger Agreement and (ii) keeping Investor reasonably informed as to the status of any such request, inquiry, investigation, action or legal proceeding. The obligations of Fortis, FortisUS, ITC Investments and Merger Sub under this Section 6.3(c) will be deemed fulfilled in respect of notices received by them from ITC if Fortis, FortisUS, ITC Investments and Merger Sub promptly forward such notices to Investor upon receipt.

(d) Notwithstanding anything to the contrary in this Agreement:

(i) the exercise of reasonable best efforts by Investor or its Affiliates and the provisions of this Section 6.3 and Section 6.4 shall not require Investor or any of its Affiliates to (1) enter into any agreement or undertaking that requires the holding of direct or indirect ownership interests in the Surviving Corporation through proxy holders or in a voting trust, (2) (x) alter the governance arrangements with respect to the Surviving Corporation in a manner that materially and adversely limits the governance rights of the Investor, or (y) diminish in any material respect the scope of their information rights with respect to the Surviving Corporation (other than with respect to identified matters of national security), (3) provide any material non-public financial information with respect to itself or its Affiliates (other than of the type or to the extent previously provided to the Governmental Entities in previous applications under substantially similar standards of confidentiality), (4) undertake any sale, divestiture or disposition of its or any of its Affiliates' businesses, product lines or assets or any interest therein, or (5) agree or consent to any State PUC Adverse Determination (each of the foregoing, together with any State PUC Adverse Determination, a "Burdensome Requirement"); and

(ii) in connection with receiving the Required Regulatory Approvals, "reasonable best efforts" shall be interpreted in light of, and shall require Investor and its Affiliates to take any actions, or refrain from taking any actions, that have been taken (or refrained from being taken) by Investor and its Affiliates in connection with, prior FERC, CFIUS and state and local public utility commission (or equivalent) reviews and investigations related to the Investor or its Affiliates.

(e) Investor shall give FortisUS prompt notice of any request or determination by any Governmental Entity that is or would be a Burdensome Requirement or which Investor determines to exceed its obligation hereunder to expend reasonable best efforts.

(f) If (x) the expenditure of reasonable best efforts by Investor does not require the taking of an action or the delivery of information that is required by a Governmental Entity or by Law, Investor elects not to take such

action or deliver such information, and the failure to expend such reasonable best efforts could reasonably be expected to result in the denial of a Required Regulatory

Approval or (y) any Burdensome Requirement is imposed, Investor is unwilling to comply with such Burdensome Requirement, and the failure to comply with such Burdensome Requirement could reasonably be expected to result in the denial of a Required Regulatory Approval, then (A) if the fair market value of the aggregate assets in respect of the relevant Required Regulatory Approval are less than $100,000,000, then FortisUS may cause ITC to transfer the assets in respect of the relevant Required Regulatory Approval to FortisUS or its Affiliate at fair market value or (B) if subpart (A) does not apply, or if the actions described in subpart (A) cannot be accomplished, or any other applicable mitigation cannot be taken, by the time ITC Investments, Fortis and FortisUS are required to consummate the Merger, in each case, despite compliance with Section 6.3(g), then FortisUS may terminate this Agreement.

(g) Prior to terminating this Agreement in accordance with Section 6.3(f) and Section 7.1(a)(vii), FortisUS will cooperate in good faith with Investor to mitigate, avoid, or have rescinded any requirement by any Governmental Entity that is or would be a Burdensome Requirement or which Investor determines to exceed its obligation hereunder to expend reasonable best efforts.

(h) Fortis, FortisUS, ITC Investments and Merger Sub shall not agree to any voluntary settlement in any state regulatory approval proceeding if the effect thereof would reasonably be expected to (i) require ITC to make monetary payments or change its capital structure, (ii) place limitations on the rates chargeable by, or the dividends payable by, ITC or (iii) reduce or restrict the rate base of ITC, in each case without the prior written consent of Investor (unless, in each case, such monetary payments are reimbursed by a Person other than Investor or its Affiliates, or a Person other than Investor or its Affiliates otherwise reimburses or compensates ITC or the Shareholders (other than Fortis and its Affiliates) therefore).

Section 6.4. Further Action. Subject to the terms and conditions of this Agreement, Investor shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary under Law to consummate and make effective the transactions contemplated by this Agreement.

Section 6.5. Notice of Certain Events. The Parties shall promptly notify the other Parties in writing of: (a) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement; or (b) the occurrence, or failure to occur, of any event which occurrence or failure would cause or would reasonably be expected to cause any representation and warranty of a Party to be made on either Relevant Time to be untrue or inaccurate in any material respect on such Relevant Time or that will result in the failure to satisfy any of the conditions specified in ARTICLE III.

Section 6.6. Publicity. Investor on the one hand and Fortis, FortisUS, ITC Investments and Merger Sub on the other hand shall (i) consult with the other prior to issuing any press releases or otherwise making public announcements with respect to the Subscription, Merger and the other transactions contemplated by this Agreement, (ii) provide to the other for review a copy of any such press release or public statement, (iii) not issue any such press release or public statement prior to providing the other with a reasonable period of time to review and comment on such press release or public statement, and (iv) consult with the other prior to making any filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto, except as may be required by Law or by obligations pursuant to any listing agreement with, or rule of, any national securities exchange or interdealer quotation service or by the request of any Governmental Entity.

Section 6.7. Tax Matters.

(a) Concurrently with the Effective Time, Fortis US shall cause ITC Investments to enter into a tax sharing agreement reasonably satisfactory to the Investor and FortisUS, on substantially the same terms and conditions as

the tax sharing agreement attached hereto as Annex D, and in addition, providing for (i) restrictions on making any election or failing to make any election permitted under the Code (and similar provisions of state, local or foreign law) if such election or failure to make such election would reduce, or limit the ability of ITC Investments or any of its subsidiaries to use, the tax attributes of ITC Investments or any of its subsidiaries, including net operating losses and tax basis, (ii) an indemnification by Fortis and Fortis US of ITC Investments and its subsidiaries, and Investor and its Affiliates, for Taxes for which ITC Investments or any of its subsidiaries may be liable pursuant to Treasury Regulation § 1.1502-6 or similar provisions of state, local or foreign law as a result of being or having been a member of a combined, consolidated, unitary or similar group that includes one or more entities other than ITC Investments and its subsidiaries; (iii) the Investor having the right to review the computations of amounts payable under the tax sharing agreement (comparable to the right provided under Section 10.3 of the agreement attached hereto as Annex D); (iv) the Investor having the right to participate in any audit or similar proceeding to the extent it relates to ITC Investments or any of its subsidiaries and Fortis shall keep the Investor reasonably apprised regarding the progress of such proceedings, and (v) upon a disaffiliation of ITC Investments or any of its subsidiaries, the income, deductions, gains, losses, and other items of such disaffiliated member will be allocated between the pre-disaffiliation period and the post-disaffiliation period on a closing-of-the-books basis in a manner consistent with the principles of Treasury Regulation § 1.1502-76(b)(2) without any deemed ratable allocation election under Treasury Regulation § 1.1502-76(b)(2)(ii)(D); (vi) a covenant that (A) no member of the Fortis Group shall cause ITC Investments to no longer be a member of the "affiliated group" (as defined in Section 1504(a) of the Code) of which FortisUS is the common parent or shall cause such group to no longer file U.S. federal income tax returns on a consolidated basis and (B) no member of the Fortis Group shall (1) take any action that causes the FortisUS Shareholder Note to be or become an "expanded group instrument" within the meaning of proposed Treasury regulations issued under Section 385 of the Code on April 4, 2016 (the "Proposed Regulations") or (2) take any action or fail to comply with any documentation requirements that results in either the FortisUS Shareholder Note or the Investor Shareholder Note being treated as equity for Tax purposes or the interest on the FortisUS Shareholder Note or the Investor Shareholder Note not being deductible for Tax purposes to any extent, whether pursuant to the Proposed Regulations or otherwise; and (vii) a joint and several indemnification on customary terms by Fortis and FortisUS of ITC Investments and its subsidiaries, and Investor and its Affiliates, for (A) Taxes attributable to a breach of the covenant described in the preceding clause (vi), (B) state income or franchise taxes attributable to the "add-back" of U.S. federal income tax deductions arising from the interest on the FortisUS Shareholder Note resulting from the payee under such Note being a United States payee, and (C) Taxes attributable to Treasury Regulation § 1.1032-3 not applying to any of the sequential transfers of the Merger Stock Consideration from Fortis and ultimately to the holders of Company Shares. For purposes of the foregoing sentence, the term "interest" includes original issue discount. FortisUS and Investor shall negotiate in good faith to agree upon a final form executable version of the tax sharing agreement, based on the same terms and conditions as the tax sharing agreement attached hereto as Annex D and including the additional provisions enumerated in this Section 6.7(a), as promptly as practicable after the date hereof, but in any event prior to the Effective Time.

(b) Immediately following the execution of this Agreement, the Parties hereto shall cooperate and use good faith efforts to cause to be conducted one or more studies to determine whether ITC Investments, immediately following the Effective Time, will be a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

Section 6.8. Shareholder Note Documents. Concurrently with the Effective Time, Investor and FortisUS shall cause ITC Investments to enter into shareholder note documents reasonably satisfactory to the Investor and FortisUS providing for the making of secured shareholder notes by Investor and FortisUS to ITC Investments in the amounts set forth on Annex E. A summary of the terms and conditions of the shareholder note documents are attached as Annex E. FortisUS and Investor shall negotiate in good faith to agree upon final form executable versions of the shareholder note documents, based on the terms and conditions attached as Annex E, as promptly as practicable after the date hereof, but in any event prior to the Effective Time. All amounts to be funded under such note documents shall be funded by Investor and FortisUS concurrently.

ARTICLE VII

TERMINATION

Section 7.1. Events of Termination.

(a) This Agreement may be terminated at any time on or prior to the Subscription Time:

(i) by mutual written consent of FortisUS and Investor;

(ii) by FortisUS if there shall have been a breach, inaccuracy or failure to perform (as applicable) of any representation, warranty, covenant or agreement on the part of Investor contained in this Agreement, such that the conditions set forth in Section 3.3(a) or Section 3.3(b) would not be satisfied and such breach inaccuracy or failure to perform is not curable or, if curable, is not cured prior to the earlier of (A) thirty days after written notice thereof is given by FortisUS to Investor or (B) three Business Days prior to the date FortisUS is required to effect the Merger in accordance with the Merger Agreement; provided, that FortisUS shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(ii) if FortisUS, ITC Investments or Merger Sub is then in material breach of any of its, representations, warranties, covenants or agreements contained in this Agreement, in each such case such that the conditions set forth in Section 3.2(a) or Section 3.2(b) would not be satisfied;

(iii) by Investor if there shall have been a breach, inaccuracy or failure to perform (as applicable) of any representation, warranty, covenant or agreement on the part of FortisUS, ITC Investments or Merger Sub contained in this Agreement, such that the conditions set forth in Section 3.2 (a) or Section 3.2(b) would not be satisfied and such breach or condition is not curable or, if curable, is not cured prior to the earlier of (A) thirty days after written notice thereof is given by Investor to FortisUS, ITC Investments and Merger Sub or (B) three Business Days prior to the date FortisUS is required to effect the Merger in accordance with the Merger Agreement; provided, that Investor shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(iii) if Investor is then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement in each such case such that the conditions set forth in Section 3.3(a) or Section 3.3(b) would not be satisfied;

(iv) by either FortisUS or Investor if any court of competent jurisdiction or other Governmental Entity having jurisdiction over the Parties shall have issued an order, decree or ruling or taken any other final action restraining, enjoining or otherwise

prohibiting the Subscription and such order, decree, ruling or other action is or shall have become final and nonappealable;

(v) by either FortisUS or Investor on or after the tenth day following the End Date (as extended, if applicable, pursuant to the first proviso set forth in Section 9.1(c) of the Merger Agreement); provided, that the right to terminate this Agreement pursuant to this Section 7.1(a)(v) shall not be available to the Party seeking to terminate if any action of such Party (or in the case of FortisUS, ITC Investments or Merger Sub, the other such Party) or the failure of such Party (or in the case of FortisUS, ITC Investments or Merger Sub, the other such Party) to perform any of its obligations, representations or warranties under this Agreement required to be performed or be true, as applicable, at or prior to the Effective Time has been the primary cause of the failure of the Effective Time to occur on or before the End Date;

(vi) by either FortisUS or Investor on or after the second day after the Merger Agreement is terminated in accordance with its terms, unless a new merger agreement, with parties, terms and conditions that are identical to the parties, terms and conditions of the Merger Agreement, is fully executed by such second day, in which case such new merger agreement shall be the "Merger Agreement" for all purposes hereunder; or

(vii) by FortisUS in accordance with Section 6.3(f).

(b) Any Party desiring to terminate this Agreement pursuant to Section 7.1(a) shall give written notice of such termination to the other Parties and, if such termination is in accordance with Section 7.1(a), this Agreement shall terminate as to all Parties immediately upon delivery of such notice.

Section 7.2. Effect of Termination. If this Agreement is terminated in accordance with Section 7.1, then this Agreement shall forthwith become void and there shall be no liability or obligation of any Party (or any shareholder, partner, director, officer, employee, agent, consultant, or representative of such Party) to the other Parties, except that nothing herein will relieve any Party from liability for any breach of any representation, warranty, agreement, or covenant contained herein prior to such termination and the provisions of Section 6.6, this ARTICLE VII and ARTICLE VIII shall survive any such termination.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Non-Survival of Representations, Warranties. Except with respect to the representations and warranties set forth in Section 4.10 none of the representations or warranties in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations or warranties, shall survive the Subscription Time.

Section 8.2. Modification and Amendment. The Parties may modify or amend this Agreement only by written agreement, executed and delivered by duly authorized officers of the respective Parties.

Section 8.3. Waiver. Any Party may (a) extend the time for the performance of any of the obligations or other acts of the other Parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) subject to the requirements of applicable Law, waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the

Party or Parties to be bound thereby and specifically referencing this Agreement. The failure of any Party to assert any rights or remedies shall not constitute a waiver of such rights or remedies.

Section 8.4. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by facsimile or e-mail or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to Fortis, FortisUS, ITC Investments or Merger Sub:

c/o Fortis Inc.
Fortis Place
5 Springdale Street, Suite 1100
P.O. Box 8837
St. John's, Newfoundland A1B3T2
Canada
Attention: David Bennett
Facsimile: (709) 737-5307
E-Mail: dbennett@fortisinc.com

with an additional copy (which shall not constitute notice) to:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036

Attention: John M. Reiss
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
E-Mail: jreiss@whitecase.com

(b) if to Investor:

Finn Investment Pty Ltd
c/o GIC Pte Ltd
168 Robinson Road #37-01
Capital Tower
Singapore 068912
Attention: Goh Siang
Telephone: +65-68896935
Email: gohsiang@gic.com.sg

with an additional copy (which shall not constitute notice) to:

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Asi Kirmayer
Facsimile: (212) 839-5599
E-Mail: akirmayer@sidley.com

Section 8.5. Severability. If any term or other provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public

policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.6. Entire Agreement; Assignment. This Agreement (including the Annexes hereto) constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and thereof. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of each of the other Parties, and any assignment without such consent shall be null and void; provided, that prior to the deposit of the Cash Funding Amount with the Exchange Agent, Investor may assign its rights and obligations under this Agreement to any of its Wholly-Owned Affiliates that is an Eligible Holder; provided, further that no such assignment shall relieve the Investor from its obligations hereunder. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

Section 8.7. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. The representations and warranties in this Agreement are the product of negotiations among the Parties hereto and are for the sole benefit of the Parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the Parties in accordance with Section 8.3 without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the Parties hereto of risks associated with particular matters regardless of the knowledge of any of the Parties hereto. Consequently, Persons other than the Parties hereto may not rely upon the

representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 8.8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without giving effect to choice of law principles thereof), except to the extent that the mandatory provisions of the laws of the State of Michigan are applicable.

Section 8.9. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.10. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission, ".pdf," or other electronic transmission) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 8.11. Specific Performance. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate the transactions contemplated by this Agreement) in accordance with its specified terms or otherwise breach such provisions. The Parties acknowledge and agree that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without

any requirement for the posting of security, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 8.12. Jurisdiction. Each of the Parties irrevocably (a) consents to submit itself to the personal jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline to accept jurisdiction over a particular matter, in which case, in any Delaware state or federal court within the State of Delaware), in connection with any matter based upon or arising out of this Agreement or any of the transactions contemplated by this Agreement or the actions of any Party in the negotiation, administration, performance and enforcement hereof and thereof, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts of the State of Delaware, as described above, and (d) consents to service being made through the notice procedures set forth in Section 8.4. Each of Party hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 8.4 shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each Party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 8.12, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the Party is entitled pursuant to the final judgment of any court having jurisdiction. Each Party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; provided, that each such Party's consent to jurisdiction and service contained in this Section 8.12 is solely for the purpose referred to in this Section 8.12 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

Section 8.13. WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF A PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

Section 8.14. Transfer Taxes. From and after the Subscription Time, the Surviving Corporation shall pay all transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees (including penalties and interest) in connection with the issuance of the Subscribed Common Stock, the Merger, and the transactions contemplated by this Agreement. Prior to such time, the Parties shall cooperate in attempting to minimize the amount of such Taxes.

Section 8.15. Compliance with Law. In performance of their respective obligations under this Agreement, each Party agrees to comply with all applicable Laws, statutes, rules, regulations, judgments, decrees, injunctions, writs and orders, and all interpretations thereof, of all Governmental Entities having jurisdiction over such Party.

Section 8.16. Expenses upon Termination.

(a) Except for costs and expenses incurred by ITC and its subsidiaries prior to the Closing Date (other than such expenses incurred in connection with ITC's obligations under the Section 7.15 of the Merger Agreement and any costs and expenses otherwise incurred by ITC at the request of FortisUS or its Affiliates) ("Shared Company Expenses"), FortisUS shall bear and pay all costs and expenses incurred by the Fortis Group or ITC Group in connection with the Merger, the Committed Financing and the consummation of the transactions contemplated hereby and, subject to the next sentence, the Investor shall bear and pay all costs and expenses incurred by the Investor and its Affiliates in connection with the Merger, the Subscription and the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, if (x) FortisUS is paid the ITC Termination Fee in accordance with the Merger Agreement or (y) FortisUS consummates the Merger without Investor subscribing for the Subscribed Stock (other than as a result of the termination hereof by FortisUS in accordance with Section 7.1(a)(ii) or Section 7.1(a)(vii) or by FortisUS or Investor in accordance with Section 7.1(a)(iv)), then FortisUS shall pay to Investor up to $10,000,000 of its and its Affiliates' documented out-of-pocket costs and expenses paid or payable to third parties in connection with the Merger Agreement, the Subscription and the consummation of the transactions contemplated hereby.

(b) The Investor acknowledges that it will have no right to share in any portion of ITC Termination Fee if and when such ITC Termination Fee becomes payable to Fortis or FortisUS pursuant to Section 9.2 (b) of the Merger Agreement.

(c) Fortis, FortisUS and Merger Sub acknowledge and agree that if the Parent Termination Payment or any portion thereof becomes payable pursuant to Section 9.3(c) of the Merger Agreement or otherwise, or Fortis, FortisUS and Merger Sub become liable for any damages, losses, costs or expenses to ITC or any of its subsidiaries or any of their respective former, current or future general or limited partners, shareholders, directors, officers, managers, members, employees, representatives or agents for any breach of the Merger Agreement or otherwise in connection with failure of the Merger to be consummated (collectively, a "Merger Failure Liability"), none of the Investor or any of its Affiliates or any of its and their respective former, current or future general or limited partners, shareholders, directors, officers, managers, members, employees, representatives or agents shall be required to share or participate in any such Merger Failure Liability and Fortis and FortisUS shall jointly and severally indemnify the Investor from and against any damages, losses costs or expenses, including attorney fees and costs of defense, arising from or in connection with such Merger Failure Liability. The foregoing shall not limit any damages that may become payable by Investor as a result of a breach of this agreement.

Section 8.17. Liability. Notwithstanding anything to the contrary contained in this Agreement or any document or instrument delivered in connection herewith, but without limiting the rights of Fortis, FortisUS, ITC Investments and Merger Sub under Section 8.11:

(a) the aggregate liability of the Investor and its Affiliates to Fortis, FortisUS, ITC Investments and Merger Sub and any of their respective Affiliates and their respective former, current or future general or limited partners, shareholders, directors, officers, managers, members, employees, representatives or agents arising from or in connection with any one or more breaches of Section 6.3 or Section 6.4 or any failure to obtain any required Consent from

any Governmental Entity, or make any required Filing with any Governmental Entity or give any required notice to any Governmental Entity in connection with the Merger, the Subscription or the other transactions contemplated hereby shall not exceed the sum of $30,000,000; and

(b) Fortis, FortisUS and Merger Sub covenant, agree and acknowledge that no Person other than the Parties hereto shall have any obligation hereunder or in connection with the

transactions contemplated hereby and that, notwithstanding that the Investor or any of its permitted assigns may be a partnership or limited liability company or other entity, none of Fortis, FortisUS, ITC Investments or Merger Sub has any rights of recovery against and no recourse hereunder or under any documents or instruments delivered in connection herewith or in respect of any oral representations made or alleged to have been made in connection herewith or therewith shall be had against any of the former, current or future directors, officers, employees, agents, general or limited partners, managers, members, stockholders, Affiliates, assignees or representatives of the Investor or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder, Affiliate, assignee or representative of any of the foregoing (but not including the Investor, an "Investor Related Party"), whether by or through attempted piercing of the corporate (or limited liability company or limited partnership) veil, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, or otherwise, it being agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Investor Related Party for any obligations of the Investor or any of its successors or assigns under this Agreement, under the Merger Agreement or under any documents or instrument delivered in connection herewith or therewith, in respect of any transaction contemplated hereby or thereby or in respect of any oral representations made or alleged to have been made in connection herewith or therewith or for any claim (whether at law or equity or in tort, contract or otherwise) based on, in respect of, or by reason of such obligations or their creation.

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IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or caused this Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) as of the date first above written.

FINN INVESTMENT PTE LTD

By: /s/ Rhys Evenden
Name: Rhys Evenden
Title: Authorized Signatory

By: /s/ Alex Greenbaum
Name: Alex Greenbaum
Title: Authorized Signatory

FORTIS INC.

By: /s/ Barry V. Perry
Name: Barry V. Perry
Title: President & Chief Executive Officer

By: /s/ Karl W. Smith
Name: Karl W. Smith
Title: Executive Vice President & Chief Financial Officer

FORTISUS INC.

By: /s/ Karl W. Smith
Name: Karl W. Smith
Title: Executive Vice President & Chief Financial Officer

By: /s/ David C. Bennet
Name: David C. Bennet
Title: Vice President, Chief Legal Officer & Corporate Secretary

[Signature Page to Subscription Agreement]

ITC INVESTMENT HOLDINGS, INC.

By: /s/ Barry V. Perry
Name: Barry V. Perry
Title: President & Chief Executive Officer

By: /s/ David C. Bennet
Name: David C. Bennet
Title: Vice President, Chief Legal Officer & Corporate Secretary

ELEMENT ACQUISITION SUB INC.

By: /s/ Karl W. Smith
Name: Karl W. Smith
Title: Executive Vice President & Chief Financial Officer

By: /s/ David C. Bennet
Name: David C. Bennet
Title: Vice President, Chief Legal Officer & Corporate Secretary

[Signature Page to Subscription Agreement]

EXHIBIT F

ANNEX A

FORM OF SHAREHOLDERS' AGREEMENT

(Attached)

Shareholders' Agreement

by and among

ITC Investment Holdings Inc.,

ITC Holdings Corp.,

FortisUS Inc.,

Finn Investment Pte Ltd,

and

any other Person that becomes a Shareholder pursuant hereto

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This SHAREHOLDERS' AGREEMENT (this "Agreement") is dated as of [ ], 2016, by and among ITC Investment Holdings Inc., a Michigan corporation ("ITC Investments"), ITC Holdings Corp., a Michigan corporation ("ITC"), FortisUS Inc., a Delaware corporation ("FortisUS"), Finn Investment Pte Ltd, a Singapore private limited company ("Investor"), and any other Person that becomes a Shareholder pursuant hereto.

W I T N E S S E T H :

WHEREAS, on February 9, 2016, FortisUS, Fortis Inc., a corporation organized under the laws of Newfoundland and Labrador ("Fortis"), Element Acquisition Sub Inc., a Michigan corporation ("Merger Sub") and ITC, entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Merger Sub will merge with and into ITC (the "Merger");

WHEREAS, on April 20, 2016, FortisUS has assigned to ITC Investments its rights and obligations under the Merger Agreement, subject to certain exceptions;

WHEREAS, as of the Merger, ITC Investments owned 100% of Merger Sub Common Stock;

WHEREAS, prior to the occurrence of the Merger, Investor subscribed for and purchased from ITC Investments shares of Common Stock, pursuant to a Subscription Agreement, dated as of April 20, 2016, by and among Fortis, FortisUS, ITC Investments, Merger Sub, and the Investor (the "Subscription Agreement") and FortisUS owned the remaining shares of Common Stock, and as a result thereof, the Shareholders own Equity Securities in the amounts set forth in Schedule I;

WHEREAS, upon the effectiveness of the Merger, the separate corporate existence of Merger Sub ceased and ITC became the surviving corporation in the Merger;

WHEREAS, immediately following the consummation of the Merger, ITC issued common stock of ITC to ITC Investments in accordance with Section 2.1(c)(ii) of the Merger Agreement;

WHEREAS, immediately following the consummation of the Merger, the conversion of the Merger Sub Common Stock into common stock of ITC in connection therewith, and the issuance of common stock of ITC to ITC Investments as aforesaid, ITC Investments owned 100% of ITC; and

WHEREAS, ITC Investments and the Shareholders each desire to enter into this Agreement to, *inter alia*, establish certain rights and obligations relating to the Equity Securities and to limit the sale, assignment, transfer, encumbrance or other disposition of such Equity Securities and to provide for the consistent and uniform management of ITC Investments and ITC as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Section 1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, (i) any Controlled Affiliate of such Person and (ii) any other Person that beneficially owns 10% or more of the voting interests in such Person; provided, however, that no entity other than GIC Pte Ltd (or any successor thereto or assignee of all or a substantial portion of the business or assets thereof) and its subsidiaries and entities managed or advised by GIC Pte

Ltd (or any successor thereto or assignee of all or a substantial portion of the business or assets thereof) and its subsidiaries shall be deemed an Affiliate of the Investor hereunder.

"Agreement" has the meaning set forth in the Preamble.

"Allocated Overhead" means recoverable general administrative, corporate, or other support costs which are allocated to ITC in accordance with the Uniform System of Accounts for Public Utilities.

"Applicable Law" means, with respect to any Person, all provisions of laws, statutes, ordinances, rules, regulations, permits or certificates of any Governmental Entity applicable to such Person or any of its assets or property, and all judgments, injunctions, orders and decrees of any Governmental Entities in proceedings or actions in which such Person is a party or by which any of its assets or properties are bound.

"Appraiser" has the meaning set forth in the definition of "Fair Market Value".

"Authorization Date" has the meaning set forth in Section 2.3.

"Business Day" means any day, other than a Saturday, a Sunday or a day on which banks located in New York, New York, St. John's, Newfoundland, or Novi, Michigan are authorized or required by Applicable Law to close.

"Cash Subscription Price" has the meaning set forth in the Subscription Agreement.

"Cause" means, with respect to any director of the ITC Investments Board, (a) being indicted for, convicted of, or having pled guilty or *nolo contendere* to, any (x) felony, (y) any crime involving moral turpitude or (z) other crime if, as a result of such director's continued association with ITC Investments or ITC or any of its Subsidiaries, it is likely to be injurious to its business or reputation as determined by the ITC Investments Board in its sole discretion, (b) being restricted by any Applicable Law from acting as a director on the ITC Investments Board or the ITC Board or (c) having committed gross negligence or willful misconduct in the performance of such director's duties as determined by the ITC Investments Board or (d) in respect only of membership on the audit committee, not having the requisite financial acumen to sit on the audit committee, as determined by the ITC Investments Board.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock of ITC Investments.

"Common Stock Equivalents" means, at any time, (i) with respect to each share of Common Stock issued and outstanding, one and (ii) with respect to any other Equity Security which is at such time exercisable, exchangeable or convertible into or for Common Stock at an exercise price equal to or less than the Fair Market Value of the Common Stock at such time, an amount equal to the number of shares of Common Stock, if any, into or for which such Equity Security may be exercised, exchanged or converted at such time.

"Confidential Information" has the meaning set forth in Section 7.11.

"Consent" means all Licenses, clearances, expirations or terminations of waiting periods, non-actions, waivers, qualifications, change of ownership approvals or other authorizations.

"Consolidated Debt" means, on any date, an amount equal to the aggregate of all Indebtedness for Borrowed Money of ITC and its Subsidiaries on such date, determined in accordance with GAAP on a consolidated basis, plus the redemption amount of all shares of ITC which are retractable or redeemable

at the option of the holder on such date (and for certainty, Preferred Equity shall not be included in the calculation of Consolidated Debt).

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise (and the terms "Controlling", "Controlled by" and "under common Control with" have correlative meanings). Without limiting the foregoing, any Person that beneficially owns 50% or more of the voting interests in another Person shall be conclusively deemed to Control such other Person.

"Controlled Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person.

"Core Assets" means transmission assets, distribution assets, or assets in respect of any related ancillary service.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, not seasonally adjusted, (1982-84 = 100), All Items, as calculated and published by the U.S. Department of Labor, Bureau of Labor Statistics; provided, that if such index ceases to be available, a comparable successor index shall be designated by the ITC Investments Board.

"Demand Notice" has the meaning set forth in Section 3.1(a).

"Demand Request" has the meaning set forth in Section 3.1(a).

"Demanding Shareholder" has the meaning set forth in Section 3.1.

"Disclosure Package" means, with respect to any offering of securities, (i) the preliminary prospectus, (ii) each Free Writing Prospectus and (iii) all other information, in each case, that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

"Disqualified RTO Affiliate" means, with respect to any Market Participant in any Regional Transmission Organization, any Affiliate of such Market Participant; unless, (i) such Affiliate has been determined by the Federal Energy Regulatory Commission to not be controlled by or under common control with such Market Participant in a manner that would result in the loss of any independence adder of ITC or its Subsidiaries or ITC or its Subsidiaries being ineligible for any independence adder in respect of such Regional Transmission Organization or (ii) such Affiliate has not been determined, and could not reasonably be expected to be determined, by the Federal Energy Regulatory Commission to be controlled by or under common control with such Market Participant in a manner that would result in the loss of any independence adder of ITC or its Subsidiaries or ITC or its Subsidiaries being ineligible for any independence adder in respect of such Regional Transmission Organization.

"Eligible Holder" means any Person that (i) is not, and is not a Controlled Affiliate of any Person that is, engaged primarily in the business of developing, owning, or operating electrical transmission systems located in North America (provided, that this subpart (i) shall not apply to FortisUS, for purposes of Transfers by FortisUS or to Investor and its Affiliates as a result of any interest in Oncor Electric Delivery Company LLC), (ii) has not become a Market Participant of any Regional Transmission Organization after such Regional Transmission Organization became an ITC RTO, or, if it has become a Market Participant of any Regional Transmission Organization after such Regional Transmission Organization became an ITC RTO, it did not commit to the transaction pursuant to which it became such a Market Participant after such Regional Transmission Organization became an ITC RTO, (iii) has not become a Disqualified RTO Affiliate of a Market Participant of any Regional Transmission Organization

after such Regional Transmission Organization became an ITC RTO, or, if it has become a Disqualified RTO Affiliate of a Market Participant of any Regional Transmission Organization after such Regional Transmission Organization became an ITC RTO, it did not commit to the transaction pursuant to which it became such a Disqualified RTO Affiliate of Market Participant after such Regional Transmission Organization became an ITC RTO, and (iv) is not a Prohibited

Person; provided, that subparts (ii) and (iii) of this definition shall not apply if ITC or its Subsidiaries at any time cease to have the benefit of the independence adder in the pertinent Regional Transmission Organization and the same shall not have been reinstated within a period of ninety days; provided, further, that if any Shareholder shall cease to meet the requirements of subparts (i) through (iii) at any time, for a period of 180 days from the date such Person ceased to meet the requirements of subparts (i) through (iii) (or such later time as permitted by the Federal Energy Regulatory Commission in accordance with an order issued during the initial ninety-day period) such Person shall be deemed to be an Eligible Holder hereunder. For purposes of the foregoing, the Affiliates of a Fund shall include all subsidiaries of such Fund but shall exclude (other than for purposes of subpart (iv) of the definition of Eligible Holder) the other Affiliates of the Fund Manager or Fund Advisor of such Fund (including other Funds managed by such Fund Manager or to whom such Fund Advisor provides investment advice) if customary ethical screens have been established between such Affiliates and such Fund Manager or Fund Advisor that are sufficient to ensure that confidential information regarding ITC Investments and its Subsidiaries will not be shared by such Fund Manager or Fund Advisor with such other Affiliates of such Fund Manager or Fund Advisor.

"Eligible Transferee" means any Person that, after giving effect to the relevant Transfer, (i) would be an Eligible Holder, (ii) is not a Market Participant of any ITC RTO and is not a Disqualified RTO Affiliate of a Market Participant of any ITC RTO (other than, with respect to FortisUS, PJM Interconnection, LLC) and would not otherwise reasonably be expected (based on due inquiry or advice from outside counsel, as appropriate), as a result of becoming a Shareholder, to subject ITC Investments or its Affiliates to material adverse regulatory change, burden or process, and (iii) is not and does not have Controlled Affiliate that is in material litigation with ITC Investments, the Shareholders, or its or their respective Controlled Affiliates. For purposes of the foregoing, the Controlled Affiliates of a Fund shall include all subsidiaries of such Fund but shall exclude the other Affiliates of the Fund Manager or Fund Advisor of such Fund (including other Funds managed by such Fund Manager or to whom such Fund Advisor provides investment advice) if customary ethical screens have been established between such Controlled Affiliates and such Fund Manager or Fund Advisor that are sufficient to ensure that confidential information regarding ITC Investments and its Subsidiaries will not be shared by such Fund Manager or Fund Advisor with such other Affiliates of such Fund Manager or Fund Advisor.

"Equity Securities" means all shares of Common Stock, all securities, directly or indirectly, convertible into or exercisable or exchangeable for shares of Common Stock and all Options and other rights to purchase or otherwise, directly or indirectly, acquire from ITC Investments shares of Common Stock, or securities convertible into or exercisable or exchangeable for shares of Common Stock, whether at the time of issuance or upon the passage of time or the occurrence of some future event. As to any particular shares of Common Stock constituting Equity Securities, such shares shall cease to be Equity Securities when they have been acquired by ITC Investments.

"Escalated" means, with respect to any dollar amount on any date, (x) such dollar amount *multiplied by* (y) a percentage equal to (A) the positive change (if any) in the CPI between the CPI for January of the year immediately preceding such date and the CPI for January 2016 *divided by* the CPI for January 2016 *multiplied by* (B) 100.

"Excepted Transaction" means, with respect to Related Party Transactions involving FortisUS or its Affiliates, (A) the non-discriminatory allocation of Allocated Overhead to ITC Investments by FortisUS in accordance with FortisUS' generally applicable policies; (B) Related Party Transactions

negotiated on an "arm's-length" basis and containing terms and conditions that are arm's-length and at least as favorable to ITC Investments and its Subsidiaries as terms and conditions reasonably available from third parties (in each case, as determined by a majority of the disinterested directors of the ITC Investments Board); (C) Related Party Transactions for dispositions of assets that are non-Qualifying Core Assets, the development of which was subject to approval by an RH Shareholder at the time of the final investment decision with respect thereto, in accordance with this Agreement and such approval was not provided at such time (if, and only if, the consideration therefor represents at least fair market value of such assets as determined by a majority of the disinterested directors of the ITC Investments Board); or (D) Related Party Transactions for dispositions of assets that are required by Applicable Law, provided that such disposition is negotiated on an arm's-length basis and contains arm's-length terms and conditions that are at least as favorable to ITC Investments and its Subsidiaries as terms and conditions reasonably available from third parties (in each case, as determined by a majority of the disinterested directors of the ITC Investments Board).

"Excepted Issuance" means any issuance of Equity Securities to fund (i) capital expenditures in connection with developing Core Assets reasonably required by Applicable Law to provide safe, adequate and reliable electric transmission, distribution, or any related ancillary service in the then-current development and operating area of ITC or (ii) any extraordinary operating expenses of ITC.

"Excess New Securities" has the meaning set forth in Section 2.6(a).

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fair Market Value" means, as of any date, the value of the shares of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, the Fair Market Value of a share of Common Stock shall be the closing sales price for such stock as quoted on such exchange or market (or, if listed on more than one such exchange or market, the exchange or market with the greatest volume of trading in the Common Stock) on the last market trading day prior to such date, as reported in *The Wall Street Journal* or such other source as the ITC Investments Board deems reliable; or (ii) in the absence of such markets for the Common Stock, the Fair Market Value shall be determined in good faith by the ITC Investments Board, with written notice of such determination to be promptly given to Shareholders, provided, that if there is a good faith objection to such a determination by the Relevant Shareholder, then the Fair Market Value shall be determined by an independent third party appraiser retained by the ITC Investments Board and reasonably acceptable to the Relevant Shareholder (the "Appraiser"), and all reasonable fees, costs and expenses of the Appraiser shall be allocated to ITC Investments, on the one hand, and/or the Relevant Shareholder, on the other hand, based upon the percentage which the portion of the contested amount finally determined bears to the amount actually contested, as determined by the Appraiser. By way of illustration, if ITC Investments claims that the value per share of Common Stock is $1,000, the Relevant Shareholder claims that the value per share of Common Stock is $1,500, and the Appraiser determines that the value per share of Common Stock is $1,200, then the costs and expenses of the Appraiser will be allocated 60% (*i.e.*, 300 ÷ 500) to the Relevant Shareholder and 40% (*i.e.*, 200 ÷ 500) to ITC Investments.

"FFO/Net Debt Ratio" means, as of the end of any fiscal quarter of ITC Investments, the ratio of (i) cash flow from operations before changes in working capital and before changes in other short-term and long-term operating assets and liabilities (with respect to the twelve months preceding the end of such fiscal quarter) to (ii) Consolidated Debt less cash and cash equivalents and less cash-like current financial assets (as of the last day of such fiscal quarter).

"Filing" means all registrations, notices, declarations or filings.

"FINRA" means the Financial Industry Regulatory Authority.

"Fortis Group" means Fortis or any of its Affiliates (other than ITC Investments, Merger Sub and ITC and its Subsidiaries).

"Fortis Sale Notice" has the meaning set forth in Section 2.3(b).

"FortisUS" has the meaning set forth in the Preamble; provided, that upon any Permitted Transfer by FortisUS Inc., "FortisUS" will mean (i) FortisUS Inc. and its Wholly-Owned Affiliates, or (ii) if FortisUS Inc. and its Wholly-Owned Affiliates are no longer Shareholders, their successor or permitted assign that is a Shareholder (it being understood that if there is more than one such Shareholder that are not Wholly-Owned Affiliates of each other, then FortisUS will mean the one such Shareholder and its Wholly-Owned Affiliates that owns the largest percentage of Common Stock Equivalents).

"FortisUS Group" has the meaning set forth in Section 2.3(a)(ii).

"Free Writing Prospectus" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"Fund" means any share trust, investment trust, investment company, limited partnership, general partnership or other collective investment scheme, pension fund, insurance company, or anybody corporate or other entity, in each case, the business, operations or assets of which are managed professionally for investment purpose.

"Fund Advisor" means, with respect to any Fund, the primary or principal entity that provides investment advice to such Fund.

"Fund Manager" means, with respect to any Fund, any general partner, trustee, responsible entity, nominee, manager, or other entity performing a similar function with respect to such Fund.

"GAAP" means the generally accepted accounting principles in effect from time to time in the United States consistently applied.

"Governmental Entity" means any United States or non-United States federal, state, provincial or local court, arbitral tribunal, administrative agency, authority or commission or other governmental, quasi-governmental or regulatory agency or authority or any securities exchange.

"Holders' Counsel" has the meaning set forth in the definition of "Registration Expenses".

"ICC" has the meaning set forth in Section 7.7(a).

"Indebtedness for Borrowed Money" means, in respect of any Person and without duplication, (a) all obligations of such Person for borrowed money or with respect to advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes, letters of credit or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all capital lease obligations of such Person, (e) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, letters of credit and letters of guarantee, and (f) all guarantees by such Person of Indebtedness for Borrowed Money of others in each case determined in accordance with GAAP; provided, that, for greater certainty, trade payables do not constitute Indebtedness for Borrowed Money.

"Independent Director" means a director who meets all of the following requirements: (a) is elected by the Shareholders; (b) is designated as an independent director by the ITC Investments Board, the ITC Board, or the Shareholders; (c) is not an RH Director; (d) is not and during the 3 years prior to being designated as an independent director has not been any of the following: (i) a director of FortisUS

or any of its Affiliates (other than ITC Investments or ITC); or (ii) an officer or employee of ITC Investments, ITC, FortisUS or any of their Affiliates; and (e) would meet the definition of "independent director" under the New York Stock Exchange Listed Company Manual if such director were a member of the board of directors of Fortis Inc., FortisUS, ITC Investments, or ITC (assuming, in the case of FortisUS, ITC Investments and ITC, that such entities were listed on the New York Stock Exchange).

"Independent Director Matters" has the meaning set forth in Section 4.6.

"Initial Public Offering" means any initial Public Offering.

"Intermediate Ownership Change" means, (i) with respect to Investor, (x) GIC (Ventures) Pte Ltd ceasing to hold all of the direct or indirect voting and economic interests of Investor or (y) GIC Pte Ltd ceasing to Control Investor, (ii) with respect to any Permitted Transferee of Investor that is a Fund or is directly or indirectly owned by a Fund as of the relevant Permitted Transfer, the Fund Manager or Fund Advisor of such Permitted Transferee as of the relevant Permitted Transfer ceasing to Control such Permitted Transferee through such Fund or any other Fund, (iii) with respect to any other Permitted Transferee of Investor, the Ultimate Parent(s) of such Permitted Transferee as of the relevant Permitted Transfer (x) ceasing to hold all of the direct or indirect voting and economic interests of such Permitted Transferee or (y) otherwise ceasing to Control such Permitted Transferee, or (iv) with respect to any Shareholder, such Shareholder becomes or becomes a Controlled Affiliate of a Prohibited Person.

"Investor" has the meaning set forth in the Preamble; provided, that upon any Permitted Transfer by Investor, "Investor" will mean (i) Investor Holders, or (ii) if Investor and its Wholly-Owned Affiliates are no longer Shareholders, their successor or permitted assign that is a Shareholder (it being understood that if there is more than one such Shareholder that are not Wholly-Owned Affiliates of each other, then Investor will mean the one such Shareholder and its Wholly-Owned Affiliates that owns the largest percentage of Common Stock Equivalents).

"Investor Holders" means the Investor and any Wholly-Owned Affiliate of the Investor to which the Investor Transfers Equity Securities in accordance with the terms hereof.

"IRR Floor" means the interpolated amount of net cash (for greater certainty, post-tax) that causes the internal rate of return on investment of the Minority Invested Amount (taking into account all distributions theretofore made on the Common Stock issued in respect of the Minority Invested Amount and the timing of the Subscription and all subsequent contributions and distributions) to equal 10%.

"ITC" has the meaning set forth in the Preamble.

"ITC Board" means the board of directors of ITC.

"ITC Bylaws" means the bylaws of ITC, as in effect from time to time.

"ITC Group" means ITC Investments, Merger Sub, ITC or any of its Subsidiaries.

"ITC Investments" has the meaning set forth in the Preamble.

"ITC Investments Board" means the board of directors of ITC Investments.

"ITC Investments Bylaws" means the bylaws of ITC Investments, as in effect from time-to-time.

"ITC Investments Indemnities" has the meaning set forth in Section 2.5(b).

"ITC Investments Loss" has the meaning set forth in Section 2.5(e)(iv).

"ITC RTO" means the Midcontinent Independent System Operator, Inc., the Southwest Power Pool, Inc., and any other Regional Transmission Organization approved in accordance with Section 4.4(n).

"Licenses" means all permits, licenses, authorizations, exemptions, orders, consents, approvals, grants, certificates, variances, exceptions, permissions, qualifications, registrations, clearances and franchises.

"Majority Registrable Holders" means, at any time, and with respect to any Registration and related Public Offering, the holders of at least a majority of the Registrable Securities proposed to be included in such Public Offering before giving effect to any cut-back provisions contained herein.

"Market Participant" means, in respect of any Regional Transmission Organization, any entity that, either directly or through an affiliate, sells or brokers electric energy, or provides ancillary services to such Regional Transmission Organization, consistent with the definition in the Federal Energy Regulatory Commission regulations at 18 C.F.R. §35.34 (b)(2).

"Material Corporate Transaction" has the meaning set forth in Section 3.3(c).

"Merger" has the meaning set forth in the Recitals.

"Merger Agreement" has the meaning set forth in the Recitals.

"Merger Sub" has the meaning set forth in the Recitals.

"Merger Sub Common Stock" means the common stock of Merger Sub (prior to giving effect to the Merger).

"Minority Invested Amount" means the Cash Subscription Price *plus* all other capital contributions to the Common Stock made by the Investor Holders after the date hereof.

"New Securities" means any securities (including new Equity Securities, Preferred Equity, or securities representing Indebtedness for Borrowed Money) of ITC Investments or any of its Subsidiaries, whether authorized now or in the future; provided, that "New Securities" shall not include (i) Equity Securities issued by ITC Investments or any of its Subsidiaries on or prior to the date hereof as contemplated by the Subscription Agreement, (ii) shares of Common Stock issued upon the direct or indirect conversion, exchange or exercise of any securities previously issued by ITC Investments in compliance with Section 2.6, (iii) securities issued by ITC Investments or any of its Subsidiaries in connection with any subdivision of securities (including any stock dividend or stock split) or any combination of securities (including any reverse stock split); (iv) Equity Securities sold in a Public Offering, (v) Equity Securities issued as consideration for the acquisition of another Person or all or substantially all of the assets of another Person (whether by merger, recapitalization, business combination or otherwise), or (vi) Equity Securities issued to any third party lenders as "equity kickers" in connection with what is primarily a loan transaction pursuant to any agreement or arrangement approved by the ITC Investments Board.

"New Securities Price" has the meaning set forth in Section 2.6(a).

"Options" means any rights, options or warrants to purchase any Equity Securities (including, (x) debt obligations which are or may become convertible into or exchangeable or exercisable for Equity Securities, (y) vested and unvested stock options and (z) contractual rights to receive payments, such as "phantom" stock or stock appreciation rights, where the amount thereof is determined by reference to fair market or equity value of ITC Investments or any Equity Securities).

"Other Holders" has the meaning set forth in Section 3.2(c)(ii).

"Other Shareholders" has the meaning set forth in Section 2.4(a).

"Participant" has the meaning set forth in Section 2.4(b).

"Permitted Transfer" has the meaning set forth in Section 2.2(a).

"Permitted Transferee" has the meaning set forth in Section 2.2(a).

"Person" means any individual, corporation, limited partnership, general partnership, limited liability partnership, limited liability company, joint stock company, joint venture, corporation, unincorporated organization, association, company, trust, group or any governmental or political subdivision or any agency, department or instrumentality thereof.

"Piggyback Notice" has the meaning set forth in Section 3.2(a).

"Piggyback Offering" has the meaning set forth in Section 3.2(a).

"Preemptive Exercise Notice" has the meaning set forth in Section 2.6(a).

"Preemptive Notice" has the meaning set forth in Section 2.6(a).

"Preferred Equity" means, on any date, the amount of any convertible or exchangeable preferred shares of ITC Investments which are convertible into equity of ITC Investments and which are not retractable or redeemable for cash at the option of the holder on such date.

"Prohibited Person" means any Person that is (i) the subject of (or would reasonably be expected to cause ITC Investments, the Shareholders, or its or their respective Controlled Affiliates to become the subject of) sanctions, (ii) owned or controlled by a Person that is the subject of sanctions; (iii) organized or resident in any country or region that

is the subject of comprehensive sanctions; or (iv) reasonably expected to cause ITC Investments, the Shareholders, or its or their respective Affiliates to be in violation of counterterrorism, money laundering laws, export control, economic sanctions, or other similar regulations.

"Proxy" has the meaning set forth in Section 2.5(a).

"Proxy Shareholders" has the meaning set forth in Section 2.5(a).

"Public Offering" means any Underwritten Offering by ITC Investments of Common Stock to the public pursuant to an effective registration statement filed with the SEC under the Securities Act (or the closing of another transaction that results in any Common Stock being publicly traded and widely held by the public); provided, that a Public Offering shall not include an offering made in connection with a business acquisition or combination or an employee benefit plan.

"Qualifying Core Assets" means (i) Core Assets on which ITC or its Subsidiaries is entitled to receive rates approved by the Federal Energy Regulatory Commission and (ii) any other Core Assets reasonably required by Applicable Law to provide continued safe, adequate and reliable electric transmission, distribution, or any related ancillary service in the development and operating area of ITC (after giving effect to the acquisition of such assets, if applicable).

"Regional Transmission Organization" means the Midcontinent Independent System Operator, Inc., the Southwest Power Pool, Inc., PJM Interconnection, LLC, and any similar regional transmission organization.

"Registrable Securities" means, at any time: (i) any shares of Common Stock issued to, purchased or acquired by, any Shareholder and any shares of Common Stock issued or issuable to any Shareholder upon exercise, exchange or conversion of any Equity Securities; and (ii) any securities issued or issuable to any Shareholder with respect to any shares of Common Stock (including, by way of stock dividend, stock split, distribution, exchange, combination, merger, recapitalization, reorganization or otherwise). As to any particular Registrable Securities once issued, such securities shall cease to be Registrable Securities upon the earliest to occur of: (i) the date on which such securities are disposed of pursuant to an effective registration statement under the Securities Act; (ii) the date on which such securities are disposed of pursuant to Rule 144 (or any successor provision) promulgated under the Securities Act; (iii) with respect to the Registrable Securities held by any Shareholder, any time that such Shareholder is permitted to sell such Registrable Securities under Rule 144(b)(1) under the Securities Act (or any successor provision thereto); and (iv) the date on which such securities cease to be outstanding.

"Registration" means each Required Registration and each registration under the Securities Act of securities in connection with a Piggyback Offering.

"Registration Expenses" means all reasonable expenses incident to ITC Investments' performance of or compliance with ARTICLE III of this Agreement including, all registration, filing and FINRA fees, including fees payable in connection with the listing of securities on any securities change, fees and expenses relating to compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of any Registrable Securities), expenses of printing certificates for any Registrable Securities in a form eligible for deposit with the Depository Trust Company, all word processing, duplicating and printing expenses, messenger and delivery expenses, internal expenses (including, all salaries and expenses of its officers and employees performing legal or accounting duties), and fees and disbursements of counsel for ITC Investments and of its independent certified public accountants (including the expenses of any management review, special audits or "cold comfort letters" required by or incident to such performance and compliance), securities acts liability insurance (if ITC Investments elects to obtain such insurance), the reasonable fees and expenses of any special experts retained by ITC Investments in connection with such registration, fees and expenses of other Persons retained by ITC Investments, the fees and expenses of one counsel (the "Holders' Counsel") and applicable local counsel for the holders of Registrable Securities to be included in each relevant Registration, selected by the holders of a majority of the Registrable Securities to be included in such Registration (except that, where a Registration is a Required Registration, such selection may only be made by Shareholders holding a majority of the Registrable Securities set forth in the relevant Demand Request); but not including any underwriting fees, discounts or commissions attributable to the sale of securities or fees and expenses of counsel

representing the holders of Registrable Securities included in such Registration (other than the Holders' Counsel and applicable local counsel) incurred in connection with the sale of Registrable Securities.

"Related Party Transaction" means, with respect to any Shareholder, any transaction or agreement between ITC Investments or any of its Subsidiaries on the one hand and such Shareholder or its Affiliates on the other hand, and for greater certainty, "material Related Party Transaction" means any Related Party Transaction with a dollar value (either individually or together with related transactions) in excess of $1,000,000.

"Relevant Shareholder" has the meaning set forth in Section 2.7(b).

"Representative" has the meaning set forth in Section 7.11.

"Request for Intervention" has the meaning set forth in Section 7.7(d).

"Request for Joinder" has the meaning set forth in Section 7.7(c).

"Requesting Shareholder" has the meaning set forth in Section 3.3(d).

"Required Registration" has the meaning set forth in Section 3.1(a).

"Requisite Holding" means 9.95% or more of the aggregate Common Stock Equivalents of ITC Investments (or such lesser percentage as determined in accordance with Section 4.9).

"RH Director" means each director that is nominated by an RH Shareholder and appointed as a member of the ITC Investments Board and ITC Board in accordance herewith.

"RH Reserved Matters" has the meaning set forth in Section 4.4.

"RH Shareholder" means the Investor and any successor or permitted assign thereof, in each case, that together with its Wholly-Owned Affiliates, owns the Requisite Holding.

"Rules" has the meaning set forth in Section 7.7(a).

"Sale of the Business" means any transaction or series of transactions (whether structured as a stock sale, merger, consolidation, reorganization, recapitalization, redemption, asset sale or otherwise), which results in the sale or transfer of (a) all or substantially all of the assets of ITC Investments and its Subsidiaries taken as a whole (determined based on value), (b) beneficial ownership or Control of all or substantially all of the capital stock of ITC Investments or (c) beneficial ownership or Control of all or substantially all of the capital stock of any one or more of ITC Investments' Subsidiaries owning, Controlling or otherwise constituting all or substantially all of the assets of ITC Investments and its Subsidiaries taken as a whole (determined based on value), in each case, to a Person or a "group" (as such term is defined under Regulation 13D under the Exchange Act) other than FortisUS or any of its Controlled Affiliates; provided, that in no event shall a Sale of the Business be deemed to include any transaction effected solely for the purpose of changing, directly or indirectly, the form of organization or the organizational structure of ITC Investments or any of its Subsidiaries.

"Sale Process" has the meaning set forth in Section 2.5(b).

"SEC" means, at any time, the United States Securities and Exchange Commission or any other federal agency at such time administering the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shareholder" means FortisUS, Investor, and any other Person that becomes a Shareholder pursuant to Section 2.2(b).

"Shareholder Agreements" has the meaning set forth in Section 2.5(b).

"Shareholder Free Writing Prospectus" means each Free Writing Prospectus prepared by or on behalf of the relevant selling Shareholder or used or referred to by such Shareholder in connection with the offering of Registrable Securities.

"Shareholder Note" means any Indebtedness for Borrowed Money extended by a Shareholder to ITC Investments or its Subsidiaries, other than through participation in a financing whose original lenders were primarily not Shareholders.

"Shelf Notice" has the meaning set forth in Section 3.3(a).

"Shelf Registration" has the meaning set forth in Section 3.3(a).

"Shelf Registration Effectiveness Period" has the meaning set forth in Section 3.3(b).

"Shelf Registration Statement" has the meaning set forth in Section 3.3(a).

"Shelf Request" has the meaning set forth in Section 3.3(a).

"Shelf Underwritten Offering" has the meaning set forth in Section 3.3(d).

"Subscription" has the meaning set forth in the Subscription Agreement.

"Subscription Agreement" has the meaning set forth in the Recitals.

"Subsidiary" means, with respect to any Person, (i) any corporation more than 50% of the stock of any class or classes of which having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is owned by such Person directly or indirectly through one or more subsidiaries of such Person and (ii) any partnership, association, joint venture, limited liability company or other entity in which such Person directly or indirectly through one or more subsidiaries of such Person has more than a 50% equity interest.

"Supermajority Shareholder Matters" has the meaning set forth in Section 4.5.

"Suspension Period" has the meaning set forth in Section 3.3(c).

"Takedown Notice" has the meaning set forth in Section 3.3(d).

"Takedown Request" has the meaning set forth in Section 3.3(d).

"Transfer" has the meaning set forth in Section 2.1(a).

"Transfer Notice" has the meaning set forth in Section 2.4(a).

"Ultimate Parent" of a Permitted Transferee means the first direct or indirect parent of such Permitted Transferee whose economic and voting equity interests are (x) publicly traded pursuant to open market transactions on the New York Stock Exchange, The Nasdaq Stock Market, Inc., London Stock Exchange or comparable United States or foreign securities exchange or (y) owned entirely by one or more natural persons.

"Underwritten Offering" means a sale of securities of ITC Investments to an underwriter or underwriters for reoffering to the public.

"Uniform System of Accounts for Public Utilities" means the Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, 18 C.F.R. Part 101.

"Wholly-Owned Affiliate" means, with respect to any Person ("Person A"), (i) any other Person whose economic and voting equity interests are directly or indirectly wholly-owned by Person A, (ii) any other Person who directly or indirectly owns all of the economic and voting equity interests of Person A or (iii) any other Person whose economic and voting equity interests are directly or indirectly wholly-owned by a Person who also directly or indirectly owns all of the economic and voting equity interests of Person A.

Section 1.2 Construction. In this Agreement, unless otherwise specified or where the context otherwise requires:

(a) the headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement;

(b) words importing any gender shall include other genders;

(c) words importing the singular only shall include the plural and vice versa;

(d) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation";

(e) the words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to "Schedules," "Exhibits" or "Sections" shall be to Schedules, Exhibits or Sections of or to this Agreement;

(g) references to any Person include the successors and permitted assigns of such Person;

(h) the use of the words "or," "either" and "any" shall not be exclusive;

(i) whenever this Agreement refers to a number of days, that number shall refer to calendar days unless Business Days are specified and whenever any action must be taken under this Agreement on or by a day that is not a Business Day, then that action may be validly taken on or by the next day that is a Business Day.

(j) wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict;

(k) references to any agreement, contract or schedule, unless otherwise stated, are to such agreement, contract or schedule as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; and

(l) the parties hereto have participated jointly in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

ARTICLE II

EXHIBIT F

TRANSFER OF EQUITY SECURITIES

Section 2.1 Restrictions. (a) No Shareholder shall, voluntarily or involuntarily, by operation of law or otherwise, directly or indirectly, sell, assign, donate, gift, pledge, hypothecate, any right or option with respect to, dispose of, encumber or grant a security interest in, dispose of, grant a participation or beneficial interest in, or in any other manner, transfer any Equity Securities, in whole or in part, with or without consideration, or any other right or interest therein, or enter into any transaction which results in the economic equivalent of a transfer to any Person, including any derivative transaction that has the effect of changing materially the economic benefits, risks and voting rights associated with ownership (each such action, a "Transfer") except pursuant to a Permitted Transfer.

(b) From and after the date hereof, all certificates or other instruments representing Equity Securities held by each Shareholder and all certificates or other instruments issued in exchange for or upon the Transfer of any Equity Securities shall bear a legend which shall state:

> "The securities represented by this certificate are subject to and have the benefit of a Shareholders' Agreement, dated as of [ ], as the same may be amended from time to time, pursuant to the terms of which such securities are subject to certain restrictions and conditions on transfer. Such Shareholders' Agreement also provides for various other limitations and obligations, and all of the terms thereof are incorporated by reference herein. A copy of such Shareholders' Agreement has been filed in the chief executive office of ITC Investments where the same may be inspected daily during business hours."

(c) In addition to the legend required by Section 2.1(b) above, all certificates or other instruments representing Equity Securities held by each Shareholder and all certificates or other instruments issued in exchange for or upon the Transfer of any Equity Securities shall bear a legend which shall state:

> "The securities represented by this certificate have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any other securities law, and such securities may not be offered, sold, pledged or otherwise transferred except (1) pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act or (2) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any State of the United States of America."

Notwithstanding the foregoing provisions of this Section 2.1(c), the legend required by this Section 2.1(c) shall be removed from any such certificates representing Equity Securities upon the request of any Shareholder to ITC Investments, accompanied by an opinion of counsel reasonably satisfactory to ITC Investments that such Equity Securities may be freely transferred at any time without registration thereof under the Securities Act and that such legend may be removed.

(d) Any attempt to Transfer any Equity Security which is not in accordance with this Agreement shall be null and void and ITC Investments agrees that it will not cause, permit or give any effect to any Transfer of any Equity Securities to be made on its books and records unless such Transfer is permitted by this Agreement and has been made in accordance with the terms hereof.

(e) Each Shareholder agrees that it will not effect any Transfer of Equity Securities unless such Transfer is a Permitted Transfer and is made (i) pursuant to an exemption from the registration requirements of the Securities Act or pursuant to an effective registration statement under the Securities Act, (ii) in accordance with all Applicable Laws (including, all securities laws), and (iii) upon the receipt by ITC Investments, its Affiliates, such Shareholder, and the proposed transferee (as applicable) of all Consents and making by each of them (as applicable) of all Filings necessary to effect such Transfer and all such Consents and Filings being in full force and effect and not the subject to appeal, all terminations or expirations of applicable waiting periods imposed by any Governmental Entity with respect to the Transfer having occurred, and no such Consent containing any conditions or other requirements that are adverse to ITC Investments or its Affiliates in any material respect. All costs and expenses reasonably incurred by ITC Investments and its Affiliates in accordance with the foregoing shall be paid in cash by or on behalf of the transferring Shareholder as a condition to the relevant Transfer.

(f) Each Shareholder hereby acknowledges and agrees that the scope of the restrictions set forth in this Section 2.1 are reasonable in nature and serve to protect the legitimate interests of ITC Investments.

(g) For the avoidance of doubt, the foreclosure by any Person of a direct or indirect interest in the Equity Securities shall be subject to such Transfer being a Permitted Transfer, including through the prior compliance by the Shareholder with Section 2.3. Any foreclosure by any Person on the equity interests of a Shareholder or its direct or indirect parents without prior compliance with Section 2.3 shall be subject to Section 2.7.

Section 2.2 Permitted Transfers. (a) Notwithstanding anything to the contrary contained herein (but subject to Section 2.1(e) and Section 2.2(b)) a Shareholder may at any time effect any of the following Transfers (each a "Permitted Transfer", and each transferee of such Shareholder in respect of such Transfer, a "Permitted Transferee"):

(i) any Transfer by a Shareholder to its Wholly-Owned Affiliate that is an Eligible Holder;

(ii) any Transfer of Equity Securities held by a Shareholder (other than FortisUS) to an Eligible Transferee so long as both (A) such Equity Securities represent no less than 7% of the aggregate Equity Securities issued and outstanding (or, if all Equity Securities held by such Shareholder represent less than 7% of the aggregate Equity Securities issued and outstanding, all such Equity Securities held by such Shareholder) and (B) such Shareholder has provided FortisUS and ITC Investments, as applicable, with the right of first offer in accordance with Section 2.3(a);

(iii) any Transfer by FortisUS of any or all Equity Securities held by it to any Eligible Holder so long as FortisUS has (A) provided the other Shareholders the tag-along rights in accordance with Section 2.4 and (B) provided the Investor with the right of first offer in accordance with Section 2.3 (b) (which, for the avoidance of doubt, shall not be required in the case of FortisUS's exercise of the drag-along rights in accordance with Section 2.5);

(iv) any Transfer by FortisUS of all Equity Securities held by it to any Person or Persons (other than a Prohibited Person) where FortisUS has exercised its drag-along rights in accordance with Section 2.5; and

(v) any Transfer of any or all Equity Securities held by a Shareholder which is made pursuant to an effective registration statement filed pursuant to the Securities Act.

(b) The restrictions contained in this Section 2.2 will continue to be applicable to the Equity Securities after the Permitted Transfer (other than a Permitted Transfer made pursuant to Section 2.2(a)(v)).

(c) In any Transfer referred to above in Section 2.2(a) (other than clauses (iv) and (v) thereof), the Permitted Transferee shall agree in writing to be bound by the provisions of this Agreement and shall execute and deliver to ITC Investments a copy of the joinder agreement attached hereto as Exhibit A as a condition to such Transfer or other joinder instrument in form and substance reasonably acceptable to the ITC Investments Board. Each such Permitted Transferee shall hold such shares of Equity Securities subject to the provisions of this Agreement as a "Shareholder" hereunder as if such Permitted Transferee were an original signatory hereto and shall be deemed to be a party to this Agreement.

(d) ITC Investments shall have the right to reasonably require, as a condition to any Permitted Transfer pursuant to Section 2.2(a), receipt of an opinion of counsel, which opinion and counsel

shall be reasonably satisfactory to ITC Investments, to the effect that such Transfer is not required to be registered under the Securities Act and is not in violation of any Applicable Law.

(e) Any Equity Securities owned by a Shareholder on or after the date of this Agreement shall have the benefit of and be subject to the terms and conditions of this Agreement.

(f) In connection with any Transfer by the Investor pursuant to Section 2.2(a)(ii), ITC Investments and the other Shareholders each hereby agree to reasonably cooperate with the Investor and the purchaser in any such Transfer, including with respect to ITC Investments, (i) assisting with the preparation and delivery by the Investor of preliminary marketing and auction materials, (ii) preparing or assisting in the preparation of due diligence materials, (iii) making such due diligence materials available to prospective purchasers, (iv) providing access to ITC Investments' books, records, properties and other proprietary materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements) to prospective purchasers and (v) making the managers, officers and employees available to prospective purchasers for presentations and due diligence interviews.

Section 2.3 Rights of First Offer.

(a) Prior to a Transfer (other than a Permitted Transfer not made in reliance on this Section 2.3) by any Shareholder (other than FortisUS) (the "Selling Party") to any Person of its Equity Securities, the Selling Party shall give written notice (the "Sale Notice") to ITC Investments and FortisUS of its *bona fide* intention to Transfer its Equity Securities. Any Sale Notice shall disclose in reasonable detail the number and type of Equity Securities to be Transferred. The Selling Party shall not consummate any Transfer until the earlier of (x) the date that is thirty days after the Sale Notice has been given to ITC Investments and to FortisUS and (y) the date on which the parties to the Transfer have been finally determined pursuant to this Section 2.3(a) (such earlier date, the "Authorization Date"). If a Sale Notice is delivered by a Selling Party pursuant to this Section 2.3(a):

(i) ITC Investments shall have the right, within ten days of delivery of the Sale Notice to ITC Investments, to offer to purchase all (but not less than all) of the Equity Securities to be Transferred by delivering a written notice of such offer to the Selling Party and FortisUS. Such notice shall also specify the purchase price per share that ITC Investments is offering to pay for such Equity Securities which shall be cash. Any offer so delivered shall be binding upon delivery and irrevocable unless otherwise revised in accordance with clause (iv).

(ii) If ITC Investments has not offered to purchase all of the Equity Securities to be Transferred, FortisUS or its designees (the "FortisUS Group") may offer to purchase all (but not less than all) of the Equity Securities not purchased by ITC Investments by giving written notice of such offer to the Selling Party and ITC Investments within fifteen days after the earlier of (A) the expiration of the ten day period after delivery of the Sale Notice to ITC Investments or (B) the delivery of the written notice of such offer by ITC Investments to FortisUS. Such notice by the FortisUS Group shall specify the purchase price per share that the FortisUS Group is offering to pay for such Equity Securities, which shall be in cash and binding upon delivery and irrevocable.

(iii) If ITC Investments has made an offer to purchase such Equity Securities to be Transferred, the FortisUS Group may offer to purchase all (but not less than all) of the Equity Securities subject to the Sale Notice by giving written notice of such offer to the Selling Party and ITC Investments within five days of the delivery of the written notice of such offer by ITC Investments to FortisUS. The FortisUS Group's offer under

this clause (iii) shall be for a purchase price per share greater than the purchase price per share offered by ITC Investments and shall be binding upon delivery and irrevocable.

(iv) If the FortisUS Group has made an offer to purchase all of the Equity Securities in accordance with clause (iii) above and the FortisUS Group's purchase price per share is greater than that offered by ITC Investments, then ITC Investments shall have the right to revise its offer to specify the

higher purchase price within five days after delivery of the written notice of offer by the FortisUS Group to ITC Investments, by delivering a written notice of a revised offer to the Selling Party and the FortisUS Group. If ITC Investments does not so revise its offer, then ITC Investments' offer in accordance with clause (i) above shall be deemed revoked and the FortisUS Group's offer made in accordance with clause (iii) shall apply to all of the Equity Securities to be Transferred.

(v) The Selling Party shall indicate to ITC Investments and the FortisUS Group whether it has accepted the offer(s) by ITC Investments and/or the FortisUS Group within ten days of receipt thereof, by sending an irrevocable written notice of such acceptance thereto, pursuant to which, ITC Investments and/or the FortisUS Group, as applicable, shall then be obligated to purchase, and the Selling Party shall then be obligated to sell, the Equity Securities at the applicable purchase price specified on the applicable offer and on the terms and conditions set forth in the Sale Notice.

(vi) If ITC Investments and the FortisUS Group have not collectively purchased all of the Equity Securities specified in the Sale Notice, or if the Selling Party does not accept the offer(s) made by ITC Investments and/or the FortisUS Group, ITC Investments and the FortisUS Group shall not be entitled to purchase any of such Equity Securities and the Selling Party may, during the 180-day period immediately following the Authorization Date (provided, that such 180-day period may be extended to the extent reasonably necessary to obtain any Filings or Consents from any applicable Governmental Entity), Transfer all such Equity Securities specified in the Sale Notice for consideration consisting of cash or securities with a fair market value (determined as of the date such Transfer is agreed to) that is not less than 101% of the highest purchase price offered by ITC Investments and/or the FortisUS Group. The Transfer of Equity Securities not Transferred during such 180-day period (or any such extension thereof) shall be subject to the provisions of this Section 2.3 upon a subsequent proposed Transfer. The rights granted to ITC Investments and the FortisUS Group pursuant to this Section 2.3 shall continue to be applicable to any subsequent disposition of any Equity Securities acquired by the transferee(s) hereunder until such rights lapse in accordance with the terms of this Agreement.

(vii) If ITC Investments and the FortisUS Group have agreed to purchase all of the Equity Securities set forth in the Sale Notice pursuant to this Section 2.3(a), then the closing of such purchase shall occur within fifteen Business Days from the date ITC Investments and the FortisUS Group have notified the Selling Party of their intention to purchase all of such Equity Securities (or, if applicable, upon the running of any notice periods or the granting of any approvals required by Applicable Law).

(b) Prior to a Transfer (other than a Permitted Transfer not made in reliance on this Section 2.3, including in the case of FortisUS's exercise of the drag-along rights in accordance with Section 2.5) by FortisUS to any Person of its Equity Securities, whereby after giving *pro forma* effect to such Transfer, FortisUS will hold more than 50% of the Common Stock Equivalents, FortisUS shall give written notice (the "Fortis Sale Notice") to the Investor of its *bona fide* intention to Transfer its Equity Securities. Any Fortis Sale Notice shall disclose in reasonable detail the number and type of Equity

Securities to be Transferred. FortisUS shall not consummate any Transfer until the earlier of (x) the date that is thirty days after the Fortis Sale Notice has been given to the Investor and (y) the date on which the parties to the Transfer have been finally determined pursuant to this Section 2.3(b). If a Fortis Sale Notice is delivered by FortisUS pursuant to this Section 2.3(b):

(i) The Investor, shall have the right, within ten days of delivery of the Transfer Notice, to offer to purchase all (but not less than all) of the Equity Securities subject to the Fortis Sale Notice by delivering a written offer to FortisUS (with a copy thereof to ITC Investments) stating that it offers to purchase such Equity Securities. Such offer shall specify the purchase price per share, which shall be cash, and any offer so delivered shall be binding upon delivery and irrevocable unless otherwise specified herein.

(ii) FortisUS shall indicate to the Investor whether it has accepted such offer within ten days of delivery of the Fortis Sale Notice, by sending an irrevocable written notice of such acceptance to the Investor. If FortisUS does not expressly accept an offer by the Investor prior to the expiration of

such 10-day period, such offer by the Investor shall be deemed to be revoked. If FortisUS accepts such offer by the Investor, FortisUS shall then be obligated to sell the Equity Securities in accordance with the terms of such offer.

(iii) If the Investor does not deliver an offer during the ten day period after delivery of the Fortis Sale Notice, the Investor shall be deemed to have waived all of its rights to purchase the Equity Securities under this Section 2.3(b), and FortisUS may, during the 180-day period immediately following the earlier of (x) the date that is thirty days after the Fortis Sale Notice has been given to the Investor and (y) the date on which the parties to the Transfer have been finally determined pursuant to this Section 2.3(b), Transfer all (but not less than all) such Equity Securities specified in the Transfer Notice for consideration consisting of cash or securities with a fair market value (determined as of the date such Transfer is agreed to) that is not less than 101% of the purchase price offered by the Investor; provided, that such 180-day period may be extended to the extent reasonably necessary to obtain any Filings or Consents from any applicable Governmental Entity. The Transfer of any Equity Securities not Transferred during such 180-day period (or any such extension thereof) shall be subject to the provisions of this Section 2.3 upon a subsequent proposed Transfer. The rights granted to the Investor pursuant to this Section 2.3 shall continue to be applicable to any subsequent disposition of any Equity Securities acquired by the transferee(s) hereunder until such rights lapse in accordance with the terms of this Agreement.

(iv) If the Investor has agreed to purchase all of the Equity Securities set forth in the Fortis Sale Notice pursuant to this Section 2.3(b), then the closing of such purchase shall occur within fifteen Business Days from the date the Investor has notified FortisUS of its intention to purchase all of such Equity Securities (or, if applicable, upon the running of any notice periods or the granting of any approvals required by Applicable Law).

Section 2.4 Sales by FortisUS Subject to Tag-Along Rights. (a) If FortisUS proposes to effect a Transfer (other than a Permitted Transfer described in Section 2.2(a)(i), Section 2.2(a)(iv), or Section 2.2(a)(v)), then FortisUS shall promptly give written notice (the "Transfer Notice") to ITC Investments and each of the other Shareholders (the "Other Shareholders") at least twenty days prior to the closing of such Transfer. The Transfer Notice shall (i) describe in reasonable detail the proposed Transfer including, the class and number of shares of Equity Securities to be sold, the number of

Common Stock Equivalents represented thereby, the identity of the prospective transferee(s), the purchase price of each such share of Equity Securities to be sold, which shall be in cash, and the date such proposed sale is expected to be consummated and (ii) have attached thereto, if available, an executed copy (or a substantially final draft copy) of the agreement pursuant to which the proposed Transfer is to be consummated.

(b) Each of the Other Shareholders shall have the right, exercisable upon delivery of an irrevocable written notice to FortisUS within thirty days after receipt of the Transfer Notice, to participate in such proposed Transfer on the same terms and conditions as set forth in the Transfer Notice including, the making of all representations, warranties and covenants and the granting of all indemnifications and similar agreements and arrangements agreed to by FortisUS in the executed agreement (or substantially final draft agreement) delivered with the Transfer Notice pursuant to Section 2.4(a) (including, participating in any escrow arrangements to the extent of their respective *pro rata* portion). Each Other Shareholder electing to participate in the Transfer described in the Transfer Notice (each, a "Participant") shall indicate in its irrevocable notice of election to FortisUS the maximum number of Common Stock Equivalents it desires to Transfer. Each such Participant shall be entitled to Transfer a number of Common Stock Equivalents equal to such holder's *pro rata* portion of the total number of Common Stock Equivalents to be Transferred, as set forth in the Transfer Notice, up to such maximum number; provided, that if FortisUS will not hold more than 50% of the Common Stock Equivalents after giving *pro forma* effect to the Transfer, then each Participant shall be entitled to Transfer all Common Stock Equivalents held by such Participant. For purposes of this Section 2.4(b), *pro rata* portion means for each Participant a fraction, the numerator of which is the number of Common Stock Equivalents held by such Participant immediately prior to the Transfer proposed in the Transfer Notice and the denominator of which is the total number of Common Stock Equivalents outstanding immediately prior to the Transfer proposed in the Transfer

Notice (provided, that the preceding calculation shall be adjusted so that the total number of Common Stock Equivalents that the Participants may sell in the aggregate does not exceed the total number of Common Stock Equivalents to be sold by FortisUS). No holder of Equity Securities (other than shares of Common Stock) shall be entitled to sell Equity Securities (other than shares of Common Stock) pursuant to this Section 2.4, but shall be permitted to convert, exchange or exercise its applicable portion of Equity Securities (subject to the terms of such Equity Securities) for Common Stock concurrently with, and subject to, the consummation of the proposed Transfer.

(c) Each Participant shall effect its participation in the Transfer by delivering to FortisUS (to hold in trust as agent for such Participant), at least three Business Days prior to the date scheduled for such Transfer as set forth in the Transfer Notice, (i) one or more certificates or other instruments, as applicable, in proper form for transfer, which represent the number of shares of Equity Securities which such Participant is entitled to Transfer in accordance with Section 2.4(b) (but subject to the limitations set forth in Section 2.4(b)), (ii) executed copies of a joinder or other similar agreement pursuant to which such Participant shall agree to be bound by the terms and conditions set forth in the agreement included with the Transfer Notice pursuant to Section 2.4(a)(ii) in form and substance reasonably satisfactory to FortisUS, and (iii) executed copies (or signature pages thereof) of such other agreements, documents or certificates as FortisUS and/or its transferee shall reasonably request. Such agreements, documents or certificates or other instruments, as applicable, shall be delivered by FortisUS to such Permitted Transferee on the date scheduled for the consummation of the Transfer pursuant to the terms and conditions specified in the Transfer Notice and such Permitted Transferee shall remit to each such Participant its *pro rata* portion of the net sale proceeds (taking into account any transaction costs and expenses reasonably incurred by FortisUS in connection with such Transfer, including, any fee paid pursuant to Section 2.4(e), and reasonable transaction costs and expenses incurred by FortisUS on behalf of ITC Investments in connection with such Transfer and any escrows, holdback amounts or other amounts withheld pursuant to the terms specified in the Transfer Notice) to which such Participant is

entitled by reason of its participation in such sale. For purposes of this Section 2.4(c), "*pro rata* portion" means for each Participant a fraction, the numerator of which is the number of Common Stock Equivalents to be Transferred by such Participant pursuant to this Section 2.4 and the denominator of which is the total number of Common Stock Equivalents to be Transferred pursuant to this Section 2.4. FortisUS's sale of shares of Equity Securities in any sale proposed in a Transfer Notice shall be effected on terms and conditions not more favorable to FortisUS than those set forth in such Transfer Notice and those applicable to the other Participants.

(d) The exercise or non-exercise of the rights of any of the Other Shareholders hereunder to participate in one or more Transfers of Equity Securities made by FortisUS shall not adversely affect their rights to participate in subsequent Transfers of Equity Securities subject to this Section 2.4. Notwithstanding the foregoing, no shares of Common Stock that have been Transferred in a Transfer pursuant to this Section 2.4 shall be subject again to the restrictions set forth in this Section 2.4.

(e) For purposes of this Section 2.4, it is understood and agreed that in consideration of investment banking services provided by an investment banking group, a reasonable fee may be paid by FortisUS and included in reimbursable transaction costs in an amount that is customary and equivalent to a fee arrangement negotiated on an "arm's-length" basis.

(f) Notwithstanding anything contained in this Section 2.4 to the contrary, there shall be no liability on the part of FortisUS (or any of its Controlled Affiliates and Permitted Transferees) to any Other Shareholder in the event that the proposed Transfer is not consummated or no Common Stock Equivalents are sold notwithstanding the delivery of any Transfer Notice pursuant to Section 2.4(a) or the compliance with any other provision in this Section 2.4.

(g) For purposes of this Section 2.4, the computation of Common Stock Equivalents shall include Equity Securities that would become Common Stock Equivalents in accordance with their terms immediately after the consummation of the transactions contemplated by this Section 2.4.

(h) For convenience of administration with respect to Other Shareholders other than Investor, FortisUS may sell its Common Stock Equivalents without offering the Other Shareholders the opportunity to participate in such sale in compliance with this Section 2.4, so long as each Other Shareholder is provided the opportunity to sell its *pro*

rata portion of the total number of Common Stock Equivalents to FortisUS and, within ten Business Days of consummation of the sale of FortisUS's Common Stock Equivalents, FortisUS purchases such Common Stock Equivalents from each Other Shareholder on the same terms and conditions (including price) as FortisUS sold its Equity Securities to such transferee.

Section 2.5 Grant to FortisUS of Drag-Along Rights. (a) At the written request of FortisUS at least thirty days prior to the closing of a Sale of the Business, each other Shareholder agrees to vote its shares of voting securities of ITC Investments for, consent to, and raise no objection to such Sale of the Business and shall take all other actions necessary or reasonably required to cause the consummation of such Sale of the Business on the terms proposed by FortisUS, which shall control all decisions in connection therewith (including the hiring or termination of any investment bank or professional advisor). Without limiting the foregoing, (i) if such Sale of the Business is structured as a sale of assets or a merger or consolidation, then each Shareholder shall vote, or cause to be voted, all of its shares of voting securities of ITC Investments over which such Person has the power to vote or direct the voting and which are entitled to vote on such Sale of the Business at a special or annual meeting of Shareholders or by written consent in lieu of a meeting in favor of such transaction and shall irrevocably waive any dissenter's rights, appraisal rights or similar rights (including any notice in connection therewith) which such Shareholder may be entitled under Applicable Law in connection therewith (and each such Shareholder does hereby irrevocably waive all such rights) and (ii) if such Sale of the Business is

structured as or involves a sale or redemption of Equity Securities, then each Shareholder shall agree to sell such Shareholder's *pro rata* portion of the Equity Securities being sold in such Sale of the Business on the economic terms and conditions approved by FortisUS. Each Shareholder (other than FortisUS and the Investor) (such Shareholders, the "Proxy Shareholders") hereby revokes any and all prior proxies or powers of attorney in respect of any of such Shareholder's Equity Securities. Each Proxy Shareholder hereby irrevocably constitutes and appoints FortisUS and any designee of FortisUS, with full power of substitution and resubstitution, at any time during the term of this Agreement, as its true and lawful attorney and proxy (its "Proxy"), and in its name, place and stead, to vote each of such Proxy Shareholders' Equity Securities (in each case whether such Equity Securities are currently owned or may be acquired in the future by the Proxy Shareholder) as its proxy, at every regular, special, adjourned or postponed meeting of Shareholders, including the right to sign its name (as Shareholder) to any consent, certificate or other document relating to ITC Investments (or, if applicable, any Subsidiary of ITC Investments) that the laws of the State of Michigan may permit or require with respect to any matter to be voted on by the Shareholders. The foregoing Proxy and power of attorney are irrevocable, are coupled with an interest throughout the term of this Agreement and shall survive and not be affected by the death, dissolution, termination, bankruptcy or incapacity of any of the Proxy Shareholder. The Proxy Shareholders shall not (i) grant any Proxy or enter into or agree to be bound by any voting trust with respect to any Equity Securities or enter into any agreement, arrangement or understanding with any Person that is inconsistent with the terms of this Section 2.5 or any other provisions of this Agreement including agreements or arrangements with respect to the acquisition, Transfer or voting of any Equity Securities (including the entrance into a voting trust, the grant of a Proxy or the entry into any other voting or similar agreement or arrangement) or (ii) act, for any reason, as a member of a group or in concert with any other Shareholders (or owners of Equity Securities whether or not party to this Agreement) in connection with the acquisition, Transfer or voting of any Equity Securities in any manner which is inconsistent with the provisions of this Section 2.5 or any other provisions of this Agreement.

(b) ITC Investments and the other Shareholders each hereby agree to reasonably cooperate (including by waiving any appraisal rights and any notices in connection therewith to which such Shareholder may be entitled under Applicable Law and each such Shareholder does hereby waive all such appraisal rights and any notices in connection therewith) with FortisUS and the purchaser in any such Sale of the Business and the sale process preceding such Sale of the Business (the "Sale Process") (including, without limitation, by reasonably cooperating and taking all other actions reasonably necessary or reasonably requested by FortisUS to effectively conduct the Sale Process and assure the success thereof) including, with respect to ITC Investments, (i) identifying and soliciting prospective purchasers (including securing the services of an investment bank and/or other professional advisors, selected by FortisUS, to assist in procuring such purchasers), (ii) preparing and delivering preliminary marketing and auction materials, (iii) preparing or assisting in the preparation of due diligence materials, (iv) making such due diligence materials available to prospective purchasers, (v) providing access to ITC Investments' books, records, properties and other proprietary materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements) to prospective purchasers and (vi) making the managers, officers and employees reasonably available to prospective purchasers for presentations and

due diligence interviews) and, to execute and deliver all documents (including purchase agreements, if applicable) and instruments as FortisUS and such purchaser reasonably request to effect such Sale of the Business including, with respect to a Shareholder, the making of all customary individual representations, warranties and covenants and the granting of all indemnifications and similar agreements and arrangements with respect to such Shareholder as agreed to by FortisUS with respect to such matters as power, authority, title and legal right to transfer shares and absence of claims with respect to such shares (the "Shareholder Agreements"), and severally (but not jointly) make such indemnities regarding ITC Investments and its Subsidiaries and their assets, liabilities and businesses (the "ITC Investments Indemnities") as made by FortisUS (including, participating in any escrow arrangements to the extent of their respective *pro rata* portion). FortisUS agrees that upon such Sale of the Business each Shareholder

shall receive its *pro rata* portion of the net proceeds (taking into account any transaction costs and expenses reasonably incurred by FortisUS in connection with such Sale of the Business, including, any fee paid pursuant to Section 2.5(c), and any transaction costs and expenses incurred by FortisUS on behalf of ITC Investments in connection with such Sale of the Business) and, subject to the foregoing and Section 2.5(d), such sale shall be on the same terms and conditions as afforded to FortisUS; provided, that in no event shall the net amount of cash received by the Investor Holders (other than FortisUS and its Permitted Transferees) be less than the IRR Floor. For purposes of Section 2.5(a) and this Section 2.5(b), "*pro rata* portion" means for each Shareholder a fraction, the numerator of which is the number of Common Stock Equivalents held by such Shareholder immediately prior to such Sale of the Business and the denominator of which is the total number of Common Stock Equivalents outstanding immediately prior to such Sale of the Business.

(c) For the purposes of this Section 2.5, it is understood and agreed that in consideration of investment banking services provided by an investment banking group, a reasonable fee may be paid by FortisUS and included in reimbursable transaction costs in an amount that is customary and equivalent to a fee arrangement negotiated on an "arm's-length" basis.

(d) For the purposes of this Section 2.5, the computation of Common Stock Equivalents shall include Equity Securities that would become Common Stock Equivalents in accordance with their terms immediately after the consummation of the transactions contemplated by this Section 2.5.

(e) Notwithstanding anything else in this Agreement, the obligations of the Shareholders (other than FortisUS) under this Section 2.5 (including, to participate in a Transfer made in accordance with this Section 2.5) shall be subject to satisfaction of the following:

(i) upon the consummation of the Transfer, each Shareholder (other than FortisUS and any of its Affiliates) shall be entitled to receive for its Equity Securities the same form of consideration and the same proportional amount of consideration as FortisUS and any of its Affiliates (which shall include all consideration payable to, or received by FortisUS and any of its Affiliates) and if FortisUS or any of its Affiliates are entitled to select the form of consideration, such election shall be offered to all Shareholders;

(ii) no Shareholder shall be subject to joint and several liability with respect to any other Shareholders;

(iii) no Shareholder shall be liable for the Shareholder Agreements made by other Shareholders or required to enter into any non-competition or non-solicitation provisions; and

(iv) the aggregate amount of liability with respect to each Shareholder (other than FortisUS and any of its Affiliates) pursuant to all agreements entered into in connection with a Transfer pursuant to this Section 2.5 shall be capped at such Shareholder's *pro rata* portion of the proceeds actually received by such Shareholder in connection with such Transfer, and the allocable share of any Shareholder for any amounts payable in connection with any claim in connection with ITC Investments Indemnities (any such amount payable, a "ITC Investments Loss") shall not exceed the lesser of (x) such Shareholder's *pro rata* portion of any such ITC Investments Loss or (y) the proceeds actually received by such Shareholder in connection with such Transfer.

(f) Notwithstanding anything contained in this Section 2.5 to the contrary, there shall be no liability on the part of FortisUS (or any of its affiliates and Permitted Transferees) to any other Shareholder in the event a Sale of the Business is not consummated notwithstanding the delivery of any

written request by FortisUS pursuant to Section 2.5(a) or the compliance with any other provision in this Section 2.5.

Section 2.6 Grant of Preemptive Rights to Shareholders. (a) In the event that, at any time, ITC Investments or any of its Subsidiaries shall decide to undertake an issuance of New Securities (any such issuance being hereby expressly consented to by each Shareholder in its capacity as such) (other than an issuance of debt securities in which none of FortisUS and its Affiliates participate), ITC Investments shall at such time deliver to each Shareholder written notice of ITC Investments' decision, describing the amount, type and terms (including the exercise price and expiration date thereof in the case of any Options and principal amount, maturity date, terms of any security interests and yield thereof in the case of securities representing Indebtedness for Borrowed Money) of such New Securities, the purchase price per New Security (the "New Securities Price") to be paid by the purchasers of such New Securities and the other terms upon which ITC Investments has decided to issue the New Securities including, the expected timing of such issuance which will in no event be more than ninety days after the date upon which such notice is given (the "Preemptive Notice"). Each such Shareholder shall have twenty Business Days from the date on which the Preemptive Notice is given to agree by written notice to ITC Investments (a "Preemptive Exercise Notice") to purchase up to its proportional share of such New Securities for the New Securities Price and upon the general terms specified in the Preemptive Notice and stating therein the quantity of New Securities to be purchased by any such Shareholder, including any Excess New Securities such Shareholder wishes to purchase if such securities are available. In the event that in connection with such a proposed issuance of New Securities, any such Shareholder shall for any reason fail or refuse to give such written notice to ITC Investments within such twenty Business Day period, such Shareholder shall, for all purposes of this Section 2.6, be deemed to have refused (in that particular instance only) to purchase any of such New Securities and to have waived (in that particular instance only) all of its rights under this Section 2.6 to purchase any of such New Securities. For purposes of this Section 2.6, a Shareholder's "proportional share" means, at any time, the quotient obtained by dividing the number of Common Stock Equivalents held by such Shareholder at such time by the aggregate number of Common Stock Equivalents held by all Shareholders. In the event that any Shareholder does not elect to purchase all of its respective proportional share, the New Securities which were available for purchase by such non-electing Shareholders (the "Excess New Securities") shall automatically be deemed to be accepted for purchase by the Shareholders who indicated in their Preemptive Exercise Notice a desire to participate in the purchase of New Securities in excess of their proportional share. Unless otherwise agreed by all of the Shareholders participating in the purchase, each Shareholder who indicated in its Preemptive Exercise Notice that it desired to purchase more than its proportional share shall purchase a number of Excess New Securities equal to the lesser of (x) the number of Excess New Securities indicated in the Preemptive Exercise Notice, if any, and (y) an amount equal to the product of (A) the number of Excess New Securities and (B) a fraction, the numerator of which is the number of Common Stock Equivalents held at such time by such Shareholder and the denominator of which is the aggregate number of Common Stock Equivalents held at such time by all Shareholders participating in such purchase of Excess New Securities.

(b) In the event and to the extent that, subsequent to the procedure set forth in Section 2.6(a), any New Securities (including any Excess New Securities) are not acquired by the Shareholders entitled to subscribe for and purchase such New Securities, ITC Investments (or any such Subsidiary) shall be free to issue such New Securities to any Eligible Holder; provided, that (i) the price per New Security at which such New Securities are being issued to and purchased by such Person is not less than 99% of the New Securities Price and (ii) the other terms and conditions pursuant to which such Person purchases such New Securities are not materially more favorable than the terms set forth in the Preemptive Notice. Any New Securities not issued or sold within 90 days after the date of the Preemptive Notice (provided, that such 90-day period may be extended up to an additional 90 days to the extent

necessary to obtain any Filings or Consents from any applicable Governmental Entity) shall again be subject to the provisions of this Section 2.6.

(c) For convenience of administration, ITC Investments may sell New Securities to FortisUS without offering the other Shareholders the opportunity to participate in such sale in compliance with this Section 2.6, so long as each such applicable Shareholder is provided the opportunity to purchase its *pro rata* portion of applicable New Securities from FortisUS, within ten Business Days of consummation of FortisUS's purchase of New Securities from ITC Investments, on the same terms and conditions (including price) as FortisUS purchased its New Securities from ITC Investments and that such delay does otherwise adversely affect the other Shareholders from an economic perspective (*e.g.* as a result of dividends or distributions with a record date during such ten Business Day period).

Section 2.7 Call upon Intermediate Ownership Change. (a) Each indirect Transfer of Equity Securities shall be made subject to Section 2.3 (other than with respect to Equity Securities of FortisUS).

(b) If, in violation of Section 2.3, a Shareholder (other than FortisUS) suffers an Intermediate Ownership Change, then the relevant Shareholder suffering such Intermediate Ownership Change (the "Relevant Shareholder") shall be deemed to have provided ITC Investments and FortisUS an irrevocable offer to purchase the Relevant Shareholders' Equity Securities at 90% of Fair Market Value. Each Shareholder agrees to give ITC Investments and each other Shareholder prompt notice of any Intermediate Ownership Change.

(c) Promptly following the Intermediate Ownership Change, ITC Investments shall determine the Fair Market Value of the Relevant Shareholders' Equity Securities as of the date of the Intermediate Ownership Change in accordance with the definition thereof.

(d) ITC Investments may elect to purchase all of the Equity Securities of the Relevant Shareholder by delivering a written notice of such election to the Selling Party and FortisUS within ten days after the determination of the Fair Market Value thereof. If ITC Investments has not elected to purchase all of the Equity Securities of the Relevant Shareholder, then the FortisUS Group may elect to purchase all (but not less than all) of the Equity Securities of the Relevant Shareholder not purchased by ITC Investments by giving written notice of such election to the Selling Party and ITC Investments within fifteen days after earlier of (i) the expiration of the ten-day period after determination of Fair Market Value or (ii) the delivery of the written notice of such election by ITC Investments to FortisUS.

(e) If ITC Investments and the FortisUS Group have agreed to purchase all of the Equity Securities of the Relevant Shareholder, then the closing of such purchase shall occur within fifteen Business Days from the date ITC Investments and the FortisUS Group have notified the Selling Party of their intention to purchase all of such Equity Securities (or, if applicable, upon the running of any notice periods or the granting of any approvals required by Applicable Law).

Section 2.8 Mandatory Transfer upon Becoming a non-Eligible Holder. If any Shareholder shall cease to be an Eligible Holder, then such Shareholder shall promptly Transfer its Equity Securities to a Wholly-Owned Affiliate that is an Eligible Holder in accordance with Section 2.2(a)(i). If no Wholly-Owned Affiliate of the relevant Shareholder is or can be duly organized to be an Eligible Holder, then the relevant Shareholder shall use its commercially reasonable efforts to promptly Transfer its Equity Securities to a third party in accordance with Section 2.2(a)(ii) and Section 2.3.

Section 2.9 Transfer upon New ITC RTO. If (a) ITC Investments desires to acquire Core Assets, directly or indirectly through ownership of another Person, in any Regional Transmission Organization that is not then an ITC RTO, (b) any Shareholder (other than FortisUS) is a Market Participant of such Regional Transmission Organization or a Disqualified RTO Affiliate of a Market

Participant of such Regional Transmission Organization, and (c) such Shareholder can Transfer its Equity Securities in accordance with Section 2.2(a)(i) to a Wholly-Owned Affiliate that is an Eligible Holder and that would not be a Market Participant of such Regional Transmission Organization or a Disqualified RTO Affiliate of a Market Participant of such Regional Transmission Organization without adverse consequences (economic or otherwise), then at the request of ITC Investments such Shareholder shall use commercially reasonable efforts to effect such Transfer as promptly as practicable

upon the making of such request. Notwithstanding anything to the contrary, no Shareholder shall be required to Transfer its Equity Securities to a third party under this Section 2.9.

ARTICLE III

REGISTRATION RIGHTS

Section 3.1 Required Registration. (a) If ITC Investments shall be requested in writing, which writing shall specify the Registrable Securities to be sold and the intended method of disposition thereof (a "Demand Request"), at any time by FortisUS, or at any time after the first registration statement with respect to Registrable Securities is declared effective by the SEC, by an RH Shareholder (the Shareholder(s) making such Demand Request, the "Demanding Shareholder"), to effect a registration under the Securities Act of Registrable Securities held by FortisUS (or an RH Shareholder, if applicable) (each, a "Required Registration"), then ITC Investments shall deliver a written notice (a "Demand Notice") to each Shareholder who did not make such Demand Request stating that ITC Investments intends to comply with a Demand Request and informing each such Shareholder of its right to include Registrable Securities in such Required Registration. Within ten Business Days after receipt of a Demand Notice, each Shareholder who received such Demand Notice shall have the right to request in writing that ITC Investments include all or a specific portion of the Registrable Securities held by such Shareholder in such Required Registration, and ITC Investments shall include such Registrable Securities in such Required Registration, subject to Section 3.1(c). ITC Investments shall file a registration statement on the appropriate form as promptly as practicable (but no later than sixty days after the date the Demand Request is delivered in the case of a Form S-1 and thirty days after the date the Demand Request is delivered in the case of a Form S-3) and use its reasonable best efforts to cause such registration statement to be declared effective by the SEC at the earliest possible date permitted under the rules and regulations of the SEC; provided, that ITC Investments shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 3.1:

(i) in any particular jurisdiction in which ITC Investments would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless ITC Investments is already subject to service in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder;

(ii) if the Registrable Securities requested to be registered pursuant to such request do not have an anticipated aggregate public offering price (before any underwriting discounts and commissions) of not less than (x) $25,000,000 (or $50,000,000 if such requested registration is the Initial Public Offering) in the case of Required Registration on Form S-1, or (y) $10,000,000 in the case of Required Registration on Form S-3;

(iii) within three months of any other Required Registration or a Shelf Underwritten Offering;

(iv) within three months of a Piggyback Offering in which all Shareholders were given the right to include Registrable Securities and at least 90% of the Registrable

Securities requested by such Shareholders to be included in such Piggyback Offering were included;

(v) during the period starting with the date thirty days prior to ITC Investments' good faith estimate of the date of filing of, and ending on the date ninety days immediately following a Piggyback Offering, provided, that during the thirty-day period prior to such filing ITC Investments is actively employing in good faith all reasonable efforts to consummate such Piggyback Offering; provided, further, that ITC Investments may only delay an offering pursuant to this subsection (a)(v) for a period of not more than ninety days if a filing of any other registration statement is not made within that period and ITC Investments may only exercise this right once in any twelve-month period; or

(vi) for a period of up to 120 days if ITC Investments shall furnish to the Shareholders requesting such Registration a certificate signed by the President of ITC Investments stating that in the

good faith judgment of the ITC Investments Board such Required Registration would (i) require the disclosure of a material transaction or other matter and such disclosure would be materially disadvantageous to ITC Investments or (ii) adversely affect a material financing, acquisition, disposition of assets or equity interests, merger or other comparable transaction; provided, that ITC Investments shall not exercise such right more than twice in any twelve-month period

(b) Underwritten Offering. If the Demanding Shareholder intends to distribute the Registrable Securities in a Required Registration by means of an underwriting, it shall so advise ITC Investments as a part of its Demand Request. In such event, the underwriters of such Required Registration shall be one or more underwriting firms of nationally recognized standing selected by the Demanding Shareholder, and reasonably acceptable to ITC Investments. The right of each Shareholder to include securities in such Required Registration shall be conditioned upon such Shareholder entering into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected pursuant hereto.

(c) Priority on Underwritten Offerings. ITC Investments shall not include any securities other than Registrable Securities in a Required Registration, except with the written consent of Shareholders participating in such Required Registration that hold a majority of the Registrable Securities included in such Required Registration. In the case of any Required Registration that is an Underwritten Offering, if the managing underwriter for the Required Registration shall advise ITC Investments in writing (a copy of which ITC Investments shall provide to each Shareholder requesting to include Registrable Securities therein) that, in such underwriter's opinion, the number of securities requested to be included in such Required Registration would adversely affect the Required Registration and sale (including pricing) of such Registrable Securities (such writing to state the basis of such opinion and the approximate number of Registrable Securities that may be included in such Required Registration without such effect), ITC Investments shall include in such Required Registration the number of Registrable Securities that ITC Investments is so advised can be sold in such Required Registration, in the following amounts and order of priority:

(i) *first*, all Registrable Securities requested to be sold by all holders of Registrable Securities pursuant to this Section 3.1 *pro rata* among such holders on the basis of the number of Registrable Securities requested to be registered by such holders; and

(ii) *second*, securities proposed to be sold by ITC Investments for its own account.

(d) Form S-3. ITC Investments shall use its reasonable best efforts to qualify and remain qualified for registration on Form S-3 for secondary sales and shall effect any Required Registration on Form S-3 after such qualification.

(e) Limitations on Investor Demand Rights. Notwithstanding anything to the contrary in this Section 3.1, ITC Investments shall not be obligated to file and cause to become effective more than three registration statements on Form S-1 initiated pursuant to Section 3.1(a) pursuant to a Demand Request by the RH Shareholders. Notwithstanding anything else in this Section 3.1, any Demand Request made by an RH Shareholder may be rescinded prior to such registration being declared effective by the SEC by written notice to ITC Investments from such RH Shareholder; provided, however, that such rescinded registration shall not count as a registration initiated pursuant to Section 3.1(e) if ITC Investments shall have been reimbursed for all reasonable and documented out-of-pocket expenses incurred by ITC Investments in connection with such rescinded registration; provided, further, however, that if, at the time of such rescission, such RH Shareholder shall have learned of an event that is, or is reasonably likely to result in, a material adverse change in ITC Investments' business, financial condition or results of operations from that known to such RH Shareholder at the time of its Demand Request and have withdrawn the request with reasonable promptness after learning of such information then such RH Shareholder shall not be required to reimburse ITC Investments for any out-of-pocket expenses incurred by ITC Investments in connection with such rescinded registration and such rescinded registration shall not count as a registration initiated by such RH Shareholder.

Section 3.2 Piggyback Rights. (a) Corporation and Other Offerings. If ITC Investments at any time (other than in connection with the Initial Public Offering) proposes to offer, for its own account or the account of another Person, any of its securities (a "Piggyback Offering") under the Securities Act (other than pursuant to a registration

statement on Form S-4 or Form S-8 or any successor forms thereto or in an offering subject to Section 3.1), for sale to the public in an Underwritten Offering (including an "at-the-market offering" or a "registered direct offering") it will at each such time give prompt written notice to all Shareholders of its intention to do so (a "Piggyback Notice"). In the case of a Piggyback Offering under a shelf registration statement filed by ITC Investments pursuant to Rule 415 under the Securities Act, such Piggyback Notice shall be sent not less than ten Business Days prior to the expected date of commencement of marketing efforts for such Piggyback Offering. In the case of a Piggyback Offering under a registration statement that is not a shelf registration statement, such Piggyback Notice shall be given not less than ten Business Days prior to the expected date of filing of such registration statement. Upon the written request of any Shareholder to include Registrable Securities held by it under such registration statement (which request shall (i) be made within ten Business Days after the receipt of any such notice, and (ii) specify the Registrable Securities intended to be included by such Shareholder), ITC Investments will use its reasonable best efforts to effect the registration of all Registrable Securities that ITC Investments has been so requested to register by such Shareholder; provided, that if, at any time after giving written notice of its intention to offer any securities and prior to the pricing of such Piggyback Offering, ITC Investments shall determine for any reason not to consummate such offering, ITC Investments may, at its election, give written notice of such determination to each such Shareholder and, thereupon, shall be relieved of its obligation to register or offer any Registrable Securities of such Persons in connection with such proposed offering.

(b) Underwritten Offering. If ITC Investments intends to distribute the Registrable Securities in a Piggyback Offering by means of an underwriting, it shall so advise the Shareholders as a part of its Piggyback Notice. In such event, the underwriters of such Piggyback Offering shall be one or more underwriting firms of nationally recognized standing selected by ITC Investments and reasonably acceptable to FortisUS. The right of each Shareholder to include securities in such Piggyback Offering shall be conditioned upon such Shareholder entering into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected pursuant hereto.

(c) Priority on Piggyback Offerings. If the managing underwriter for an Underwritten Offering pursuant to this Section 3.2 shall advise ITC Investments in writing (a copy of which ITC Investments shall provide to each Shareholder requesting to include Registrable Securities therein) that, in such underwriter's opinion, the number of securities requested to be included in such Piggyback Offering would adversely affect such offering and sale (including pricing) of such securities (such writing to state the basis of such opinion and the approximate number of securities that may be included in such Piggyback Offering without such effect), ITC Investments shall include in such Piggyback Offering the number of securities that ITC Investments is so advised can be sold in such offering, in the following amounts and order of priority:

(i) if the Piggyback Offering relates to an offering for ITC Investments' own account, then (A) first, such number of equity securities to be sold by ITC Investments for its own account (B) second, Registrable Securities of Shareholders *pro rata* among such Shareholders on the basis of the number of Registrable Securities requested to be sold by such Shareholders pursuant to this Section 3.2, and (C) third, other equity securities held by any other Person; or

(ii) if the Piggyback Offering relates to an offering for holders other than for ITC Investments' own account ("Other Holders"), then (A) first, such number of equity securities sought to be registered by each such Other Holder, (B) second, Registrable Securities of Shareholders *pro rata* among such Shareholders on the basis of the number of Registrable Securities requested to be sold by such Shareholders pursuant to this Section 3.2 and (C) third, other equity securities held by any other Person.

Section 3.3 Shelf Registration. (a) Subject to Section 3.3(d), if ITC Investments shall be requested in writing (which request may be delivered at any time after the eleven-month anniversary of the date of the Initial Public Offering) to make a Shelf Registration (a "Shelf Request") by FortisUS or the Investor to ITC Investments, then ITC Investments shall deliver a written notice (a "Shelf Notice") to each Shareholder, who did not make such Shelf Request stating that ITC Investments intends to comply with a Shelf Request and informing each such Shareholder of its right to include Registrable Securities in such Shelf Registration. Within five Business Days after receipt of a Shelf Notice, each Shareholder who received such Shelf Notice shall have the right to request in writing that ITC Investments include all or a specific portion of the Registrable Securities held by such Shareholder in such Shelf Registration, and ITC Investments shall include such Registrable Securities in such Shelf Registration. Subject to ITC Investments' eligibility to use Form S-3 for secondary sales, ITC Investments shall (i) file as promptly as practicable (but no later than thirty days after

the date the Shelf Request is delivered) and use reasonable best efforts to cause to be declared effective by the SEC at the earliest possible date permitted under the rules and regulations of the SEC, a Form S-3, or (ii) designate an existing Form S-3 filed with the SEC, in each case providing for offers and sales to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act with respect to the Registrable Securities held by FortisUS and any other Shareholder who elects to participate therein as provided in Section 3.3(b) (the "Shelf Registration" and "Shelf Registration Statement", as applicable).

(b) Subject to Section 3.3(c), ITC Investments will use its reasonable best efforts to keep the Shelf Registration Statement continuously effective until the date on which all Registrable Securities covered by the Shelf Registration Statement have been sold thereunder in accordance with the plan and method of distribution disclosed in the prospectus included in the Shelf Registration Statement, or otherwise (the "Shelf Registration Effectiveness Period").

(c) Notwithstanding anything to the contrary contained in this Agreement, ITC Investments may, from time to time, by providing written notice to the Shareholders whose Registrable Securities are covered by the Shelf Registration Statement, require such Shareholders to suspend sales of

Registrable Securities under the Shelf Registration Statement (a "Suspension Period") if in the good faith judgment of the ITC Investments Board, ITC Investments is required to disclose in the Shelf Registration Statement a financing, acquisition, corporate reorganization or other similar corporate transaction or other material event or circumstance affecting ITC Investments or its securities (a "Material Corporate Transaction"), and that the disclosure of information about such Material Corporate Transaction at such time would reasonably be expected to have a material adverse effect thereon. Immediately upon receipt of such notice, the Shareholders whose Registrable Securities are covered by the Shelf Registration Statement shall suspend sales of Registrable Securities under the Shelf Registration Statement until the requisite changes to the prospectus have been made as required below. Any Suspension Period shall terminate at such time as the public disclosure of such information is made. After the expiration of any Suspension Period and without any further request from a Shareholder, ITC Investments shall as promptly as practicable prepare a post-effective amendment or supplement to the Shelf Registration Statement or the related prospectus, or any document incorporated therein by reference, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, (A) ITC Investments may declare no more than two Suspension Periods in any twelve month period, (B) the duration of all Suspension Periods may not exceed ninety days in the aggregate in any twelve-month period, (C) the duration of any one period may not exceed sixty days, and (D) at least thirty days must elapse between each Suspension Period.

(d) At any time, and from time-to-time, during the Shelf Registration Effectiveness Period (except during a Suspension Period), FortisUS or the Investor may notify ITC Investments in writing (the "Takedown Request" and the Shareholder(s) making such Takedown Request, the "Requesting Shareholder") of its intent to sell Registrable Securities covered by the Shelf Registration Statement (in whole or in part) in an Underwritten Offering (a "Shelf Underwritten Offering"). Such notice shall specify the aggregate number of Registrable Securities requested to be registered in such Shelf Underwritten Offering. Upon receipt by ITC Investments of such notice, ITC Investments shall deliver a written notice (a "Takedown Notice") to each Shareholder, who did not make such Takedown Request informing each such Shareholder of its right to include Registrable Securities in such Shelf Underwritten Offering. Within five Business Days after receipt of a Takedown Notice, each Shareholder who received such Takedown Notice shall have the right to request in writing that ITC Investments include all or a specific portion of the Registrable Securities held by such Shareholder in such Shelf Underwritten Offering and ITC Investments shall include such Registrable Securities in such Shelf Underwritten Offering. The underwriters of such Shelf Underwritten Offering shall be one or more underwriting firms of nationally recognized standing selected by the Requesting Shareholder and reasonably acceptable to ITC Investments. The right of each other Shareholder to include securities in such Required Registration shall be conditioned upon such Shareholder entering into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected pursuant hereto.

(e) ITC Investments shall not be obligated to effect, or take any action to effect, any a Shelf Underwritten Offering:

(i) in any particular jurisdiction in which ITC Investments would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless ITC Investments is already subject to service in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder;

(ii) if the Registrable Securities requested to be registered pursuant to such request do not have an anticipated aggregate public offering price (before any underwriting discounts and commissions) of not less than $10,000,000;

(iii) within three months of any other Required Registration or Shelf Underwritten Offering;

(iv) within three months of a Piggyback Offering in which all Shareholders were given the right to include Registrable Securities and at least 90% of the Registrable Securities requested by such Shareholders to be included in such Piggyback Offering were included;

(v) during the period starting with the date thirty days prior to ITC Investments' good faith estimate of the date of filing of, and ending on the date ninety days immediately following a Piggyback Offering, provided, that during the thirty-day period prior to such filing ITC Investments is actively employing in good faith all reasonable efforts to consummate such Piggyback Offering; provided, further, that ITC Investments may only delay an offering pursuant to this subsection (a)(v) for a period of not more than ninety days if a filing of any other registration statement is not made within that period and ITC Investments may only exercise this right once in any twelve-month period; or

(vi) for a period of up to 120 days if ITC Investments shall furnish to the Shareholders requesting such Shelf Underwritten Offering a certificate signed by the President of ITC Investments stating that in the good faith judgment of the ITC Investments Board such Required Registration would (A) require the disclosure of a material transaction or other matter and such disclosure would be materially disadvantageous to ITC Investments or (B) adversely affect a material financing, acquisition, disposition of assets or equity interests, merger or other comparable transaction; provided, that ITC Investments shall not exercise such right more than twice in any twelve month period.

Section 3.4 Registration Procedures. ITC Investments will use its reasonable best efforts to effect each Required Registration pursuant to Section 3.1, each Piggyback Offering pursuant to Section 3.2, any Shelf Registration and Shelf Underwritten Offering pursuant to Section 3.3, and to cooperate with the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as possible, and ITC Investments will as expeditiously as possible:

(a) subject, in the case of an Piggyback Offering, to the proviso to Section 3.2(a), prepare and file with the SEC the registration statement and use its reasonable best efforts to cause the registration statement to become effective; provided, that, to the extent practicable, at least five Business Days prior to filing any registration statement or prospectus or any amendments or supplements thereto, ITC Investments will furnish to the holders of the Registrable Securities covered by such registration statement and their counsel, copies of all such documents proposed to be filed and any such holder shall have the opportunity to comment on any information pertaining solely to such holder and its plan of distribution that is contained therein and ITC Investments shall make the corrections reasonably requested by such holder with respect to such information prior to filing any such registration statement, prospectus, supplement or amendment.

(b) subject, in the case of an Piggyback Offering, to the proviso to Section 3.2(a), prepare and file with the SEC such amendments and post-effective amendments to any registration statement and any prospectus used in connection therewith as may be necessary to keep such registration

statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement until the earlier of the time such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by the seller or (i) in the case of a Required Registration pursuant to Section 3.1, the expiration of 120 days after such registration statement becomes effective or (ii) in the case of a Shelf Registration pursuant to Section 3.3, the Shelf Registration Effectiveness Period, and cause the prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act;

(c) furnish, upon request, to each holder of Registrable Securities to be included in such Registration and the underwriter or underwriters, if any, without charge, at least one signed copy of the registration statement and any post-effective amendment thereto, and such number of conformed copies thereof and such number of copies of the prospectus (including each preliminary prospectus and each prospectus filed under Rule 424 under the Securities Act), any amendments or supplements thereto and any documents incorporated by reference therein, as such holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities being sold by such holder (it being understood that ITC Investments consents to the use of the prospectus and any amendment or supplement thereto by each holder of Registrable Securities covered by such registration statement and the underwriter or underwriters, if any, in connection with the public offering and sale of the Registrable Securities covered by the prospectus or any amendment or supplement thereto);

(d) promptly notify each holder of the Registrable Securities to be included in such Registration and the underwriter or underwriters, if any:

(i) of any stop order or other order suspending the effectiveness of any registration statement, issued or threatened (in writing or otherwise) by the SEC in connection therewith, and take all reasonable actions required to prevent the entry of such stop order or to remove it or obtain withdrawal of it at the earliest possible moment if entered;

(ii) when such registration statement or any prospectus used in connection therewith, or any amendment or supplement thereto, has been filed and, with respect to such registration statement or any post-effective amendment thereto, when the same has become effective;

(iii) of any written request by the SEC for amendments or supplements to such registration statement or prospectus; and

(iv) of the receipt by ITC Investments of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction;

(e) if requested by the managing underwriter or underwriters or any holder of Registrable Securities to be included in such registration statement in connection with any sale pursuant to a registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information relating to such underwriting as the managing underwriter or underwriters or such holder reasonably requests to be included therein; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(f) on or prior to the date on which a registration statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the holders of Registrable Securities to

be included in such Registration, the underwriter or underwriters, if any, and their counsel, in connection with the registration or qualification of the Registrable Securities covered by such Registration for offer and sale under the securities or “blue sky” laws of each state and other jurisdiction of the United States as any such holder or underwriter reasonably requests in writing; use its reasonable best efforts to keep each such registration or qualification effective,

including through new filings, or amendments or renewals, during the period such registration statement is required to be kept effective; and do any and all other acts or things necessary or advisable to enable the disposition of the Registrable Securities in all such jurisdictions reasonably requested to be covered by such Registration; provided, that ITC Investments shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(g) in connection with any sale pursuant to a Registration, cooperate with the holders of Registrable Securities to be included in such Registration and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under such Registration, and enable such securities to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or such holders may request;

(h) use its reasonable best efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities within the United States and having jurisdiction over ITC Investments or any Subsidiary as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such securities;

(i) use its reasonable best efforts to obtain:

(i) at the time of pricing of any Underwritten Offering (including an "at-the-market offering" or a "registered direct offering") a "comfort letter" from ITC Investments' independent certified public accountants covering such matters of the type customarily covered by "comfort letters" as the Majority Registrable Holders and the underwriters reasonably request; and

(ii) at the time of any underwritten sale pursuant to the registration statement, a "bring-down comfort letter," dated as of the date of such sale, from ITC Investments' independent certified public accountants covering such matters of the type customarily covered by "bring-down comfort letters" as the Majority Registrable Holders and the underwriters reasonably request;

(j) use its reasonable best efforts to obtain, at the time of effectiveness of each Registration or, in the case of a Shelf Registration, at the time of pricing, and at the time of any sale pursuant to each Registration, an opinion or opinions addressed to the holders of the Registrable Securities to be included in such Registration and the underwriter or underwriters, if any, in customary form and scope from counsel for ITC Investments (who may be its internal counsel);

(k) promptly notify each seller of Registrable Securities covered by such Registration, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration, as then in effect, includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and promptly prepare and file with the SEC and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers or prospective purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact

necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(l) otherwise comply with all applicable rules and regulations of the SEC, and make generally available to its security holders (as contemplated by Section 11(a) under the Securities Act) an earnings statement satisfying the provisions of Rule 158 under the Securities Act no later than ninety days after the end of the twelve month period beginning with the first month of ITC Investments' first fiscal quarter commencing after the effective date of the registration statement, which statement shall cover said twelve month period;

(m) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by each Registration from and after a date not later than the effective date of such Registration;

(n) use its reasonable best efforts to cause all Registrable Securities covered by each Registration to be listed subject to notice of issuance, prior to the date of first sale of such Registrable Securities pursuant to such Registration, on each securities exchange on which ITC Investments' securities are then listed;

(o) enter into such agreements (including underwriting agreements in customary form) and take such other actions as the Majority Registrable Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including customary holdback / lock-up provisions; and

(p) cause its employees and personnel to use their reasonable best efforts to support the marketing of the Registrable Securities (including the participation in "road shows," at the request of the underwriters or the Majority Registrable Holders) to the extent possible taking into account ITC Investments' business needs and the requirements of the marketing process.

ITC Investments may require each holder of Registrable Securities that will be included in such Registration to furnish ITC Investments with such information in respect of such holder of its Registrable Securities that will be included in such Registration as ITC Investments may reasonably request in writing and as is required by Applicable Law.

Section 3.5 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, ITC Investments shall give, upon reasonable notice and during normal business hours, the holders of such Registrable Securities to be registered, their underwriters, if any, and their respective counsel and accountants access to its books and records and an opportunity to discuss the business of ITC Investments with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such holders' or such underwriters' counsel to conduct a reasonable investigation within the meaning of Section 11(b)(3) of the Securities Act.

Section 3.6 Rights of Requesting Holders. Each holder of Registrable Securities to be included in a Registration which makes a written request therefor in Section 3.1 or 3.2, as the case may be, shall have the right to receive within thirty days of receipt by ITC Investments of such request copies of the information, notices and other documents described Section 3.4 and Section 3.5.

Section 3.7 Registration Expenses. ITC Investments will pay all Registration Expenses in connection with each Registration of Registrable Securities, including any such registration not effected by ITC Investments.

Section 3.8 Indemnification; Contribution. (a) ITC Investments agrees to indemnify and hold harmless each Shareholder holding Registrable Securities, the Affiliates, directors, officers, employees, shareholders, managers and agents of each such Shareholder and each Person who controls any such Shareholder within the meaning of either the Securities Act or the Exchange Act, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities and expenses to which they or any of them may become subject insofar as such losses, claims, damages, liabilities and expenses (or actions in respect thereof) arise out of or are based upon any violation of the Securities Act, Exchange Act or state securities laws, or upon any untrue statement or alleged untrue statement of a material fact contained in a registration statement as originally filed or in any amendment thereof, or the Disclosure Package, or any preliminary, final or summary prospectus or Free Writing Prospectus included in any such registration statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Disclosure Package, or any preliminary, final or summary prospectus or Free Writing Prospectus included in any such registration statement, in light of the circumstances under which they were made) not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action (whether or not the indemnified party is a party to any proceeding); provided, that ITC Investments will not be liable in any case to the extent that any such loss, claim, damage, liability or expense arises (i) out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written

information furnished to ITC Investments by or on behalf of any such Shareholder specifically for inclusion therein including any notice and questionnaire, or (ii) out of sales of Registrable Securities made during a Suspension Period after notice is given pursuant to Section 3.3(c). This indemnity agreement will be in addition to any liability which ITC Investments may otherwise have.

(b) Each Shareholder severally (and not jointly) agrees to indemnify and hold harmless ITC Investments and each of its Affiliates, directors, employees, shareholders, managers and agents and each Person who controls ITC Investments within the meaning of either the Securities Act or the Exchange Act, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages or liabilities to which they or any of them may become subject insofar as such losses, claims, damages or liabilities arise out of or are based upon any violation of the Securities Act, Exchange Act or state securities laws, upon any untrue statement or alleged untrue statement of a material fact contained in a registration statement as originally filed or in any amendment thereof, or in the Disclosure Package or any Shareholder Free Writing Prospectus, preliminary, final or summary prospectus included in any such registration statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Disclosure Package, or any preliminary, final or summary prospectus or Free Writing Prospectus included in any such registration statement, in light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that any such untrue statement or alleged untrue statement or omission or alleged omission is contained in any written information relating to such Shareholder furnished to ITC Investments by or on behalf of such Shareholder specifically for inclusion therein; provided, that the total amount to be indemnified by such Shareholder pursuant to this Section 3.8(b) shall be limited to the net proceeds (after deducting underwriters' discounts and commissions and other reimbursable expenses) received by such Shareholder in the offering to which such registration statement or prospectus relates.

(c) Promptly after receipt by an indemnified party under this Section 3.8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 3.8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from

liability under paragraph (a) or (b) above unless and to the extent such action and such failure results in material prejudice to the indemnifying party and forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, except as provided in the next sentence, after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding the indemnifying party's rights in the prior sentence, the indemnified party shall have the right to employ its own counsel (and one local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. No indemnifying party shall, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances or allegations, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties. An indemnifying party shall not be liable under this Section 3.8 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified

parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement or compromise unless such settlement or compromise (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) In the event that the indemnity provided in Section 3.8(a) or Section 3.8(b) above is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party agrees to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which such indemnifying party may be subject in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant to this Section 3.8(d) were determined by *pro rata* allocation (even if the Shareholders holding Registrable Securities or

any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 3.8(d). The amount paid to or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 3.8(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.8(d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 3.8, each Person who controls any Shareholder holding Registrable Securities, agent or underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of any such Shareholder, agent or underwriter shall have the same rights to contribution as such Shareholder, agent or underwriter, and each Person who controls ITC Investments within the meaning of either the Securities Act or the Exchange Act and each officer and director of ITC Investments shall have the same rights to contribution as ITC Investments, subject in each case to the applicable terms and conditions of this Section 3.8(d). Notwithstanding the foregoing, the total amount to be contributed by any Shareholder pursuant to this Section 3.8(d) shall be limited to the net proceeds (after deducting underwriters' discounts and commissions and other reimbursable expenses) received by such Shareholder in the offering to which such registration statement or prospectus relates.

(e) The provisions of this Section 3.8 will remain in full force and effect, regardless of any investigation made by or on behalf of any Shareholder holding Registrable Securities or ITC Investments or any of the officers, directors or controlling Persons referred to in this Section 3.8, and will survive the transfer of Registrable Securities.

(f) To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under this Section 3.8 to the fullest extent permitted by Applicable Law; provided, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount (after deducting underwriters' discounts and commissions and other reimbursable expenses) of proceeds received by such seller from the sale of such Registrable Securities pursuant to such Shelf Registration.

Section 3.9 Holdback Agreements; Registration Rights to Others. In the event and to the extent requested by the managing underwriter of an Underwritten Offering, each Shareholder agrees that it will enter into a customary "lock-up agreement" with such managing underwriter pursuant to which it will agree not to sell, make any short sale of, grant any option for the purchase of, or otherwise dispose of any Equity Securities, other than those Registrable Securities included in such Registration pursuant to the terms hereof for the fourteen days prior to (x) the effectiveness of a registration statement (other than a Shelf Registration Statement) pursuant to which such Public Offering shall be made, or (y) the pricing of an Underwritten Offering and ending on the earlier to occur of (1) in case of the Initial Public Offering, the date that is one hundred and eighty (180) days after the effectiveness of the registration statement relating to such Initial Public Offering, or (2) in the case of any other Underwritten Offering, the date that is ninety days after the pricing of such Underwritten Offering (or such shorter period of time as is sufficient and appropriate, in the opinion of the managing underwriter, to complete the sale and distribution of the securities included in such Underwritten Offering) (the "Lock-Up Period"); provided, that the limitations contained in this Section 3.9 shall not apply to the extent a Shareholder is prohibited by Applicable Law from so withholding such Equity Securities from sale during such period; provided,

further, that if any other holder of securities of ITC Investments is or becomes subject to a shorter Lock-Up Period or receives more advantageous terms relating to the Lock-Up Period under any lock-up agreement (including as a result of any discretionary waiver or termination of the restrictions of any or all of such agreements by ITC Investments or the underwriters), then the Lock-Up Period shall be such shorter period and also on such more advantageous terms.

Section 3.10 Availability of Information. Following ITC Investments' initial Public Offering, ITC Investments shall comply with the reporting requirements of Sections 13 and 15(d) of the Exchange Act and will comply with all other public information reporting requirements of the SEC as from time to time in effect, and cooperate with holders of Registrable Securities, so as to permit disposition of the Registrable Securities pursuant to an exemption from the Securities Act for the sale of any Registrable Securities (including the current public information requirements of Rule 144(c) and Rule 144A under the Securities Act). ITC Investments shall also cooperate with each holder of any Registrable Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or hereafter required by the SEC as a condition to the availability of an exemption from the Securities Act for the sale of any Registrable Securities.

Section 3.11 Other Registration Rights. ITC Investments represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any Common Stock or Common Stock Equivalents. Except as provided in this Agreement, ITC Investments shall not grant other registration rights to any Persons without the prior written consent of the holders of a majority of the Registrable Securities, provided further that any demand registration rights granted subsequent to the date hereof shall also require the consent of the Investor.

ARTICLE IV

GOVERNANCE

Section 4.1 ITC Investments Board. (a) Composition and Size. The ITC Investments Board shall consist of the number of members set forth in the ITC Investments Bylaws from time-to-time, which the Shareholders agree shall be not more than eleven members or, where there are two RH Shareholders, thirteen members. As soon as practicable, but in any event within six months, after the date hereof, the Shareholders shall cause a majority of the members of the ITC Investments Board to be Independent Directors. If at any time thereafter the ITC Investments Board ceases to consist of a majority of Independent Directors, then the Shareholders shall elect to the ITC Investments Board the necessary number of Independent Directors to create such majority within three months of such event.

(b) Shareholder Voting; RH Director Rights. Each Shareholder agrees to vote, or cause to be voted, all voting securities of ITC Investments over which such Person has the power to vote or direct the voting, and shall take all other necessary or reasonably required actions within such Person's control (whether in such Person's capacity as an equity holder, a director, a member of a board committee or an officer of ITC Investments or otherwise, and including attendance at meetings in person, via telephone or by Proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and ITC Investments shall take all necessary or reasonably required actions, in each case,

reasonably within its control (including regular and special board and Shareholder meetings) in order to elect and maintain to the ITC Investments Board (i) one director designated by any RH Shareholder (an "RH Director") and (ii) the remainder of such directors nominated in accordance with the ITC Investments Bylaws and the provisions of this Agreement. ITC Investments shall reimburse the RH Director for all reasonable travel and out-of-pocket expenses incurred in connection with attending any meetings of the ITC Investments Board or any committees.

(c) Removal of RH Director. Any RH Director may be removed from the ITC Investments Board in accordance with the ITC Investments Bylaws upon the request or approval of the designating RH Shareholder. In such case, each Shareholder agrees to vote all of its voting securities of ITC Investments over which such Person has the power to vote or direct the voting and do all things necessary under Applicable Law to remove such director (and thereafter Section 4.1(b) shall apply to the replacement thereof). Upon any RH Shareholder ceasing to own the Requisite Holding, the director designated by such Shareholder shall resign from (and may be removed from) the ITC Investments Board.

(d) Removal for Cause. Any director of the ITC Investments Board may be removed from the ITC Investments Board in accordance with the ITC Investments Bylaws for Cause. In such case, each Shareholder agrees to vote all of its voting securities of ITC Investments over which such Person has the power to vote or direct the voting and do all things necessary under Applicable Law to remove such director.

(e) Observer Rights. For so long as the Investor owns one-half of the number of Common Stock Equivalents that would be required for such Shareholder to constitute an RH Shareholder, Investor may elect, in its discretion, to appoint one non-voting observer to attend all meetings (including telephonic meetings) of the ITC Investments Board. For greater certainty, Investor's rights under this Section 4.1(e) shall be independent of and in addition to its right to designate any RH Director. ITC Investments shall provide each observer appointed under this Section 4.1(e) with (x) notice of all meetings of the ITC Investments Board and its committees, (y) all information delivered to the members of the ITC Investments Board and its committees in connection with such meetings at the same time such notice and information is delivered to the members of the ITC Investments Board and its committees and (z) reimbursement for all reasonable travel and out-of-pocket expenses in connection with attending such meetings. Notwithstanding the foregoing, ITC Investments shall be entitled to (a) excuse any observer from any portion of a ITC Investments Board meeting or a meeting of the committees to the extent such observer's participation in such meeting is reasonably likely to adversely affect the attorney/client privilege of ITC Investments and its legal advisors and (b) withhold information from any observer delivered to the ITC Investments Board or any of the committees prior to a meeting of the ITC Investments Board or, as the case may be, such committee, in each case if ITC Investments believes there is a reasonable likelihood that the receipt of such information by the observer may adversely affect the attorney/client privilege of ITC Investments and its legal advisors.

Section 4.2 Committees of the ITC Investments Board. The Shareholders agree to cause the establishment of at least the following committees of the ITC Investments Board: (a) an audit and risk committee; and (b) a governance and human resources committee. The RH Director shall be entitled to be a member of all committees of the ITC Investments Board; provided, that any RH Shareholder may elect, in its discretion, to appoint a non-voting observer in lieu of an RH Director to attend all meetings (including telephonic meetings) of committees of the ITC Investments Board. Any member of a committee may be removed from a committee in accordance with the ITC Investments Bylaws for Cause. In such case, each Shareholder agrees to vote all of its voting securities of ITC Investments over which such Person has the power to vote or direct the voting and do all things necessary under Applicable Law to remove such director (and if applicable Section 4.1(b) shall apply to the replacement thereof). Upon any RH Shareholder ceasing to own the Requisite Holding, the director designated by such Shareholder shall resign from (and may be removed from) all committees of the ITC Investments Board.

Section 4.3 Majority Shareholder Matters. Subject to Section 4.4 and Section 4.5, the following acts, expenditures, decisions and obligations made or incurred by ITC Investments or any Subsidiary of ITC Investments shall be reserved to the Shareholders and shall require the affirmative vote, in person (including by electronic means) or by proxy, of holders of record of a majority of the outstanding Common Stock in accordance with the ITC Investments Bylaws:

(a) any issuance of Common Stock;

(b) any Sale of the Business;

(c) the non-discriminatory allocation of Allocated Overhead to ITC Investments by FortisUS (and to ITC by ITC Investments) in accordance with FortisUS' generally applicable policies;

(d) adopting any resolution in furtherance of the foregoing; and

(e) agreeing, committing or delegating authority to take any of the foregoing actions.

Section 4.4 RH Reserved Matters. The following acts, expenditures, decisions and obligations (the "RH Reserved Matters") shall be reserved to the Shareholders and shall require the prior affirmative vote, in person (including by electronic means) or by proxy, of (A) holders of record of a majority of the outstanding Common Stock in accordance with the ITC Investments Bylaws and (B) for so long as there is an RH Shareholder, the RH Shareholders, and no Shareholder shall vote in favor of any RH Reserved Matter unless approved by the RH Shareholders (it being understood that an affirmative approval by the RH Director designated by an RH Shareholder at a meeting or by written consent shall constitute the approval of such RH Shareholder for the purposes of this Section 4.4; however, if such RH Director abstains, recuses himself or herself, or otherwise requests the RH Reserved Matter be submitted to the relevant RH Shareholder, prior written consent of such RH Shareholder shall be obtained):

(a) any change to the number of persons serving on the ITC Investments Board or the ITC Board or any amendment to Section 4.1(a) hereof;

(b) any change to the nature of ITC's business that would (i) cause ITC to no longer derive at least 85% of its revenues from Qualifying Core Assets or (ii) would be reasonably likely to result in payments made by ITC to Fortis or any of its Affiliates under shared services or similar arrangements representing more than 2% of ITC's total operating expenses;

(c) any merger, consolidation, or other reorganization, recapitalization or business combination in which the consideration offered in respect of the Equity Securities or other securities of ITC Investments of any class held by an RH Shareholder differs in kind or amount from the consideration offered in respect of such securities of such class held by any other holders of such class, or the terms under which the consideration is offered in respect of such securities of any class held by an RH Shareholder differs from the terms under which the consideration is offered in respect of such securities of such class held by any other holders of such class; or

(d) any merger, consolidation, or other reorganization, recapitalization or business combination in which the acceptance of any of the consideration offered in respect of the Equity Securities or other securities of ITC Investments of any class held by an RH Shareholder would result in such RH Shareholder, or any direct or indirect owner of such RH Shareholder, (A) incurring any income that is effectively connected with the conduct of a U.S. trade or business within the meaning of the Code (including Section 897 thereof), (B) having a permanent establishment in the United States, or (C) engaging in any "commercial activity" as defined in Section 892(a)(2)(i) of the Code;

(e) taking any action that would reasonably be expected to result (or that, if any RH Shareholder exercises its rights under Section 2.6, would reasonably be expected to result) in such RH Shareholder, or any direct or indirect owner of such RH Shareholder, incurring any income that is effectively connected with the conduct of a U.S. trade or business within the meaning of the Code (including Section 897 thereof);

(f) any conversion of ITC Investments into an entity that is treated as other than a C corporation for U.S. federal income tax purposes or taking any other action that would (i) cause any entity in which an RH Shareholder holds an interest not to be a C corporation for U.S. federal income tax purposes or (ii) cause an RH Shareholder to hold directly any asset or assets that would result in such RH Shareholder, or any direct or indirect owner of such RH Shareholder, (A) having a permanent establishment in the United States, or (B) engaging in any "commercial activity" as defined in Section 892(a)(2)(i) of the Code;

(g) any sale or disposition of any material assets of ITC Investments or ITC or any assets or shares of a Subsidiary of ITC Investments or ITC, by conveyance, transfer, lease or otherwise, for a sale price in excess of $100 million (Escalated) other than with respect to assets that are non-Qualifying Core Assets the development of which was subject to approval by an RH Shareholder at the time of the final investment decision with respect thereto in accordance with this Agreement and such approval was not provided at such time;

(h) the incurrence of Indebtedness for Borrowed Money by (i) ITC Investments or (ii) ITC or its Subsidiaries, if, with respect to this clause (ii) only, after giving *pro forma* effect to such incurrence and the application of the proceeds therefrom, the long-term unsecured indebtedness of ITC and its Subsidiaries would reasonably be expected to be rated poorer than BBB- by Standard & Poor's Ratings Services or Baa3 by Moody's Investors Service, Inc.;

(i) taking any action that, after giving *pro forma* effect thereto, would reasonably be expected to result in a FFO/Net Debt Ratio of greater than 12.0%, unless taking such action is reasonably necessary to comply with the terms, conditions, covenants or obligations of any Indebtedness for Borrowed Money of ITC;

(j) the incurrence by ITC Investments or its Subsidiaries of capital expenditures in respect of the development of Core Assets that are not Qualifying Core Assets;

(k) the acquisition by ITC Investments or its Subsidiaries from any other Person of Core Assets that are not Qualifying Core Assets;

(l) the entering into of any joint venture, partnership or similar agreement or the acquisition from or subscription in any other Person of the equity interests in a Person; unless, at least 85% of the revenues of such Person are (or in the case of a joint venture or partnership, are reasonably expected to be) derived from Qualifying Core Assets;

(m) the disposition by ITC Investments or its Subsidiaries of Qualifying Core Assets with a book value in excess of $50 million (Escalated), unless required by Applicable Law;

(n) the initial direct or indirect acquisition by ITC Investments or its Subsidiaries of Core Assets in any Regional Transmission Organization that is not an ITC RTO;

(o) any amendment to the ITC Investments Bylaws or the ITC Bylaws that would make the provisions thereof inconsistent with the requirements hereof or that are disproportionately adverse to the RH Shareholders as compared to the other Shareholders;

(p) taking any action that would cause ITC Investments to no longer be a member of the "affiliated group" (as defined in Section 1504(a) of the Code) of which FortisUS is the common parent and that files U.S. federal income tax returns on a consolidated basis;

(q) adopting any resolution in furtherance of the foregoing; and

(r) agreeing, committing or delegating authority to take any of the foregoing actions.

Section 4.5 Supermajority Shareholder Matters. The following acts, expenditures, decisions and obligations (the "Supermajority Shareholder Matters") shall require the prior approval of holders of record of at least 95% of the outstanding Common Stock:

(a) the issuance by ITC of any equity securities to any Person other than ITC Investments;

(b) the incurrence by ITC Investments of Preferred Equity or any instrument Preferred Equity;

(c) the repurchase or redemption of Common Stock, or the repayment of Shareholder Notes unless in each case, offered *pro rata* among all Shareholders;

(d) the repurchase or redemption of Preferred Equity;

(e) any amendment to the articles of incorporation of ITC Investments or ITC that would have a material and adverse effect on the rights, obligations or interests of the Shareholders (other than FortisUS), as Shareholders, unless required to comply with Applicable Law;

(f) any amendment to the ITC Investments Bylaws or the ITC Bylaws that would make the provisions thereof inconsistent with the requirements hereof or that are disproportionately adverse to the Shareholders (other than FortisUS);

(g) commencement by ITC Investments or ITC of a voluntary case under, or consent to the entry of a decree or order for relief in an involuntary case under, any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar law now or hereafter in effect;

(h) any winding up, dissolution or liquidation with respect to ITC Investments or ITC;

(i) the making by ITC Investments or ITC of a general assignment for the benefit of creditors;

(j) amendments hereto, to the extent provided in Section 7.14;

(k) adopting any resolution in furtherance of the foregoing; and

(l) agreeing, committing or delegating authority to take any of the foregoing actions.

Section 4.6 Independent Director Matters. Subject to Section 4.3, Section 4.4 and Section 4.5, the following acts, expenditures, decisions and obligations shall be reserved to the Independent Directors of the ITC Investments Board ("Independent Director Matters") and approval shall require the unanimous approval of the Independent Directors present and voting at a properly convened meeting of the ITC Investments Board:

(a) any amendments to the articles of incorporation of ITC Investments or the ITC Investments Bylaws (including increasing the authorized share capital of ITC Investments or sub-dividing or cancelling any Equity Securities) or the articles of incorporation of ITC or the ITC Bylaws, unless such amendment(s) are approved in accordance with Section 4.4(o), Section 4.5(e) or Section 4.5(f), as applicable;

(b) any change to the dividend policy of ITC Investments or ITC (such policy as at the date hereof is set forth in Exhibit B); provided that no change to the dividend policy of ITC Investments or ITC that is inconsistent with Section 5.2 shall be effected;

(c) settlement of any litigation, arbitration or other proceeding, in each case, that involves a guilty plea or any other acknowledgment of criminal wrongdoing that would have a material adverse effect on ITC Investments and its Subsidiaries, taken as a whole;

(d) adopting any resolution in furtherance of the foregoing; and

(e) agreeing or committing to take any of the foregoing actions.

Section 4.7 Related Party Transactions. Each Shareholder shall cause any member of the ITC Investments Board that is a director, officer, or employee of such Shareholder to be recused from voting with respect to any material Related Party Transaction (other than the non-discriminatory allocation of Allocated Overhead to the ITC Investments by FortisUS in accordance with FortisUS' generally applicable policies) and a majority of the remaining directors present and voting at a properly convened meeting of the ITC Investments Board shall be required to approve such Related Party Transaction. Without limiting the foregoing, other than in respect of an Excepted Transaction, (i) any material Related Party Transaction with FortisUS or any of its Affiliates and (ii) any agreement, transaction or arrangement by any member of the ITC Group that would result in a material benefit to any member of the Fortis Group (other than through such member's direct or indirect shareholdings in ITC Investments) that is not shared generally and *pro rata* by all shareholders of ITC Investments, including any agreement, transaction or arrangement pursuant to which a member of the ITC Group agrees to be a borrower or guarantor in respect of any debt or other securities issued by any member of the Fortis Group or to provide any pledge, mortgage or other security interest in its assets to secure any obligations of any member of the Fortis Group, shall also be subject to the prior written approval of the RH Shareholders (or the affirmative vote of the RH Directors at a meeting of the ITC Investments Board or by written consent; provided, that if the RH Director abstains, recuses himself or herself, or otherwise requests the applicable transaction be submitted to the RH Shareholders, prior written consent of the RH Shareholders shall be obtained).

Section 4.8 Consultation Regarding Senior Officers. The ITC Investments Board shall consult reasonably with the RH Shareholders (including through the RH Directors at a duly convened meeting of the ITC Investments Board) prior to the removal of any senior officer of ITC Investments and with respect to the appointment of any replacement senior officer of ITC Investments.

Section 4.9 Maintenance of Governance Rights. If ITC Investments at any time issues any Common Stock Equivalents then, unless such issuance constitutes an Excepted Issuance, the Requisite Holding that shall apply with respect to determining whether any Shareholder is an RH Shareholder shall be (x) the Requisite Holding that applied to such Shareholder immediately prior to the issuance of the corresponding Common Stock Equivalents *multiplied by* (y) the percentage yielded by dividing (A) the sum of (1) the aggregate Common Stock Equivalents outstanding immediately prior to such issuance and (2) the Shareholder Participation Factor by (B) the aggregate Common Stock Equivalents outstanding immediately after such issuance; provided, that in no event shall the Requisite Holding applicable to any Shareholder be less than 5%; and provided further that no adjustment pursuant to this Section 4.9 shall increase the Requisite Holding applicable to any Shareholder. "Shareholder Participation Factor" with respect to any such issuance of Common Stock Equivalents means the number of Common Stock Equivalents acquired in such issuance by the relevant Shareholder divided by such Shareholder's "proportional share" as such term is defined in Section 2.6.

Section 4.10 ITC Board. ITC Investments agrees to vote, or cause to be voted, all voting securities of ITC over which ITC Investments has the power to vote or direct the voting, and shall take all other necessary or reasonably required actions within ITC Investments' control in order to cause, at all times, (i) the ITC Board to consist of the same number of directors as the ITC Investments Board, (ii) the ITC Board to have established the same committees as the ITC Investments Board, (iii) the directors and observers appointed to the ITC Investments Board and any committee thereof (including any RH Director and/or RH Shareholder-appointed non-voting observer) to be appointed to the ITC Board and the applicable committee thereof, (iv) to cause the acts, expenditures, decisions and obligations described in Section 4.3, Section 4.4, Section 4.5 and Section 4.6 to be reserved to the Shareholders or the Independent Directors, as applicable, in accordance with such provision, (v) cause any member of the ITC Board that is a director, officer, or employee of a Shareholder to be recused from voting with respect to any material Related Party Transaction and any agreement, transaction or arrangement described in Section 4.7(ii) (other than the non-discriminatory allocation of Allocated Overhead to ITC Investments by FortisUS in accordance with FortisUS' generally applicable policies) and require that a

majority of the remaining directors present and voting at a properly convened meeting of the ITC Board shall be required to approve such Related Party Transaction and (vi) cause the ITC Bylaws to be substantially the same as the ITC Investments Bylaws. Without limiting the foregoing, each of the provisions of this Article IV shall apply *mutatis mutandis* to the governance of ITC.

ARTICLE V

OTHER COVENANTS OF INVESTMENTS

Section 5.1 Access; Reporting. (a) ITC Investments shall maintain at the principal place of business of ITC Investments or at such other place as the ITC Investments Board shall determine, all books and records of ITC Investments and its Subsidiaries as are required to be maintained pursuant to Applicable Law. All such books and records shall be available for review by each Shareholder in person or by its duly authorized representatives at such place during regular business hours within a reasonable time after receipt of a reasonable demand for a purpose reasonably related to the Shareholder's interest as a Shareholder. All such books and records shall also be available for review by representatives or agents of any Governmental Entity or self-regulatory organization having supervisory authority over any Shareholder. Any expense for any review (including any copying of such books and records) shall be borne by the Shareholder causing such review to be conducted. Any demand under this Section 5.1(a) shall be in writing and shall state the purpose of such demand.

(b) ITC Investments shall, at any time, deliver to each Shareholder holding at such time 5% or more of the Common Stock Equivalents:

(i) within thirty days after the end of each fiscal month of ITC Investments other than the last such month of any fiscal quarter of ITC Investments, consolidated statements of earnings, Shareholders' equity and cash flows of ITC Investments for such fiscal month and consolidated balance sheets of ITC Investments as of the end of such fiscal month, certified by the chief financial officer or controller of ITC Investments;

(ii) within 45 days after the end of each of the first three quarterly accounting periods in each fiscal year, consolidated statements of earnings, Shareholders' equity and cash flows of ITC Investments for such fiscal quarter and consolidated balance sheets of ITC Investments as of the end of such fiscal quarter, certified by the chief financial officer or controller of ITC Investments;

(iii) within 120 days after the end of each fiscal year, audited consolidated statements of earnings, Shareholders' equity and cash flows of ITC Investments for such fiscal year and consolidated balance sheets of ITC Investments as of the end of such fiscal year, accompanied by the opinion of a nationally recognized independent accounting firm selected by ITC Investments;

(iv) within sixty days after the commencement of each fiscal year of ITC Investments, a consolidated annual budget of ITC Investments and its Subsidiaries for such fiscal year (such annual budget to include, budgeted statements of earnings and sources and uses of cash and balance sheets) accompanied by a certificate of the chief financial officer or controller of ITC Investments to the effect that, to the best of his or her knowledge, such budget is a reasonable estimate for the period covered thereby

(v) promptly, such other information as is reasonably requested by such Shareholder.

The covenants set forth in this Section 5.1(b) shall terminate and be of no further force or effect upon the date on which ITC Investments first becomes subject to periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act.

Section 5.2 Dividend Policy. Subject to Section 4.4(i), ITC Investments and ITC shall maintain in effect a dividend policy that is approved by the ITC Investments Board and ITC Board (respectively) in accordance with the ITC Investments Bylaws and the ITC Bylaws (respectively it being understood and agreed that it is the intent of the parties that

such dividend policy reflect the intent of maintaining ITC's investment grade status and promoting an efficient capital structure of ITC Investments and ITC. As of the date hereof, the dividend policy of ITC Investments and ITC is as set forth on Exhibit B.

Section 5.3 Director and Officer Insurance. As promptly as practicable after the date hereof, ITC Investments shall purchase and maintain customary directors' and officers' indemnification insurance coverage for each of its directors and officers and the directors and officers of ITC, including any RH Director (or any substitute or replacement thereof) serving on the ITC Investments Board, the ITC Board or the board of directors of any of ITC Investments' other Subsidiaries. Any RH Director or nominee by an RH Shareholder to the ITC Investments Board, the ITC Board or the board of directors of any of ITC Investments' other Subsidiaries shall also be indemnified to the same extent as all other directors serving on such boards and shall be entitled to an indemnification agreement from ITC Investments in a form customary for directors appointed by financial investors.

Section 5.4 Voting Agreements. Other than this Agreement, no Shareholder nor ITC Investments shall enter into any agreement restricting the discretion of it or any director appointed by it to

vote in respect of any matter. This Section 5.4 shall not apply to agreements among the equity holders of any Shareholder.

Section 5.5 Investor Tax Status. The Investor represents, and ITC Investments acknowledges the Investor's representation, that the Investor is exempt from U.S. tax on certain dividends, interest and gain from the sale of stock and securities under Section 892 of the Code and the Treasury Regulations thereunder. Provided that the Investor remains eligible for such benefits under Section 892 of the Code and the Treasury Regulations thereunder and provides an effective and properly executed Internal Revenue Service Form W-8EXP claiming exemption from U.S. income tax under Section 892 of the Code, ITC Investments shall not withhold U.S. tax on the enumerated items of exempt income (or other items otherwise exempt under Section 892 of the Code) unless (i) such withholding is otherwise required by applicable tax law, regulations or relevant provisions of an income tax treaty or (ii) such withholding is otherwise required by a change in circumstances if as a result of such change (A) a Form W-8EXP previously delivered by the Investor to ITC Investments becomes inaccurate, untrue or otherwise invalid or (B) the Investor is no longer in a position to provide a properly executed IRS Form W-8EXP or is otherwise unable to claim an exemption from U.S. income tax under Section 892 of the Code.

ARTICLE VI

SHAREHOLDER REPRESENTATIONS AND WARRANTIES; NOTICES

Section 6.1 Representations and Warranties. Each Shareholder and each Person who becomes a Shareholder after the date hereof with respect to itself hereby represents and warrants to and acknowledges with ITC Investments and each other Shareholder that, as of the time such Shareholder becomes a party to this Agreement (whether by executing a separate joinder or otherwise):

(a) such Shareholder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in ITC Investments and making an informed investment decision with respect thereto;

(b) such Shareholder is able to bear the economic and financial risk of an investment in ITC Investments for an indefinite period of time;

(c) such Shareholder is acquiring or has acquired Equity Securities for its own account and not as nominee or agent for any other Person and for investment only and not with a view to, or for offer or sale in connection with, any distribution thereof or with any present intention of offering or selling or otherwise disposing of such Equity Securities, all without prejudice, however, to the right of such Shareholder at any time to sell or dispose of all or any part of the Equity Securities held by such Shareholder pursuant to a lawful Transfer in accordance with this Agreement;

(d) such Shareholder has not granted and is not party to any contract or agreement, including any proxy, voting trust or other agreement or arrangement, which is inconsistent with, conflicts with or violates any provision of this Agreement or pursuant to which any of the Equity Securities or any interest therein held by such party on the date hereof is to be Transferred;

(e) such Shareholder understands that (i) the Equity Securities have not been registered under the Securities Act or the securities or "blue sky" laws of any jurisdiction, (ii) such Shareholder agrees that its Equity Securities cannot be transferred unless they are subsequently registered and/or qualified under the Securities Act or other applicable securities and "blue sky" laws, or are exempt from such qualification or registration, and the provisions of this Agreement have been complied with, (iii) there is no assurance that any exemption from registration under the Securities Act and any applicable state or "blue sky" laws or regulations will be available, or if available, that such exemption will allow such Shareholder to dispose of or otherwise transfer any or all of its Equity Securities in the

amounts or at the times such Shareholder may propose, (iv) except as otherwise set forth herein, ITC Investments has no obligation or present intention of registering the Equity Securities, and (v) ITC Investments is relying upon the representations, warranties and agreements made by such Shareholder in this Agreement;

(f) such Shareholder (i) has been provided with access to all information concerning the Equity Securities, ITC Investments and its Subsidiaries, as he, she or it has requested and has had an opportunity to ask questions of management of ITC Investments and to obtain such additional information concerning the Equity Securities, ITC Investments and its Subsidiaries as such Shareholder deems necessary in connection with his, her or its acquisition of Equity Securities, (ii) understands that information with respect to existing business and historical operating results of ITC Investments and its Subsidiaries and estimates and projections as to future operations involve significant subjective judgment and analysis, which may or may not be correct, (iii) has not relied on any Person in connection with its investigation of the accuracy or sufficiency of such information or its investment decision, (iv) fully understands the nature, scope and duration of the limitations applicable to its Equity Securities, and (v) acknowledges that on the date hereof ITC Investments cannot, and does not, make any representation or warranty as to the accuracy of the information concerning the past or future results of any of its Subsidiaries;

(g) if a natural person, (i) neither ITC Investments nor any Person acting on behalf of ITC Investments has offered to sell or sold the Equity Securities to such person by means of any form of general solicitation or advertising, (ii) such person has not received, paid or been given, directly or indirectly, any commission or remuneration for or on account of any sale, or the solicitation of any sale of the Equity Securities, (iii) the address set forth below such person's name on the relevant Schedule is the address of such person's residence and domicile (not a temporary or transient residence) and (iv) no right of employment of any such person is implied either by ownership of any Equity Securities or by any provision of this Agreement;

(h) if not a natural person, such Shareholder was not formed solely for the purpose of owning Equity Securities in ITC Investments;

(i) if a natural person, such Shareholder has the legal capacity to execute and deliver this Agreement (or the separate joinder, if applicable) and to consummate the transactions contemplated hereby (and thereby, if applicable) and, with or without the giving of notice or lapse of time, or both, neither shall require such Shareholder to obtain any consent or approval that has not been obtained or shall contravene or shall result in a breach or default which is material under any provision of any law, rule, regulation, order, judgment or decree applicable to such Shareholder or any agreement or instrument to which such Shareholder is party or by which such Shareholder or any of such Shareholder's assets or properties is bound;

(j) if not a natural person, the execution, delivery and performance of this Agreement (or the separate joinder executed by such Shareholder, if applicable) and the consummation of the transactions contemplated hereby (and thereby, if applicable) have been duly authorized by such Shareholder and, with or without the giving of notice or lapse of time, or both, do not require such Shareholder to obtain any consent or approval that has not been obtained and do not contravene or result in a breach or default which is material under any provision of any law, rule, regulation, order, judgment or decree applicable to such Shareholder, its certificate of incorporation, by-laws or other

governing documents (if an entity) or any agreement or instrument to which such Shareholder is party or by which such Shareholder or any of such Shareholder's assets or properties is bound; and

(k) this Agreement (or the separate joinder executed by such Shareholder, if applicable) has been executed and delivered by such Shareholder and is valid, binding and enforceable

against such Shareholder in accordance with its terms except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding brought in equity or at law).

Section 6.2 Shareholder Notices. Each Shareholder shall notify each of ITC Investments, FortisUS and the Investor if, to the best of its knowledge, it or its Affiliates at any time becomes a Market Participant in any Regional Transmission Organization.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior arrangements or understandings (whether written or oral) with respect thereto.

Section 7.2 Captions. The Article and Section captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 7.3 Counterparts. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Section 7.4 Notices. Except as otherwise provided herein, all notices, requests, claims, demands, waivers and other communications required or permitted under this Agreement shall be in writing and shall be delivered by email with copies by overnight courier service to the respective parties as follows (or, in each case, as otherwise notified by any of the parties hereto) and shall be effective and deemed to have been duly given upon being sent by email between 7:30 am and 4:30 pm (New York City time on any Business Day and when sent outside of such hours, at 7:30 am (New York City time) on the next Business Day):

If to ITC Investments, to:

c/o Fortis Inc.
Fortis Place
5 Springdale Street, Suite 1100
P.O. Box 8837
St. John's, Newfoundland A1B3T2
Canada
Attention: David Bennett
Facsimile: (709) 737-5307
E-Mail: dbennett@fortisinc.com

with a copy (which shall not constitute notice) to its counsel:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036

Attention: John Reiss
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
Email: jreiss@whitecase.com

If to FortisUS, to:

c/o Fortis Inc.
Fortis Place
5 Springdale Street, Suite 1100
P.O. Box 8837
St. John's, Newfoundland A1B3T2
Canada
Attention: David Bennett
Facsimile: (709) 737-5307
E-Mail: dbennett@fortisinc.com

with a copy (which shall not constitute notice) to its counsel:

White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Attention: John Reiss
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
Email: jreiss@whitecase.com

If to Investor, to:

Finn Investment Pty Ltd
c/o GIC Pte Ltd
168 Robinson Road #37-01
Capital Tower
Singapore 068912
Attention: Goh Siang
Telephone: +65-68896935
Email: gohsiang@gic.com.sg

with a copy (which shall not constitute notice) to its counsel:

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Asi Kirmayer
Telephone: (212) 839-5404
Email: akirmayer@sidley.com

Notices sent by multiple means, each of which is in compliance with the provisions of this Agreement will be deemed to have been received at the earliest time provided for by this Agreement.

Section 7.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of ITC Investments, the Shareholders and their respective successors, assigns and Permitted Transferees. Any or all of the rights of a Shareholder under this Agreement may be assigned or otherwise conveyed by any Shareholder only in connection with a Transfer of Equity Securities made in compliance with this Agreement.

Section 7.6 Governing Law. The corporate law of the State of Michigan shall govern all issues and questions concerning the relative rights of ITC Investments and all its Shareholders. All other

issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement (and the exhibits and schedules hereto), and all matters relating hereto, shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

Section 7.7 Disputes. (a) All disputes arising out of, relating to or in connection with this Agreement (including the validity of the agreement of the parties to arbitrate, the arbitrability of the issues submitted to arbitration hereunder, the existence and validity of this Agreement, and any conflict of laws issues arising in connection with this Agreement or this agreement to arbitrate) shall be exclusively, finally, and conclusively settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC") then in effect (the "Rules").

(b) Any party may, either individually or together with any other party, initiate arbitration proceedings pursuant to this clause against one or more other parties by sending a request for arbitration (the "Request for Arbitration") to the ICC, with a copy to all other parties to this Agreement (whether or not such parties are named as respondents in the Request for Arbitration).

(c) Any party to an arbitration proceeding hereunder may join any other party to proceedings by submitting a request for joinder against that party (a "Request for Joinder"); provided, that such Request for Joinder is sent to the ICC with a copy to all other parties to this Agreement (whether or not such parties are named as respondents in the Request for Joinder) within thirty days from the receipt by the ICC of the Request for Arbitration, Request for Intervention, or other Request for Joinder. The provisions of the Rules governing the form and content of Requests for Joinder shall apply.

(d) Any party to this Agreement may intervene in and become a party to any arbitration proceedings hereunder by submitting a request for arbitration against any party to such arbitration proceedings (a "Request for Intervention"); provided, that such Request for Intervention is sent to the ICC with a copy to all other parties to this Agreement (whether or not such parties are named as respondents in the Request for Intervention) within thirty days from the receipt by the ICC of the Request for Arbitration, Request for Joinder, or other Request for Intervention. The provisions of the Rules governing the form and content of Requests for Joinder shall apply mutatis mutandis to the form and content of Requests for Intervention.

(e) Any party so joined or intervening shall be bound by any award rendered by the arbitral tribunal even if such party chooses not to participate in the arbitration proceedings.

(f) There shall be three arbitrators appointed as follows:

(i) if the Request for Arbitration names only one claimant and one respondent, and no party has exercised its right of joinder or intervention in accordance with the above, the claimant and the respondent shall each nominate one arbitrator within fifteen days after the expiry of the period during which parties can exercise their right to joinder or intervention. The third arbitrator, who shall act as president, shall be nominated by agreement of the parties within thirty days of the appointment of the second arbitrator. If any arbitrator is not nominated within these time periods, the ICC shall make the appointment;

(ii) if at least one party exercises its right of joinder or intervention in accordance with the above and the parties to the arbitration are unable to agree to a method for the constitution of the arbitral tribunal within fifteen days of that party exercising its right of joinder or intervention, then the ICC shall appoint all three arbitrators and designate one of them to act as president; and

(iii) if more than two parties are named as either claimants or respondents in the Request for Arbitration, or at least one party exercises its right of joinder or intervention in accordance with the above, the claimant(s) shall jointly nominate one arbitrator and the respondent(s) shall jointly nominate the other arbitrator, both within fifteen days after the expiry of the period during which parties can exercise their right to joinder or intervention under Section 7.7(c) and Section 7.7(d), respectively. If the parties fail to nominate an arbitrator as provided above, the ICC shall, upon the request of any party, appoint all three arbitrators and designate one of them to act as president. If the claimant(s) and respondent(s) nominate the arbitrators as provided above, the third arbitrator, who shall act as president, shall be nominated by agreement of the parties within thirty days of the appointment of the second arbitrator. If the parties fail to nominate the president as provided above, the chairperson shall be appointed by the ICC.

(g) The place of the arbitration shall be New York, New York and the arbitration shall be conducted in the English language.

(h) Any party to the dispute may apply for interim measures of protection (including injunctions, attachments and conservation orders) to any court of competent jurisdiction or to an Emergency Arbitrator as provided (and defined) in the Rules.

(i) Any award or order granted under this Section 7.7 shall be final and binding on the parties thereto. Judgment on the award may be entered in any court of competent jurisdiction having jurisdiction over the applicable parties.

Section 7.8 Benefits Only to Parties. Nothing expressed by or mentioned in this Agreement is intended or shall be construed to give any Person, other than Persons indemnified pursuant to Section 3.7, the parties hereto and their respective successors or assigns and Permitted Transferees, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and assigns and Permitted Transferees, and for the benefit of no other Person.

Section 7.9 Termination; Survival of Benefits. This Agreement shall terminate upon the closing of a Sale of the Business; provided, that the rights and obligations of the Shareholders and ITC Investments under ARTICLE III and this ARTICLE VII shall survive any such termination of this Agreement.

Section 7.10 Publicity. Except as otherwise required by Applicable Law, none of the parties hereto shall issue or cause to be issued any press release or make or cause to be made any other public statement in each case relating to or connected with or arising out of this Agreement or the matters or transactions contemplated herein, without obtaining the prior written consent of FortisUS, the Investor and ITC Investments to the contents and the manner of presentation and publication thereof.

Section 7.11 Confidentiality. Each of the Shareholders hereby agrees that throughout the term of this Agreement, such Shareholder will take all commercially reasonable measures to ensure the continued confidentiality of the Confidential Information and shall not disclose it to anyone except to such Shareholder's Representatives under the limited terms and conditions set forth in this Section 7.11. "Confidential Information" means all information of a confidential or proprietary nature relating to ITC Investments or any of its Affiliates, whether provided in writing, orally, visually, electronically or by other means, relating to ITC Investments or its Affiliates to a Shareholder, its Affiliates or any of their respective Representatives before, on or after the date hereof, including (i) information relating to ITC Investments and the transactions contemplated by this Agreement and (ii) any reports, analyses or notes

that are based on, reflect or contain Confidential Information, but Confidential Information does not include information that (a) is or becomes generally available to the public other than as a direct or indirect result of a disclosure, in violation of this Agreement, by the relevant Shareholder or any of its Representatives, (b) was known to the relevant Shareholder or

its Representatives prior to disclosure after the date hereof by ITC Investments or its Representatives, (c) is or becomes available to the relevant Shareholder or its Representatives from a source other than ITC Investments or its Representatives on a non-confidential basis (provided, that the source of such information was not known by such Shareholder or its Representatives (after reasonable inquiry) to be prohibited from disclosing such information to such Shareholder or its Representatives by a legal, contractual or fiduciary obligation), or (d) has otherwise been independently acquired or developed by the relevant Shareholder or its Representatives without violating any obligations under this Agreement. "Representatives" means any of the applicable party's Affiliates (including Controlled Affiliates and "affiliates" within the meaning of Rule 12b-2 promulgated under the Exchange Act) and any of such party's or such party's Affiliates' officers, members, principals, directors, employees, agents, advisors (including lawyers, consultants and financial advisors), auditors or representatives who receive any of the Confidential Information. Each Shareholder shall be liable for any breaches by such Shareholder's Representatives of the provisions of this Agreement dealing with restrictions on disclosure and use of the Confidential Information. For certainty, the obligation of each Shareholder and its Representatives not to disclose Confidential Information as set out herein shall include disclosure relating to: (a) the existence of this Agreement; (b) the fact that Confidential Information has been made available; and (c) the fact that the Shareholder is subject to any of the restrictions set forth in this agreement. If any Shareholder becomes aware of any misuse, misappropriation or unauthorized disclosure of any Confidential Information, it shall notify ITC Investments forthwith in writing. Such Representatives shall be bound by all of the obligations in respect of such Confidential Information set forth herein. Each Shareholder further agrees that prior to granting such Representatives access to the Confidential Information, such Shareholder shall inform such Representatives of the confidential nature of the Confidential Information and of the terms of this agreement and direct such Representatives to abide by all the terms included herein. If any Shareholder or any of its Representatives is required to disclose any Confidential Information in connection with any legal, regulatory or administrative proceeding or investigation, or is required by Applicable Law (including any stock exchange) to disclose any Confidential Information, such Person or entity will (i) promptly notify ITC Investments of the existence, terms and circumstances surrounding such a request or requirement (unless prohibited by Applicable Law) so that ITC Investments may seek a protective order or other appropriate remedy, or waive compliance with the provisions of this Section 7.11, and (ii) if, in the absence of a protective order, such disclosure is required in the opinion of such Person's outside counsel, such Person or entity may make such disclosure without liability under this Agreement, provided, that such Person only furnishes that portion of the Confidential Information which is required as set forth above in this Section 7.11, such Person gives ITC Investments notice of the information to be disclosed as far in advance of its disclosure as practicable (unless prohibited by Applicable Law) and, upon ITC Investments' request and at ITC Investments' expense, such Person shall cooperate in any efforts by ITC Investments to ensure that confidential treatment shall be accorded to such disclosed information; provided, that with respect to the Investor or its Affiliates, such cooperation shall not be interpreted to require the Investor or its Affiliates to initiate or participate in any legal action, suit or proceeding. Notwithstanding the provisions of this Section 7.11 to the contrary, in the event that any Shareholder desires to Transfer any interest in such holder's Equity Securities permitted by this Agreement, such Shareholder may, upon the execution of a confidentiality agreement (in form reasonably acceptable to ITC Investments' legal counsel) by ITC Investments and any *bona fide* potential Permitted Transferee, disclose to such potential Permitted Transferee information of the sort otherwise restricted by this Section 7.11 if such Shareholder reasonably believes such disclosure is necessary or beneficial for the purpose of Transferring such Equity Securities to the bona fide potential Permitted Transferee. Each Shareholder understands and agrees that money damages would not be a sufficient remedy for any breach

of this Section 7.11 by such Shareholder or its Representatives and that, in addition to all other remedies, ITC Investments shall be entitled to specific performance or injunctive or other equitable relief as a remedy for any such breach. Each Shareholder agrees to waive, and to cause its Representatives to waive, any requirement for the securing or posting of any bond or security in connection with such remedy.

Section 7.12 Expenses. ITC Investments shall reimburse each of the respective members of its ITC Investments Board who are not employees of ITC Investments for their reasonable travel and out-of-pocket expenses incurred in connection with their serving on the ITC Investments Board or, as the case may be, attending ITC Investments Board meetings as an observer. Employees of ITC Investments who incur expenses in connection with their attendance of meetings of the ITC Investments Board in the performance of their duties shall also be reimbursed in accordance with ITC Investments' usual expense reimbursement policies.

Section 7.13 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, ITC Investments and each Shareholder hereby agrees, at the request of ITC Investments or any other Shareholder, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby, including (but not limited to) amending the ITC Investments Bylaws and articles of incorporation of ITC Investments in the event that any provision of such document is inconsistent with the terms and conditions of this Agreement.

Section 7.14 Amendments; Waivers. Subject to Section 7.15, no provision of this Agreement may be amended, modified or waived without the prior written consent of the holders of more than 90% of the Common Stock Equivalents then outstanding; provided, that no amendment or modification to, or deletion of, Section 7.9 or this Section 7.14 shall be effective unless unanimously approved by all of the Shareholders, and provided, further, that no amendment, modification or waiver shall materially and adversely affect the rights, obligations or interests of any Shareholder (i) contained in Section 2.2, Section 2.3, Section 2.4, Section 2.6, ARTICLE III, and ARTICLE IV, (ii) contained in any other provision of this Agreement in a manner different from any other Shareholder and disproportionately adverse to any Shareholder or (iii) specifically granted to or imposed upon such Shareholder but not to or upon all other Shareholders, in each case, without such Shareholder's prior written consent; provided, further, that any amendment, modification or waiver of any provision in this Agreement in favor of any RH Shareholder shall require the prior written consent of all RH Shareholders. Notwithstanding the foregoing, the addition of parties to this Agreement in accordance with its terms shall not be deemed to be an amendment, modification or waiver requiring the consent of any Shareholder. The failure of any party hereto to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 7.15 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or affect the validity, legality or enforceability of any provision in any other jurisdiction, and the invalid, illegal or unenforceable provision shall be interpreted and applied so as to produce as near as may be the economic result intended by the Shareholders.

Section 7.16 Other Business. Each Shareholder and any of its Representatives shall have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly, engage in or possess an interest in any other business venture of any kind, nature or description, independently or with others, whether or not such ventures are competitive with ITC Investments or any of its Subsidiaries,

notwithstanding that Representatives of such Shareholder or any of its affiliates are serving on the ITC Investments Board. No Shareholder or any of its Representatives, as a Shareholder, officer or director of ITC Investments or any of its Subsidiaries, shall have any obligation to communicate, present or offer first to ITC Investments or any of its Subsidiaries any business opportunity or venture of any kind, nature or description that such Shareholder or such affiliate, as the case may be, may wish to pursue from time to time, independently or with others. Except for Section 4.6, nothing in this Agreement shall be deemed to prohibit any Shareholder and/or any of its Representatives from dealing, or otherwise engaging in business, with Persons transacting business with ITC Investments or any of its Subsidiaries, including any client, customer, supplier, lender or investor of ITC Investments or any of its Subsidiaries. No Shareholder or any of its Representatives shall be liable to ITC Investments or its Subsidiaries or any Shareholder for breach of any duty (contractual or otherwise) by reason of any such business ventures or of such Person's participation therein or by reasons of the fact that such Shareholder or its affiliates directly or indirectly pursues or acquires any such business opportunity or venture for itself, directs such opportunity or venture to another Person or does not communicate, present or offer first such opportunity or venture to ITC Investments or any of its Subsidiaries. Neither ITC Investments (or any of its Subsidiaries) nor any Shareholder shall have any rights or obligations by virtue of this Agreement or the transactions contemplated hereby, in or to any independent venture of any Shareholder or any of its Representatives, or the income or profits or losses or distributions derived therefrom, and such ventures shall not be deemed wrongful or improper even if competitive with the business of ITC Investments or any of its Subsidiaries. Notwithstanding the foregoing, this Section 7.16 shall in no way limit the obligation of each Shareholder to be and remain an Eligible Holder or to Transfer its

Equity Securities in accordance with Section 2.8 if any other business venture of such Shareholder or its Affiliates causes it to cease to be an Eligible Holder.

Section 7.17 Issuance of Preferred Stock. If at any time ITC Investments issues preferred stock or other equity securities that are not "Equity Securities", each of the parties hereto agrees to amend this Agreement to appropriately reflect such issuance and to preserve the respective rights and obligations of each of the parties hereunder.

Section 7.18 Subsidiary Compliance. If, at any time, any board of any Subsidiary of ITC Investments or any committee of such board (i) proposes to exercise its independent decision making power in a manner inconsistent with or independent from prior decisions of the ITC Investments Board or (ii) proposes to resolve or otherwise contemplates resolving to take any material action that is inconsistent with the decisions of the ITC Investments Board, or that were not the subject of discussion or resolution of the ITC Investments Board or that otherwise is beyond the scope of prior decisions of the ITC Investments Board (including delegations of authority by the ITC Investments Board and other than ministerial and routine actions reasonably taken to implement decisions made by the ITC Investments Board), then such board or committee shall not exercise such decision making power or pass such resolution, shall adjourn the relevant meeting, and the relevant matter shall be subject to the approval of the ITC Investments Board and the ITC Board in accordance herewith; provided, that if the exercise of such decision making power or the passing of such resolution is required to be taken by the relevant board or committee in the exercise of fiduciary duties, then the relevant meeting shall be adjourned, each RH Director and each director of the ITC Investments Board that is a director, officer, or employee of the Fortis Group shall be appointed to such board or committee, and the exercise such decision making power or the passing of such resolution shall require the requisite number of votes specified in the bylaws of the relevant subsidiary, including such newly appointed directors. Any appointment of directors in accordance with the proviso in the immediately preceding sentence shall be effective solely for the purpose of the exercise of the relevant decision making power or the passing of the relevant resolution and the directors appointed thereby shall resign promptly thereafter. Without limiting the foregoing, if any director, officer or employee of the Fortis Group is appointed to any board or committee of a

Subsidiary of ITC Investments, then the RH Directors and the Independent Directors shall also be appointed to the same such board or committee.

Section 7.19 Limitation of Litigation. No Shareholder shall be entitled to initiate or participate in a class action suit on behalf of all or any part of the Shareholders against ITC Investments or against any other Shareholder, unless such action or suit has been approved by the ITC Investments Board. A Shareholder who initiates a class action in violation of this Agreement shall be liable to ITC Investments and any Shareholders who are defendant parties to the action or suit for all damages and expenses which they incur as a result, including reasonable fees and expenses of legal counsel and expert witnesses and court costs. Further, each Shareholder irrevocably waives any right it may have to maintain any action for dissolution of ITC Investments or for partition of the property of ITC Investments.

Section 7.20 Effectiveness Upon Subscription. Notwithstanding anything else herein, this Agreement shall automatically become effective at the Subscription Time (as defined in the Subscription Agreement).

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or caused this Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) as of the date first above written.

ITC INVESTMENT HOLDINGS INC.

By: _____
Name:
Title: Authorized Signatory

ITC HOLDINGS CORP.

By: _____
Name:
Title: Authorized Signatory

FORTISUS INC.

By: _____
Name:
Title: Authorized Signatory

FINN INVESTMENT PTE LTD

By: _____
Name:
Title: Authorized Signatory

SCHEDULE I

EQUITY SECURITIES HELD BY SHAREHOLDERS

	Shares of Common Stock	Percentage
FortisUS	[•]	80.1%
Investor	[•]	19.9%

EXHIBIT A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT (this "Agreement") is made as of *[insert date],* by and among *[Insert Name of Joining Party]* (the "Joining Party") and ITC Investment Holdings Inc. ("ITC Investments"), a Michigan corporation.

W I T N E S S E T H:

WHEREAS, reference is hereby made to that certain Shareholders' Agreement (the "Shareholders' Agreement"), dated as of *[insert date],* by and among ITC Investments, ITC Holdings Corp., a Michigan corporation, and the Shareholders signatory thereto; and

WHEREAS, this Agreement has been entered into to record and effect the admission of the Joining Party as a Shareholder under the Shareholders' Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

§1. Definitions. Capitalized terms defined in the Shareholders' Agreement shall have the same meaning when used in this Agreement.

§2. Admission of Joining Party.

(a) By executing and delivering this Agreement to ITC Investments, the Joining Party hereby (i) makes each of the representations and warranties set forth in Article VI of the Shareholders' Agreement as of the date hereof, (ii) represents and warrants that no Consent of or Filing with, any Governmental Entity or third party is required (with or without notice or lapse of time, or both) for or in connection with the Transfer to the Joining Party (and the Joining Party's joinder pursuant hereto), other than Consents and Filings that have been obtained or made and all such Consents and Filings are in full force and effect and not the subject to appeal, all terminations or expirations of applicable waiting periods imposed by any Governmental Entity with respect to the Transfer to the Joining Party (and the Joining Party's joinder pursuant hereto) have occurred, and no such Consent contains any conditions or other requirements that are adverse to ITC Investments or its Affiliates.as of the date hereof and (iii) agrees to become a party to, to be bound by, and to comply with the terms, conditions and provisions of the Shareholders' Agreement in the same manner as if the undersigned Joining Party were an original signatory and named as a Shareholder thereunder. By executing and delivering this Agreement to the Joining Party, ITC Investments hereby consents to and confirms its acceptance of the Joining Party as a Shareholder for purposes of the Shareholders' Agreement.

(b) By executing and delivering this Agreement to ITC Investments, the Joining Party hereby acknowledges, agrees and confirms (i) that his address details for notices under the Shareholders' Agreement are as set forth on Schedule A attached hereto and made a part thereof, and (ii) the Joining Party has received a copy of the Shareholders' Agreement and has reviewed the same and understands its contents.

§3. Entire Agreement. This Agreement and the Shareholders' Agreement contain the entire understanding, whether oral or written, of the parties with respect to the matters covered hereby. Any amendment or change in this Agreement shall not be valid unless made in writing and signed by both parties hereto.

§4. Effect; Counterparts. Except as herein provided, the Shareholders' Agreement shall remain unchanged and in full force and effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

§5. Governing Law; Disputes. The provisions of Section 7.6 (Governing Law) and Section 7.7 (Disputes) of the Shareholders' Agreement shall apply to this Agreement as though set out in full herein.

§6. Headings; Construction. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement. The parties hereto have participated jointly in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Joinder Agreement (or caused this Joinder Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) as of the date first above written.

ITC INVESTMENT HOLDINGS INC.

By: _____
Name:
Title: Authorized Signatory

[Insert Name of Joining Party]

By: _____
Name:
Title: Authorized Signatory

SCHEDULE A TO EXHIBIT A

ADDRESS FOR NOTICES

[Insert Joining Party's address]
Email:
Attention:

EXHIBIT B

DIVIDEND POLICY

(See attached.)

DIVIDEND POLICY
OF
ITC INVESTMENT HOLDINGS INC.
AND
ITC HOLDINGS CORP.

1. Policy. (a) The dividend policy of ITC Holdings Corp. ("ITC") is to distribute on a quarterly basis from time to time to its common shareholders all funds surplus to the operating needs of ITC as determined by its board of directors (the "ITC Board") after establishing the Reserve Amount (as defined below), but subject always to compliance with (i) the Michigan Business Corporation Act, as amended, (ii) all financing documents and other contractual undertakings of ITC and its affiliates (including the Shareholders' Agreement dated April 20, 2016, by and among ITC Investment Holdings Inc. ("ITC Investments"), ITC, FortisUS Inc., a Delaware Corporation, Finn Investment Pte Ltd, a Singapore private limited company, and any other person that becomes a shareholder pursuant

thereto (the "Shareholders' Agreement")), (iii) all Federal and state regulatory requirements, and (iv) the bylaws of ITC (the "ITC Bylaws"). In determining the amount of any dividend, ITC intends to maintain a FFO/Net Debt Ratio (as defined in the Shareholders' Agreement) of 12% or less.

(b) The dividend policy of ITC is to distribute on a quarterly basis from time to time to its common shareholders all funds distributed to ITC Investments, as a shareholder of ITC, after deducting any administrative fees and similar amounts payable by ITC Investments as determined by its board of directors (the "ITC Investments Board"), but subject always to compliance with (i) the Michigan Business Corporation Act, as amended, (ii) all financing documents and other contractual undertakings of ITC Investments and its affiliates (including the Shareholders' Agreement), (iii) all Federal and state regulatory requirements, and (iv) the bylaws of ITC Investments.

2. Establishment of ITC Reserves. Each quarter, the ITC Board will, in its discretion, establish an amount of reserves (the "Reserve Amount") for ITC after reviewing the cash ITC receives from its subsidiaries and other sources and the cash disbursements made by ITC. The ITC Board may consider any items, including budgeted and reasonably expected future capital expenses, general and administrative expenses, leverage, interest and cash taxes, in establishing the Reserve Amount, subject to compliance with the ITC Bylaws. Through the modification or reduction of existing reserves or otherwise, the Reserve Amount for a particular quarter may be negative. The ITC Board may also create additional reserves as the ITC Board, in its discretion, considers proper for any purpose, and may modify or abolish any reserve in the manner in which it was created, in each case subject to compliance with the ITC Bylaws. Without limiting the foregoing, the ITC Board will establish the Reserve Amount in respect of each quarter at a level which is reasonably expected, as of the establishment thereof, to avoid the funding of reasonably anticipated future cash disbursements of ITC with future capital contributions.

3. Payment of Dividends. (a) Subject to provisions of law and ITC's articles of incorporation, dividends may be declared at any regular or special meeting of the ITC Board and may be paid only in cash. Dividend payments will be made by ITC on the 15th working day

following the declaration. Dividends will be paid among the classes of ITC's capital stock in accordance with ITC's articles of incorporation.

(b) Subject to provisions of law and ITC Investment's articles of incorporation, dividends may be declared at any regular or special meeting of the ITC Investments Board and may be paid only in cash. Dividend payments will be made by ITC Investments promptly following the receipt by ITC Investments of dividends from ITC. Dividends will be paid among the classes of ITC Investments' capital stock in accordance with ITC Investments' articles of incorporation.

4. Dividends Not Cumulative. Dividends on all classes of ITC's common stock will not be cumulative. Dividends on all classes of ITC Investments' common stock will not be cumulative.

* * *

ANNEX B

FORM OF INITIAL INVESTMENT BYLAWS

(Attached)

EXHIBIT F

AMENDED & RESTATED BYLAWS
OF
ITC INVESTMENT HOLDINGS INC.

These bylaws (these "Bylaws") are the Bylaws of ITC Investment Holdings Inc. (the "Corporation"), a Michigan corporation.

ARTICLE I

OFFICES

1.01 Registered Office. The registered office of the Corporation shall be located within the State of Michigan as set forth in the Corporation's Articles of Incorporation (the "Articles of Incorporation"). The board of directors of the Corporation (the "Board") may at any time change the registered office by making the appropriate filing with the Michigan Department of Licensing and Regulatory Affairs.

1.02 Principal Office. The principal office of the Corporation shall be in Novi, Michigan, or at such other place as the Board shall from time to time determine.

1.03 Other Offices. The Corporation also may have offices at such other places as the Board from time to time determines or the business of the Corporation requires.

1.04 Registered Agent. The name and address of the Corporation's registered agent shall be as set forth in the Corporation's Articles of Incorporation. The Board may change the registered agent at any time by making the appropriate filing with the Michigan Department of Licensing and Regulatory Affairs.

ARTICLE II

SEAL

2.01 Seal. The Corporation may have a seal in the form that the Board may from time to time determine. The seal may be used by causing it or a facsimile to be impressed, affixed or otherwise reproduced. Documents otherwise properly executed on behalf of the Corporation shall be valid and binding upon the Corporation without a seal whether or not one is in fact designated by the Board.

ARTICLE III

CAPITAL STOCK

3.01 Issuance of Shares. The shares of capital stock of the Corporation (the "Shares") shall be issued in the amounts, at the times, for the consideration, and on the terms and conditions that the Board shall deem advisable, subject to the Articles of Incorporation of the Corporation, any requirements of the laws of the state of Michigan and any written agreement among the Corporation and one or more Shareholders (as defined below) of the Corporation (any such agreement, a "Shareholder Agreement").

3.02 Certificates for Shares. Certificated Shares shall be represented by certificates signed by one of the chairperson of the Board (the "Chairperson of the Board"), the President & CEO, or a Vice President, and also may be signed by the Treasurer, Assistant Treasurer, Secretary, or Assistant Secretary, and may be sealed with the seal of the Corporation or a facsimile of it, and countersigned and registered in such manner, if any, as the Board may by resolution prescribe. The signatures of the officers may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the corporation itself or its employee. In case an officer who has signed or whose facsimile signature has been placed upon a certificate ceases to be such officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he or she had not ceased to be such officer at the date of issuance. A certificate representing Shares shall state on its face that the Corporation is formed under the laws of the state of Michigan and shall also state the name of the person to whom it is issued, the number and class of Shares and the designation of the

series, if any, that the certificate represents, and any other provisions, legends or notations that may be required by the laws of the state of Michigan or under any Shareholder Agreement. Notwithstanding the foregoing, the Board may authorize the issuance of some or all of the Shares without certificates to the fullest extent permitted by law. Within a reasonable time after the issuance or transfer of Shares without certificates, the Corporation shall send the shareholders of the Corporation (the "Shareholders") a written statement of the information required on certificates by applicable law.

3.03 Transfer of Shares. Subject to the provisions of any Shareholder Agreement, certificated Shares are transferable only on the books of the Corporation by the holder thereof in person or by his or her attorney, upon surrender for cancellation of the certificate for the Shares, properly endorsed for transfer, and the presentation of the evidences of ownership and validity of the assignment that the Corporation may require. Transfers of uncertificated Shares shall be made by such evidence of ownership and validity as the Corporation or its agents may reasonably require and in compliance with the provisions of any Shareholder Agreement.

3.04 Registered Shareholders. The Corporation shall be entitled to treat the person in whose name any Share of stock is registered as the owner of it for the purpose of dividends, other distributions, recapitalizations, mergers, plans of share exchange, reorganizations and liquidations, for the purpose of votes, approvals and consents by Shareholders, for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in the Shares by any other person, whether or not the Corporation shall have notice of it, except as expressly required by the laws of the state of Michigan.

3.05 Lost or Destroyed Certificates. On the presentation to the Corporation of a proper affidavit attesting to the loss, destruction, or mutilation of any certificate or certificates for Shares and such other evidence as the Corporation or its transfer agent may require, the Board, or any officer to whom authority is delegated, shall direct the issuance of a new certificate or certificates to replace the certificates so alleged to be lost, destroyed, or mutilated. The Corporation may require as conditions precedent to the issuance of new certificates (a) a bond or agreement of indemnity, in the form and amount and with or without sureties, as the Board, or any officer to whom authority is delegated, may direct or approve and (b) an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary.

3.06 Transfer Agents and Registrars. The Board may, in its discretion, appoint one or more banks or trust companies as the Board may deem advisable, from time to time, to act as transfer agents and registrars of the Shares, and upon such appointments being made, no certificate representing Shares shall be valid until countersigned by one of such transfer agents and registered by one of such registrars.

ARTICLE IV

SHAREHOLDERS; MEETINGS OF SHAREHOLDERS

4.01 Place of Meetings. All meetings of Shareholders shall be held at the principal office of the Corporation or at any other place that shall be determined by the Board and stated in the meeting notice or, at the direction of the Board to the extent permitted by applicable law, may be held by remote communication if stated in the meeting notice, but in no event shall such meetings be held within the country of Canada.

4.02 Annual Meeting. The annual meeting of the Shareholders shall be held at such time as the Board may select. Directors shall be elected at each annual meeting and such other business transacted as may properly be brought before the meeting. The Board acting by resolution may postpone and reschedule any previously scheduled annual meeting of the Shareholders. Any annual meeting of the Shareholders may be adjourned by the person presiding at the meeting or pursuant to a resolution of the Board.

4.03 Special Meetings. Special meetings of the Shareholders may be called by the Board or the President & CEO, and shall be called by the President & CEO or the Secretary in accordance with the written request of the holders of record of at least 10% of the Shares issued and outstanding and entitled to vote. Business transacted at a special meeting of the Shareholders shall be limited to the purposes stated in the notice of such meeting.

4.04 Notice of Meetings. Except as otherwise provided by statute, written notice of the time, place, if any, and purposes of a Shareholders' meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each Shareholder entitled to vote at the meeting, either personally or by mailing the notice to such Shareholder's address as it appears on the books of the Corporation or at such other address as shall be furnished in writing by such Shareholder to the Corporation for such purpose, or by a form of electronic transmission to which the Shareholder has consented. The notice shall include notice of proposals from Shareholders that are proper subjects for Shareholder action and are intended to be presented by Shareholders who have so notified the Corporation in accordance with applicable law. The means of remote communication shall be included in the notice. No notice need be given of an adjourned meeting of the Shareholders provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting the only business to be transacted is business that might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Shareholder of record entitled to notice on the new record date as provided in this Section 4.04.

4.05 List of Shareholders. The Secretary or the agent of the Corporation having charge of the stock transfer records for Shares shall, in accordance with applicable law make and certify a complete list of the Shareholders entitled to vote at Shareholders' meetings and provide an updated copy of such list to each Shareholder promptly upon any change thereto. The list shall be produced at the time and place of the meeting and shall be subject to the inspection of any Shareholder during the entire meeting. If a meeting will be held solely by remote communication, the Corporation shall make the list open to examination by the Shareholders for the duration of the meeting on a reasonably accessible electronic network, and the notice of the meeting shall include the information required to access the list.

4.06 Quorum; Adjournment; Attendance by Remote Communication. (a) Unless a greater or lesser quorum is required in any Shareholder Agreement, the Articles of Incorporation or by the laws of the state of Michigan, the Shareholders present at a meeting in person or by proxy who, as of the record date for the meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting, shall constitute a quorum at the meeting.

(b) Whether or not a quorum is present, a meeting of Shareholders may be adjourned by holders of a majority vote of the Shares present in person or by proxy.

(c) To the extent permitted by applicable law, Shareholders and proxy holders not physically present at a meeting of Shareholders may participate in the meeting by means of remote communication, are considered present in person for all relevant purposes when participating by such means of remote communication, and may vote at the meeting.

(d) A Shareholder or proxy holder may be present and vote at the adjourned meeting by means of remote communication if he or she was permitted to be present and vote by that means of remote communication in the original meeting notice.

4.07 Proxies. A Shareholder entitled to vote at a Shareholders' meeting or to express consent or to dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be in writing and shall be signed by the Shareholder or the Shareholder's authorized agent or representative or shall be transmitted electronically to the person who will hold the proxy or to an agent fully authorized by the person who will hold the proxy to receive that transmission and include or be accompanied by information from which it can be determined that the electronic transmission was authorized by the Shareholder. A complete copy, pdf, or other reliable reproduction of the proxy may be substituted or used in lieu of the original proxy for any purpose for which the original could be used. A proxy shall not be valid after the expiration of three years from its date unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the Shareholder executing it except as otherwise provided by the laws of the state of Michigan.

4.08 Voting. Each outstanding Share is entitled to one vote on each matter submitted to a vote, unless the Articles of Incorporation provide otherwise. Votes may be cast orally or in writing, but if more than 25 Shareholders of record are entitled to vote, then votes shall be cast in writing signed by the Shareholder or the Shareholder's proxy. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote on it, unless a greater vote is

required by the Articles of Incorporation or by the laws of the state of Michigan. Except as otherwise provided by the Articles of Incorporation or any Shareholder Agreement, directors shall be elected by a plurality of the votes cast by holders of common stock of the Corporation at any election.

4.09 Conduct of Meeting. The chairperson of each meeting of Shareholders shall be the Chairperson of the Board, or if the Chairperson of the Board is not present by the President & CEO, or if the President & CEO is not present, a chairperson to be chosen at the meeting. The chairperson shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting which are fair to Shareholders. The chairperson of the meeting shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto may be accepted. The Secretary, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of the meeting, if present.

ARTICLE V

MANAGEMENT; BOARD, MEETINGS OF BOARD

5.01 Management of the Corporation. The business and affairs of the Corporation shall be managed by or under the direction of the Board; provided, that the acts, expenditures, decisions and obligations made or incurred by the Corporation (or any subsidiary of the Corporation) in any agreement among all of the Shareholders and the Corporation in place from time to time, in the Articles of Incorporation, or by Michigan Law, in each case, shall be proposed by the Board and approved by the Shareholders.

5.02 Number and Qualifications. Subject to the provisions of any Shareholder Agreement, the Board shall consist of not more than eleven directors as shall be fixed from time to time by the Shareholders. Directors need not be residents of Michigan nor Shareholders of the Corporation. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

5.03 Election, Resignation, and Removal. Directors shall be elected by the Shareholders at each annual Shareholders' meeting in compliance with the provisions of any Shareholder Agreement. Subject to the provisions of any Shareholder Agreement, each director shall hold office until the next annual Shareholders' meeting and until the director's successor is elected and qualified, or until the director's resignation or removal. Unless otherwise provided in the Articles of Incorporation, a director may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time as set forth in the notice of resignation. A director may be removed, with or without cause, by the Shareholders, and thereupon the term of the director or directors who shall have been so removed shall forthwith terminate and there shall be a vacancy or vacancies in the Board, to be filled by the Shareholders. Whenever the holders of any class or series or any particular Shares are entitled to elect one or more directors by the provisions of the Articles of Incorporation or any Shareholder Agreement, the provisions of this section shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding Shares of that class

or series or such particular Shareholders, as applicable, and not to the vote of the outstanding Shares as a whole.

5.04 Vacancies. Vacancies in the Board occurring by reason of death, resignation, increase in the number of directors, or otherwise, other than removal of a director with or without cause by a vote of the Shareholders, shall be filled by the Shareholders as provided in any Shareholder Agreement. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

5.05 Meetings. Meetings of the Board shall be held at such place as may from time to time be fixed by resolution of the Board, or as may be specified in the notice for the applicable meeting or in a waiver of notice thereof. Regular meetings of the Board may be held at the times and places (or by remote communication) that the majority of the directors may from time to time determine at a prior meeting, but in no event shall such meetings be held within the country of Canada. Special meetings of the Board may be called by the Chairperson of the Board (if the office is filled) or the President & CEO, and shall be called by the President & CEO or Secretary in accordance with the written request of any three directors.

5.06 Notice of Meetings. Regular and special meetings of the Board shall be convened by not less than three days' written notice, which may be made through electronic communication and the notice shall state the time, place, and purpose or purposes of the meeting.

5.07 Quorum. Subject to the provisions of any Shareholder Agreement, a majority of the Board then in office, or of the members of a Board committee, constitutes a quorum of the Board or such committee, as applicable, for the transaction of business; provided, that to the extent that a vote on any action of the Board or such committee, as applicable, at such meeting requires the approval of a director designated by a particular Shareholder under any Shareholder Agreement, such quorum shall include at least one director designated by such Shareholder; provided, further, that if at any meeting of the Board or such committee there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time until a quorum shall have been obtained. The vote of a majority of the directors or members of a committee thereof present at any meeting at which there is a quorum constitutes the action of the Board or of the board committee, as applicable, except when a larger vote may be required by the laws of the state of Michigan or the provisions of any Shareholder Agreement; provided, that to the extent that a vote on any action of the Board or such committee at such meeting requires the approval of a director designated by a particular Shareholder under any such Shareholder Agreement, such quorum shall include at least one director designated by such Shareholder. A member of the Board or of a committee designated by the Board may participate in a meeting by conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.08 Dissents. A director who is present at a meeting of the Board, or a board committee of which the director is a member, at which action on a corporate matter is taken, is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as

secretary of the meeting before the adjournment of it or forwards the dissent by registered mail to the Secretary promptly after the adjournment of the meeting. The right to dissent does not apply to a director who voted in favor of the action. A director who is absent from a meeting of the Board or a board committee of which the director is a member, at which any such action is taken, is presumed to have concurred in the action unless he or she files a written dissent with the Secretary within a reasonable time after the director has knowledge of the action.

5.09 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Corporation as directors, committee members or officers. The Board shall also have the power, in its discretion, to reimburse directors for reasonable expenses incurred for attendance at each regular or special meeting of the Board, or of any committee of the Board. In addition, the Board shall also have the power, in its discretion, to provide for and pay to directors rendering services to the Corporation not ordinarily rendered by directors, as such, special compensation appropriate to the value of such services, as determined by the Board from time to time. Nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

5.10 Committees. Subject to the provisions of any Shareholders Agreements, the Board may designate from among its members one or more committees which shall consist of one or more directors. The Board may designate one or more directors as alternate members of any committee to replace an absent or disqualified member at any committee meeting. Such committees shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them, except to the extent limited by applicable law. A majority of any such committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide; provided, that to the extent that

a vote on any action of the board committee at such meeting requires the approval of a director designated by a particular Shareholder under any such Shareholder Agreements, such quorum shall include at least one director designated by such Shareholder. The Board shall have power at any time to change the membership of any such committee, to fill vacancies on or to dissolve any such committee.

5.11 Action Without a Meeting. Any action required or permitted at any meeting of directors or a committee of directors may be taken without a meeting, without prior notice and without a vote, if all of the directors or committee members entitled to vote on it consent to it in writing or, to the extent permitted by law, by electronic transmission. Such consents shall be filed with the minutes of the proceedings of the Board or committee, as applicable.

5.12 Observers. One or more non-voting observers to the Board and/or its committees may be selected by the Shareholders. Any such observer shall hold such position until the observer's successor is selected, or until the observer's resignation or removal. An observer may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time as set forth in the notice of resignation. Subject to the provisions of any Shareholder Agreement, an observer may be removed, with or without cause, by the Shareholders, and thereupon the term of the observer who shall have been so removed shall forthwith terminate. Each observer shall be entitled to attend all meetings (including telephonic meetings) of the Board and the Board's committees to which it has been granted observer rights. Each observer shall be entitled to receive (x) notices of all meetings of the

Board and the Board's committees to which it has been granted observer rights and (y) all information delivered to the members of the Board and the Board's committees to which it has been granted observer rights in connection with such meetings, in each case to the extent and at the same time such notice and information is delivered to the members of the Board and its committees. Notwithstanding the foregoing, the Chairperson of the Board (if the office is filled) or the President & CEO shall (a) excuse any observer from any portion of a Board meeting or a meeting of its committees to the extent such observer's participation in such meeting is reasonably likely to adversely affect the attorney/client privilege of the Corporation and its legal advisors and (b) withhold information from any observer delivered to the Board and the Board's committees to which it has been granted observer rights prior to a meeting of the Board or, as the case may be, such committee, in each case if the Chairperson of the Board (if the office is filled) or the President & CEO believes there is a reasonable likelihood that the receipt of such information by the observer may adversely affect the attorney/client privilege of the Corporation and its legal advisors.

ARTICLE VI

NOTICES AND WAIVERS OF NOTICE

6.01 Notices. All notices of meetings required to be given to Shareholders, directors or observers may be given either personally or by mailing the notice to such Shareholder's address as it appears on the books of the Corporation or at such other address as shall be furnished in writing by such Shareholder to the Corporation for such purpose, or by a form of electronic transmission to which the Shareholder has consented. The notice shall be deemed to be given at the time it is mailed or otherwise dispatched or, if given by electronic transmission, when electronically transmitted to the person entitled to the notice.

6.02 Waiver of Notice. Notice of the time, place, and purpose of any meeting of Shareholders, directors, or a committee of directors may be waived in writing, including by electronic transmission, either before or after the meeting, or in any other manner that may be permitted by the laws of the state of Michigan. Attendance of a person at any Shareholders' meeting, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) in the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented; or

(b) in the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

ARTICLE VII

OFFICERS

7.01 Number. The Board shall elect or appoint a President & CEO, a Secretary, and a Treasurer, and may select a Chairperson of the Board and one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, and other officers as it shall deem appropriate, and may define their powers and duties. The Chairperson of the Board shall be a member of the Board. Any two or more of the preceding offices may be held by the same person.

7.02 Term of Office, Resignation, and Removal. An officer shall hold office for the term for which he or she is elected or appointed and until his or her successor is elected or appointed, or until his or her resignation or removal. An officer may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer does not of itself create contract rights.

7.03 Vacancies. The Board may fill any vacancies in any office occurring for whatever reason.

7.04 Authority. All officers, employees, and agents of the Corporation shall have the authority and perform the duties to conduct and manage the business and affairs of the Corporation that may be designated by the Board and these Bylaws.

ARTICLE VIII

DUTIES OF OFFICERS

8.01 Chairperson of the Board. The Chairperson of the Board, if the office is filled, shall preside at all meetings of the Shareholders and of the Board at which the Chairperson of the Board is present, and the Chairperson of the Board shall have and perform such other duties as from time to time may be assigned to the Chairperson by the Board.

8.02 President & CEO. The president and chief executive officer of the Corporation (the "President & CEO") shall see that all orders and resolutions of the Board are carried into effect, and the President & CEO shall have the general powers of supervision and management usually vested in the president and chief executive officer of a corporation, including the authority to vote all securities of other corporations and business organizations held by the Corporation, and, subject to the control of the Board, shall have general management and control of the affairs and business of the Corporation. The President & CEO shall appoint and discharge employees and agents of the Corporation (other than officers elected by the Board) and fix their compensation. In the absence or disability of the Chairperson of the Board, or if that office has not been filled, the President & CEO also shall perform the duties of the Chairperson of the Board as set forth in these Bylaws. The President & CEO shall have the power to execute bonds, mortgages and other contracts, agreements and instruments of the Corporation, and shall do and

perform such other duties as from time to time may be assigned to the President & CEO by the Board.

8.03 Vice Presidents. The vice presidents of the Corporation (the "Vice Presidents"), in order of their seniority, shall, in the absence or disability of the President & CEO, perform the duties and exercise the powers of the President & CEO. The Vice Presidents shall have the power to execute bonds, notes mortgages and other contracts,

agreements and instruments of the Corporation, and shall do and perform such other duties incident to the office of Vice President and as the Board or the President & CEO may from time to time prescribe.

8.04 Secretary. The secretary of the Corporation (the "Secretary") shall attend all meetings of the Board and the Shareholders and shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and the Board, shall keep in safe custody the seal of the Corporation and affix it to any instrument requiring it, and when so affixed it shall be attested to by the signature of the Secretary or by the signature of the Treasurer or an Assistant Secretary, and shall perform such other duties as the Board may from time to time prescribe. The Secretary shall have custody of the stock records and all other books, records and papers of the Corporation (other than financial) and shall see that all books, reports, statements, certificates and other documents and records required by law are properly kept and filed. The Secretary may delegate any of the duties, powers, and authorities of the Secretary to one or more Assistant Secretaries, unless the delegation is disapproved by the Board.

8.05 Treasurer. The treasurer of the Corporation (the "Treasurer") shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in the books of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in the depositories that may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President & CEO and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer may delegate any of his or her duties, powers, and authorities to one or more Assistant Treasurers unless the delegation is disapproved by the Board.

8.06 Assistant Secretaries and Treasurers. The assistant secretaries of the Corporation (the "Assistant Secretaries"), in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The assistant treasurers of the Corporation (the "Assistant Treasurers"), in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform the duties that may be delegated to them by the Secretary and Treasurer, respectively, and also the duties that the Board may prescribe.

8.07 Duties of Officers May be Delegated. In case of the absence or disability of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers or duties, or any of them, of such officer to any other officer, or to any director.

ARTICLE IX

SPECIAL CORPORATE ACTS

9.01 Orders for Payment of Money. All checks, drafts, notes, bonds, bills of exchange, and orders for payment of money of the Corporation shall be signed by the President & CEO, any Vice President, the Treasurer or such officer or officers or any other person or persons that the Board may from time to time designate.

9.02 Contracts and Conveyances. The Board may in any instance designate the officer(s) and/or agent(s) who shall have authority to execute any contract, conveyance, mortgage, or other instrument on behalf of the Corporation, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the Chairperson of the Board, the President & CEO, any Vice President, the Secretary, any Assistant Secretary, the Treasurer and any Assistant Treasurer, or any one of them, may execute the instrument in the name and on behalf of the Corporation and may affix the corporate seal, if any, to it.

9.03 Voting Securities. Unless otherwise directed by the Board, the President & CEO, any Vice President, the Secretary and any Assistant Secretary shall have full power and authority on behalf of the Corporation to act and to vote (grant a proxy to vote) on behalf of the Corporation, in accordance with any Shareholder Agreements, at any meetings of security holders of corporations, limited liability companies and other entities in which the Corporation holds securities, and to execute in the name or on behalf of the Corporation one or more consents in lieu of meetings of such security holders. The Board by resolution from time to time may confer like power upon any other person or persons.

ARTICLE X

BOOKS AND RECORDS

10.01 Maintenance of Books and Records. The proper officers and agents of the Corporation shall keep and maintain the books, records, and accounts of the Corporation's business and affairs, minutes of the proceedings of its Shareholders, Board, and committees, if any, and the stock ledgers and lists of Shareholders, as the Board shall deem advisable and as shall be required by the laws of the state of Michigan and other states or jurisdictions empowered to impose such requirements. Books, records, and minutes may be kept within or without the state of Michigan in a place that the Board shall determine.

10.02 Reliance on Books and Records. In discharging his or her duties, a director or an officer of the Corporation, when acting in good faith, may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

(a) one or more directors, officers, or employees of the Corporation, or of a subsidiary or controlled affiliate of the Corporation, whom the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence; or

(c) a committee of the Board, if the director or officer reasonably believes the committee merits confidence.

A director or officer is not entitled to rely on the information set forth above if he or she has knowledge concerning the matter in question that makes such reliance unwarranted.

10.03 Inspection of Book and Records. Subject to any Shareholder Agreements, any Shareholder of record, in person or by attorney or other agent, shall, upon written demand stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's Share ledger, a list of its securityholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a Shareholder. Subject to any Shareholder Agreements, in every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Shareholder. The demand shall be directed to the Corporation at its registered office in the State of Michigan or at its principal place of business.

ARTICLE XI

INDEMNIFICATION

11.01 Indemnification. Subject to all of the other provisions of this Article XI, the Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, including any appeal, by reason of the fact that the person is or was a director or officer of the Corporation, or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, member, partner, trustee, employee, fiduciary or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, or other enterprise, including service with respect to employee benefit plans or public service or charitable organizations, against expenses (including actual and reasonable attorney fees and disbursements), judgments, penalties, fines and amounts paid in settlement and incurred by him or her in connection with such action, suit, or proceeding, in each case to the maximum extent permitted by the Michigan Business Corporation Act (the "MBCA"). The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea

of nolo contendere or its equivalent, shall not, of itself, create a presumption that any person otherwise entitled to indemnification hereunder (a) did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Corporation or its Shareholders, (b) with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful, or (c) received a financial benefit to which he or she is not entitled, intentionally inflicted harm on the Corporation or its Shareholders, violated Section 551 of the MBCA or intentionally committed a criminal act.

11.02 Expenses of Successful Defense. To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 11.01, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the director or officer shall be indemnified against actual and reasonable expenses (including attorney fees) incurred by the person in connection with the action, suit, or proceeding and any action, suit, or proceeding brought to enforce the mandatory indemnification provided by this Section 11.02.

11.03 Definitions. For purposes of this Article XI only:

(a) "serving at the request of the Corporation" shall include any service as a director, officer, employee, or agent of the Corporation that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its shareholders;" and

(b) "independent director" shall have the meaning set forth in Section 107 of the MBCA.

11.04 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XI shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Corporation as well as in the person's capacity as a director or officer. No amendment of these Bylaws or the Articles of Incorporation shall eliminate or impair a right to indemnification or to advancement of expenses established herein or therein with respect to any action or omission occurring prior to such amendment. Except as otherwise expressly provided in this Article XI, the Corporation shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board.

11.05 Determination That Indemnification Is Proper.

(a) Except as provided in Section 11.05(b), any indemnification under Section 11.01 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct provided by applicable law, and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

(1) by a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to the action, suit, or proceeding;

(2) if the quorum described in clause (1) above is not obtainable, then by majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the action, suit, or proceeding;

(3) by independent legal counsel in a written opinion, which counsel shall be selected in one of the following ways: (i) by the Board or its committee in the manner prescribed in clause (1) or (2); or (ii) if a

quorum of the Board cannot be obtained under clause (1) and a committee cannot be designated under clause (2), by the Board;

(4) by the Shareholders, but Shares held by directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding may not be voted on the determination or evaluation; or

(5) by all independent directors who are not parties or threatened to be made parties to the action, suit, or proceeding.

(b) If the Articles of Incorporation include a provision eliminating or limiting the liability of a director pursuant to Section 209(1)(c) of the MBCA, the Corporation shall indemnify a director for the expenses and liabilities described in this paragraph without a determination that the director has met the standard of conduct set forth in the MBCA, but no indemnification may be made except to the extent authorized in Section 564c of the MBCA, if the director received a financial benefit to which he or she was not entitled, intentionally inflicted harm on the Corporation or its Shareholders, violated Section 551 of the MBCA, or intentionally violated criminal law. In connection with an action or suit by or in the right of the Corporation, indemnification under this Section 11.05(b) may be for expenses, including attorneys' fees, actually and reasonably incurred. In connection with an action, suit or proceeding other than one by or in the right of the Corporation, indemnification under this Section 11.05(b) may be for expenses, including attorneys' fees, actually and reasonably incurred, and for judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred.

11.06 Authorizations of Payment. Authorizations of payment under Section 11.01 shall be made in any of the following ways:

(a) by the Board:

(1) if there are two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors (a majority of whom shall for this purpose constitute a quorum) or by a majority of the members of a committee of two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding;

(2) if the Corporation has one or more independent directors who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors (a majority of whom shall for this purpose constitute a quorum); or

(3) if there are no independent directors and fewer than two directors who are not parties or threatened to be made parties to the action, suit or proceeding, by the vote necessary for action by the Board in accordance with Section 5.07, in which authorization all directors may participate; or

(b) by the Shareholders, but Shares held by directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding may not be voted on the authorization.

11.07 Proportionate Indemnity. If a person is entitled to indemnification under Section 11.01 for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

11.08 Expense Advance. The Corporation shall pay or reimburse the reasonable expenses incurred by a person referred to in Section 11.01 who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition (herein, an "advance") of the proceeding if the person furnishes the Corporation a written undertaking executed personally, or on his or her belief, to repay the advance if it is ultimately determined by final judicial decision from which there is no further right to appeal that he or she did not meet the standard of conduct, if any, required by the MBCA for the indemnification of the person under the circumstances. The Corporation shall make an evaluation of

reasonableness under this Section 11.08 as specified in Section 11.05, and shall make an authorization in the manner specified in Section 11.06, unless the advance is mandatory. The Corporation may make an authorization of advances with respect to a proceeding and a determination of reasonableness of advances or selection of a method for determining reasonableness in a single action or resolution covering an entire proceeding. A provision in the Articles of Incorporation, these Bylaws, a resolution by the Board or the Shareholders, or an agreement making indemnification mandatory shall also make advancement of expenses mandatory unless the provision specifically provides otherwise.

11.09 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.10 Indemnification of Employees and Agents of the Corporation and its Subsidiaries. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation. Any person serving, or who has served, as a director, officer, trustee or employee of another corporation or of a partnership, joint venture, limited liability company, trust, association or other enterprise, at least 50% of whose equity interests or assets are owned, directly or indirectly, by the Corporation (a "subsidiary" for this Article XI) shall be conclusively presumed to be, or to have been, serving in such capacity at the request of the Corporation.

11.11 Former Directors and Officers. The indemnification provided in this Article XI continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

11.12 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify the person against the liability under these Bylaws or the laws of the state of Michigan. If the Articles of Incorporation include a provision eliminating or limiting the liability of a director pursuant to Section 209(1)(c) of the MBCA, such insurance may be purchased from an insurer owned by the Corporation, but such insurance may insure against monetary liability to the Corporation or its Shareholders only to the extent to which the Corporation could indemnify the director under Section 11.05(b).

11.13 Changes in Michigan Law. If there is any change of the Michigan statutory provisions applicable to the Corporation relating to the subject matter of this Article XI, then the indemnification to which any person shall be entitled under this article shall be determined by the changed provisions, but only to the extent that the change permits the Corporation to provide broader indemnification rights than the provisions permitted the Corporation to provide before the change. Subject to Section 11.14, the Board is authorized to amend these Bylaws to conform to any such changed statutory provisions.

11.14 Amendment or Repeal of Article XI. No amendment or repeal of this Article XI shall apply to or have any effect on any director or officer of the Corporation for or with respect to any acts or omissions of the director or officer occurring before the amendment or repeal. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article XI in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article XI shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

11.15 Enforcement of Rights. Any determination with respect to indemnification or payment in advance of final disposition under this Article XI shall be made promptly, and in any event within thirty days, after written request to the Corporation by the person seeking such indemnification or payment. If it is determined that such indemnification or payment is proper and if such indemnification or payment is authorized (to the extent such authorization is required) in accordance with this Article XI, then such indemnification or payment in advance of final disposition under this Article XI shall be made promptly, and in any event within thirty days after such determination has been made, such authorization that may be required has been given and any conditions precedent to such indemnification or payment set forth in this Article XI, the Articles of Incorporation or applicable law have been satisfied. The rights

granted by this Article XI shall be enforceable by such person in any court of competent jurisdiction.

ARTICLE XII

AMENDMENTS

12.01 Amendments. Subject to the provisions of any Shareholder Agreements, these Bylaws may be amended, altered, or repealed, in whole or in part, only by the Shareholders; provided, that notice of any meeting at which an amendment, alteration or repeal would be acted upon shall include notice of the proposed amendment, alteration or repeal.

ARTICLE XIII

DISTRIBUTIONS

13.01 Declaration. The Board may authorize, and the Corporation may make, distributions to its Shareholders in cash, property or Shares to the extent permitted by the Articles of Incorporation and the MBCA and subject to any dividend policy of the Corporation then in effect.

13.02 Fixing Record Dates for Dividends and Distributions. For the purpose of determining Shareholders entitled to receive a distribution by the Corporation (other than a distribution involving a purchase, redemption, or acquisition by the Corporation of any of its own Shares) or a share dividend, the Board may, at the time of declaring the dividend or distribution, set a record date no more than 60 days before the date of the dividend or distribution. If the Board does not set a record date, the record date shall be the date on which the Board adopts the resolution declaring the distribution or share dividend.

ARTICLE XIV

MISCELLANEOUS

14.01 Fiscal Year. The fiscal year of the Corporation shall end on December 31st of each year.

14.02 Conflict with Applicable Law or Articles of Incorporation. These Bylaws are adopted subject to any applicable law and the Articles of Incorporation. Whenever these Bylaws may conflict with any applicable law or the Articles of Incorporation, such conflict shall be resolved in favor of such law or the Articles of Incorporation.

14.03 Inconsistent Provisions. These Bylaws (other than Article XI hereof) are subject in all respects to the provisions of any Shareholder Agreements. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of any Shareholder Agreement, any such Shareholder Agreement shall control to the maximum extent permitted by the MBCA.

14.04 Invalid Provisions. If any one or more of the provisions of these Bylaws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, the

provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any provision shall not be affected thereby.

* * *

ANNEX C

FORM OF INITIAL ITC BYLAWS

(Attached)

AMENDED & RESTATED BYLAWS
OF
ELEMENT ACQUISITION SUB INC.

Reference is made to the Agreement and Plan of Merger (the "Merger Agreement") dated February 9, 2016 by and among FortisUS Inc. ("FortisUS"), a Delaware corporation, Fortis Inc., a corporation organized under the laws of Newfoundland and Labrador, Element Acquisition Sub Inc. (the "Merger Sub" and, until the Merger referenced below, the "Corporation"), a Michigan corporation, and ITC Holdings Corp. ("ITC"), a Michigan corporation, pursuant to which Merger Sub will merge with and into ITC (the "Merger"). Upon the effectiveness of the Merger, the separate corporate existence of Merger Sub will cease and ITC will be the surviving corporation in the Merger. In accordance with the Merger Agreement, these bylaws (these "Bylaws") thereupon will become the Bylaws of ITC, as the surviving corporation, which will be, thereafter, the "Corporation" for all purposes hereunder.

ARTICLE I

OFFICES

1.01 Registered Office. The registered office of the Corporation shall be located within the State of Michigan as set forth in the Corporation's Articles of Incorporation (the "Articles of Incorporation"). The board of directors of the Corporation (the "Board") may at any time change the registered office by making the appropriate filing with the Michigan Department of Licensing and Regulatory Affairs.

1.02 Principal Office. The principal office of the Corporation shall be in Novi, Michigan, or at such other place as the Board shall from time to time determine.

1.03 Other Offices. The Corporation also may have offices at such other places as the Board from time to time determines or the business of the Corporation requires.

1.04 Registered Agent. The name and address of the Corporation's registered agent shall be as set forth in the Corporation's Articles of Incorporation. The Board may change the registered agent at any time by making the appropriate filing with the Michigan Department of Licensing and Regulatory Affairs.

ARTICLE II

SEAL

2.01 Seal. The Corporation may have a seal in the form that the Board may from time to time determine. The seal may be used by causing it or a facsimile to be impressed, affixed or otherwise reproduced. Documents otherwise

properly executed on behalf of the Corporation shall be valid and binding upon the Corporation without a seal whether or not one is in fact designated by the Board.

ARTICLE III

CAPITAL STOCK

3.01 Issuance of Shares. The shares of capital stock of the Corporation (the "Shares") shall be issued in the amounts, at the times, for the consideration, and on the terms and conditions that the Board shall deem advisable, subject to the Articles of Incorporation of the Corporation, any requirements of the laws of the state of Michigan and any written agreement among the Corporation and one or more Shareholders (as defined below) of the Corporation (any such agreement, a "Shareholder Agreement").

3.02 Certificates for Shares. Certificated Shares shall be represented by certificates signed by one of the chairperson of the Board (the "Chairperson of the Board"), the President & CEO, or a Vice President, and also may be signed by the Treasurer, Assistant Treasurer, Secretary, or Assistant Secretary, and may be sealed with the seal of the Corporation or a facsimile of it, and countersigned and registered in such manner, if any, as the Board may by resolution prescribe. The signatures of the officers may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the corporation itself or its employee. In case an officer who has signed or whose facsimile signature has been placed upon a certificate ceases to be such officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he or she had not ceased to be such officer at the date of issuance. A certificate representing Shares shall state on its face that the Corporation is formed under the laws of the state of Michigan and shall also state the name of the person to whom it is issued, the number and class of Shares and the designation of the series, if any, that the certificate represents, and any other provisions, legends or notations that may be required by the laws of the state of Michigan or under any Shareholder Agreement. Notwithstanding the foregoing, the Board may authorize the issuance of some or all of the Shares without certificates to the fullest extent permitted by law. Within a reasonable time after the issuance or transfer of Shares without certificates, the Corporation shall send the shareholders of the Corporation (the "Shareholders") a written statement of the information required on certificates by applicable law.

3.03 Transfer of Shares. Subject to the provisions of any Shareholder Agreement, certificated Shares are transferable only on the books of the Corporation by the holder thereof in person or by his or her attorney, upon surrender for cancellation of the certificate for the Shares, properly endorsed for transfer, and the presentation of the evidences of ownership and validity of the assignment that the Corporation may require. Transfers of uncertificated Shares shall be made by such evidence of ownership and validity as the Corporation or its agents may reasonably require and in compliance with the provisions of any Shareholder Agreement.

3.04 Registered Shareholders. The Corporation shall be entitled to treat the person in whose name any Share of stock is registered as the owner of it for the purpose of dividends, other distributions, recapitalizations, mergers, plans of share exchange, reorganizations and liquidations, for the purpose of votes, approvals and consents by Shareholders, for the purpose of notices to Shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in the Shares by any other person, whether or not the

Corporation shall have notice of it, except as expressly required by the laws of the state of Michigan.

3.05 Lost or Destroyed Certificates. On the presentation to the Corporation of a proper affidavit attesting to the loss, destruction, or mutilation of any certificate or certificates for Shares and such other evidence as the Corporation or its transfer agent may require, the Board, or any officer to whom authority is delegated, shall direct the issuance of a new certificate or certificates to replace the certificates so alleged to be lost, destroyed, or mutilated. The Corporation may require as conditions precedent to the issuance of new certificates (a) a bond or agreement of indemnity, in the form and amount and with or without sureties, as the Board, or any officer to whom authority is delegated, may direct or

approve and (b) an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary.

3.06 Transfer Agents and Registrars. The Board may, in its discretion, appoint one or more banks or trust companies as the Board may deem advisable, from time to time, to act as transfer agents and registrars of the Shares, and upon such appointments being made, no certificate representing Shares shall be valid until countersigned by one of such transfer agents and registered by one of such registrars.

ARTICLE IV

SHAREHOLDERS; MEETINGS OF SHAREHOLDERS

4.01 Place of Meetings. All meetings of Shareholders shall be held at the principal office of the Corporation or at any other place that shall be determined by the Board and stated in the meeting notice or, at the direction of the Board to the extent permitted by applicable law, may be held by remote communication if stated in the meeting notice, but in no event shall such meetings be held within the country of Canada.

4.02 Annual Meeting. The annual meeting of the Shareholders shall be held at such time as the Board may select. Directors shall be elected at each annual meeting and such other business transacted as may properly be brought before the meeting. The Board acting by resolution may postpone and reschedule any previously scheduled annual meeting of the Shareholders. Any annual meeting of the Shareholders may be adjourned by the person presiding at the meeting or pursuant to a resolution of the Board.

4.03 Special Meetings. Special meetings of the Shareholders may be called by the Board or the President & CEO, and shall be called by the President & CEO or the Secretary in accordance with the written request of the holders of record of at least 10% of the Shares issued and outstanding and entitled to vote. Business transacted at a special meeting of the Shareholders shall be limited to the purposes stated in the notice of such meeting.

4.04 Notice of Meetings. Except as otherwise provided by statute, written notice of the time, place, if any, and purposes of a Shareholders' meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each Shareholder entitled to vote at the meeting, either personally or by mailing the notice to such Shareholder's address as it appears on the books of the Corporation or at such other address as shall be furnished in writing by such

Shareholder to the Corporation for such purpose, or by a form of electronic transmission to which the Shareholder has consented. The notice shall include notice of proposals from Shareholders that are proper subjects for Shareholder action and are intended to be presented by Shareholders who have so notified the Corporation in accordance with applicable law. The means of remote communication shall be included in the notice. No notice need be given of an adjourned meeting of the Shareholders provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting the only business to be transacted is business that might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Shareholder of record entitled to notice on the new record date as provided in this Section 4.04.

4.05 List of Shareholders. The Secretary or the agent of the Corporation having charge of the stock transfer records for Shares shall, in accordance with applicable law make and certify a complete list of the Shareholders entitled to vote at Shareholders' meetings and provide an updated copy of such list to each Shareholder promptly upon any change thereto. The list shall be produced at the time and place of the meeting and shall be subject to the inspection of any Shareholder during the entire meeting. If a meeting will be held solely by remote communication, the Corporation shall make the list open to examination by the Shareholders for the duration of the meeting on a reasonably accessible electronic network, and the notice of the meeting shall include the information required to access the list.

4.06 Quorum; Adjournment; Attendance by Remote Communication. (a) Unless a greater or lesser quorum is required in any Shareholder Agreement, the Articles of Incorporation or by the laws of the state of Michigan, the

Shareholders present at a meeting in person or by proxy who, as of the record date for the meeting, were holders of a majority of the outstanding Shares entitled to vote at the meeting, shall constitute a quorum at the meeting.

(b) Whether or not a quorum is present, a meeting of Shareholders may be adjourned by holders of a majority vote of the Shares present in person or by proxy.

(c) To the extent permitted by applicable law, Shareholders and proxy holders not physically present at a meeting of Shareholders may participate in the meeting by means of remote communication, are considered present in person for all relevant purposes when participating by such means of remote communication, and may vote at the meeting.

(d) A Shareholder or proxy holder may be present and vote at the adjourned meeting by means of remote communication if he or she was permitted to be present and vote by that means of remote communication in the original meeting notice.

4.07 Proxies. A Shareholder entitled to vote at a Shareholders' meeting or to express consent or to dissent without a meeting may authorize other persons to act for the Shareholder by proxy. A proxy shall be in writing and shall be signed by the Shareholder or the Shareholder's authorized agent or representative or shall be transmitted electronically to the person who will hold the proxy or to an agent fully authorized by the person who will hold the proxy to receive that transmission and include or be accompanied by information from which it can be determined that the electronic transmission was authorized by the Shareholder. A complete copy, pdf, or

other reliable reproduction of the proxy may be substituted or used in lieu of the original proxy for any purpose for which the original could be used. A proxy shall not be valid after the expiration of three years from its date unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the Shareholder executing it except as otherwise provided by the laws of the state of Michigan.

4.08 Voting. Each outstanding Share is entitled to one vote on each matter submitted to a vote, unless the Articles of Incorporation provide otherwise. Votes may be cast orally or in writing, but if more than 25 Shareholders of record are entitled to vote, then votes shall be cast in writing signed by the Shareholder or the Shareholder's proxy. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of Shares entitled to vote on it, unless a greater vote is required by the Articles of Incorporation or by the laws of the state of Michigan. Except as otherwise provided by the Articles of Incorporation or any Shareholder Agreement, directors shall be elected by a plurality of the votes cast by holders of common stock of the Corporation at any election.

4.09 Conduct of Meeting. The chairperson of each meeting of Shareholders shall be the Chairperson of the Board, or if the Chairperson of the Board is not present by the President & CEO, or if the President & CEO is not present, a chairperson to be chosen at the meeting. The chairperson shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting which are fair to Shareholders. The chairperson of the meeting shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto may be accepted. The Secretary, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of the meeting, if present.

ARTICLE V

MANAGEMENT; BOARD, MEETINGS OF BOARD

5.01 Management of the Corporation. The business and affairs of the Corporation shall be managed by or under the direction of the Board; provided, that the acts, expenditures, decisions and obligations made or incurred by the Corporation (or any subsidiary of the Corporation) in any agreement among all of the Shareholders and the Corporation in place from time to time, in the Articles of Incorporation, or by Michigan Law, in each case, shall be proposed by the Board and approved by the Shareholders.

5.02 Number and Qualifications. Subject to the provisions of any Shareholder Agreement, the Board shall consist of not more than eleven directors as shall be fixed from time to time by the Shareholders. Directors need not be residents of Michigan nor Shareholders of the Corporation. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

5.03 Election, Resignation, and Removal. Directors shall be elected by the Shareholders at each annual Shareholders' meeting in compliance with the provisions of any

Shareholder Agreement. Subject to the provisions of any Shareholder Agreement, each director shall hold office until the next annual Shareholders' meeting and until the director's successor is elected and qualified, or until the director's resignation or removal. Unless otherwise provided in the Articles of Incorporation, a director may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time as set forth in the notice of resignation. A director may be removed, with or without cause, by the Shareholders, and thereupon the term of the director or directors who shall have been so removed shall forthwith terminate and there shall be a vacancy or vacancies in the Board, to be filled by the Shareholders. Whenever the holders of any class or series or any particular Shares are entitled to elect one or more directors by the provisions of the Articles of Incorporation or any Shareholder Agreement, the provisions of this section shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding Shares of that class or series or such particular Shareholders, as applicable, and not to the vote of the outstanding Shares as a whole.

5.04 Vacancies. Vacancies in the Board occurring by reason of death, resignation, increase in the number of directors, or otherwise, other than removal of a director with or without cause by a vote of the Shareholders, shall be filled by the Shareholders as provided in any Shareholder Agreement. A vacancy that will occur at a specific date, by reason of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the newly elected director may not take office until the vacancy occurs.

5.05 Meetings. Meetings of the Board shall be held at such place as may from time to time be fixed by resolution of the Board, or as may be specified in the notice for the applicable meeting or in a waiver of notice thereof. Regular meetings of the Board may be held at the times and places (or by remote communication) that the majority of the directors may from time to time determine at a prior meeting, but in no event shall such meetings be held within the country of Canada. Special meetings of the Board may be called by the Chairperson of the Board (if the office is filled) or the President & CEO, and shall be called by the President & CEO or Secretary in accordance with the written request of any three directors.

5.06 Notice of Meetings. Regular and special meetings of the Board shall be convened by not less than three days' written notice, which may be made through electronic communication and the notice shall state the time, place, and purpose or purposes of the meeting.

5.07 Quorum. Subject to the provisions of any Shareholder Agreement, a majority of the Board then in office, or of the members of a Board committee, constitutes a quorum of the Board or such committee, as applicable, for the transaction of business; provided, that to the extent that a vote on any action of the Board or such committee, as applicable, at such meeting requires the approval of a director designated by a particular Shareholder under any Shareholder Agreement, such quorum shall include at least one director designated by such Shareholder; provided, further, that if at any meeting of the Board or such committee there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time until a quorum shall have been obtained. The vote of a majority of the directors or members of a committee thereof present at any meeting at which there is a quorum constitutes the action of the Board or of the board committee, as applicable, except when a larger vote may be required by the laws of the state of Michigan or the provisions of any Shareholder Agreement; provided, that

to the extent that a vote on any action of the Board or such committee at such meeting requires the approval of a director designated by a particular Shareholder under any such Shareholder Agreement, such quorum shall include at least one director designated by such Shareholder. A member of the Board or of a committee designated by the Board may participate in a meeting by conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.08 Dissents. A director who is present at a meeting of the Board, or a board committee of which the director is a member, at which action on a corporate matter is taken, is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment of it or forwards the dissent by registered mail to the Secretary promptly after the adjournment of the meeting. The right to dissent does not apply to a director who voted in favor of the action. A director who is absent from a meeting of the Board or a board committee of which the director is a member, at which any such action is taken, is presumed to have concurred in the action unless he or she files a written dissent with the Secretary within a reasonable time after the director has knowledge of the action.

5.09 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Corporation as directors, committee members or officers. The Board shall also have the power, in its discretion, to reimburse directors for reasonable expenses incurred for attendance at each regular or special meeting of the Board, or of any committee of the Board. In addition, the Board shall also have the power, in its discretion, to provide for and pay to directors rendering services to the Corporation not ordinarily rendered by directors, as such, special compensation appropriate to the value of such services, as determined by the Board from time to time. Nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

5.10 Committees. Subject to the provisions of any Shareholders Agreements, the Board may designate from among its members one or more committees which shall consist of one or more directors. The Board may designate one or more directors as alternate members of any committee to replace an absent or disqualified member at any committee meeting. Such committees shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them, except to the extent limited by applicable law. A majority of any such committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide; provided, that to the extent that a vote on any action of the board committee at such meeting requires the approval of a director designated by a particular Shareholder under any such Shareholder Agreements, such quorum shall include at least one director designated by such Shareholder. The Board shall have power at any time to change the membership of any such committee, to fill vacancies on or to dissolve any such committee.

5.11 Action Without a Meeting. Any action required or permitted at any meeting of directors or a committee of directors may be taken without a meeting, without prior notice and without a vote, if all of the directors or committee members entitled to vote on it consent to it in

writing or, to the extent permitted by law, by electronic transmission. Such consents shall be filed with the minutes of the proceedings of the Board or committee, as applicable.

5.12 Observers. One or more non-voting observers to the Board and/or its committees may be selected by the Shareholders. Any such observer shall hold such position until the observer's successor is selected, or until the observer's resignation or removal. An observer may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time as set forth in the notice of resignation. Subject to the provisions of any Shareholder Agreement, an observer may be removed, with or without cause, by the Shareholders, and thereupon the term of the observer who shall have been so removed shall forthwith terminate. Each observer shall be entitled to attend all meetings (including telephonic meetings) of the Board and the Board's committees to which it has been granted observer rights. Each observer shall be entitled to receive (x) notices of all meetings of the Board and the Board's committees to which it has been granted observer rights and (y) all information delivered to the members of the Board and the Board's committees to which it has been granted observer rights in connection with such meetings, in each case to the extent and at the same time such notice and information is delivered to the members of the Board and its committees. Notwithstanding

the foregoing, the Chairperson of the Board (if the office is filled) or the President & CEO shall (a) excuse any observer from any portion of a Board meeting or a meeting of its committees to the extent such observer's participation in such meeting is reasonably likely to adversely affect the attorney/client privilege of the Corporation and its legal advisors and (b) withhold information from any observer delivered to the Board and the Board's committees to which it has been granted observer rights prior to a meeting of the Board or, as the case may be, such committee, in each case if the Chairperson of the Board (if the office is filled) or the President & CEO believes there is a reasonable likelihood that the receipt of such information by the observer may adversely affect the attorney/client privilege of the Corporation and its legal advisors.

ARTICLE VI

NOTICES AND WAIVERS OF NOTICE

6.01 Notices. All notices of meetings required to be given to Shareholders, directors or observers may be given either personally or by mailing the notice to such Shareholder's address as it appears on the books of the Corporation or at such other address as shall be furnished in writing by such Shareholder to the Corporation for such purpose, or by a form of electronic transmission to which the Shareholder has consented. The notice shall be deemed to be given at the time it is mailed or otherwise dispatched or, if given by electronic transmission, when electronically transmitted to the person entitled to the notice.

6.02 Waiver of Notice. Notice of the time, place, and purpose of any meeting of Shareholders, directors, or a committee of directors may be waived in writing, including by electronic transmission, either before or after the meeting, or in any other manner that may be permitted by the laws of the state of Michigan. Attendance of a person at any Shareholders' meeting, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except as follows:

(a) in the case of a Shareholder, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, or unless with respect to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, the Shareholder objects to considering the matter when it is presented; or

(b) in the case of a director, unless he or she at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

ARTICLE VII

OFFICERS

7.01 Number. The Board shall elect or appoint a President & CEO, a Secretary, and a Treasurer, and may select a Chairperson of the Board and one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, and other officers as it shall deem appropriate, and may define their powers and duties. The Chairperson of the Board shall be a member of the Board. Any two or more of the preceding offices may be held by the same person.

7.02 Term of Office, Resignation, and Removal. An officer shall hold office for the term for which he or she is elected or appointed and until his or her successor is elected or appointed, or until his or her resignation or removal. An officer may resign by written notice to the Corporation. The resignation is effective on its receipt by the Corporation or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer does not of itself create contract rights.

7.03 Vacancies. The Board may fill any vacancies in any office occurring for whatever reason.

7.04 Authority. All officers, employees, and agents of the Corporation shall have the authority and perform the duties to conduct and manage the business and affairs of the Corporation that may be designated by the Board and these Bylaws.

ARTICLE VIII

DUTIES OF OFFICERS

8.01 Chairperson of the Board. The Chairperson of the Board, if the office is filled, shall preside at all meetings of the Shareholders and of the Board at which the Chairperson of the Board is present, and the Chairperson of the Board shall have and perform such other duties as from time to time may be assigned to the Chairperson by the Board.

8.02 President & CEO. The president and chief executive officer of the Corporation (the "President & CEO") shall see that all orders and resolutions of the Board are carried into effect, and the President & CEO shall have the general powers of supervision and management usually vested in the president and chief executive officer of a corporation, including the

authority to vote all securities of other corporations and business organizations held by the Corporation, and, subject to the control of the Board, shall have general management and control of the affairs and business of the Corporation. The President & CEO shall appoint and discharge employees and agents of the Corporation (other than officers elected by the Board) and fix their compensation. In the absence or disability of the Chairperson of the Board, or if that office has not been filled, the President & CEO also shall perform the duties of the Chairperson of the Board as set forth in these Bylaws. The President & CEO shall have the power to execute bonds, mortgages and other contracts, agreements and instruments of the Corporation, and shall do and perform such other duties as from time to time may be assigned to the President & CEO by the Board.

8.03 Vice Presidents. The vice presidents of the Corporation (the "Vice Presidents"), in order of their seniority, shall, in the absence or disability of the President & CEO, perform the duties and exercise the powers of the President & CEO. The Vice Presidents shall have the power to execute bonds, notes mortgages and other contracts, agreements and instruments of the Corporation, and shall do and perform such other duties incident to the office of Vice President and as the Board or the President & CEO may from time to time prescribe.

8.04 Secretary. The secretary of the Corporation (the "Secretary") shall attend all meetings of the Board and the Shareholders and shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the Shareholders and the Board, shall keep in safe custody the seal of the Corporation and affix it to any instrument requiring it, and when so affixed it shall be attested to by the signature of the Secretary or by the signature of the Treasurer or an Assistant Secretary, and shall perform such other duties as the Board may from time to time prescribe. The Secretary shall have custody of the stock records and all other books, records and papers of the Corporation (other than financial) and shall see that all books, reports, statements, certificates and other documents and records required by law are properly kept and filed. The Secretary may delegate any of the duties, powers, and authorities of the Secretary to one or more Assistant Secretaries, unless the delegation is disapproved by the Board.

8.05 Treasurer. The treasurer of the Corporation (the "Treasurer") shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in the books of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in the depositories that may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President & CEO and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer may delegate any of his or her duties, powers, and authorities to one or more Assistant Treasurers unless the delegation is disapproved by the Board.

8.06 Assistant Secretaries and Treasurers. The assistant secretaries of the Corporation (the "Assistant Secretaries"), in order of their seniority, shall perform the duties and exercise the powers and authorities of the Secretary

in case of the Secretary's absence or disability. The assistant treasurers of the Corporation (the "Assistant Treasurers"), in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the

Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform the duties that may be delegated to them by the Secretary and Treasurer, respectively, and also the duties that the Board may prescribe.

8.07 Duties of Officers May be Delegated. In case of the absence or disability of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers or duties, or any of them, of such officer to any other officer, or to any director.

ARTICLE IX

SPECIAL CORPORATE ACTS

9.01 Orders for Payment of Money. All checks, drafts, notes, bonds, bills of exchange, and orders for payment of money of the Corporation shall be signed by the President & CEO, any Vice President, the Treasurer or such officer or officers or any other person or persons that the Board may from time to time designate.

9.02 Contracts and Conveyances. The Board may in any instance designate the officer(s) and/or agent(s) who shall have authority to execute any contract, conveyance, mortgage, or other instrument on behalf of the Corporation, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the Chairperson of the Board, the President & CEO, any Vice President, the Secretary, any Assistant Secretary, the Treasurer and any Assistant Treasurer, or any one of them, may execute the instrument in the name and on behalf of the Corporation and may affix the corporate seal, if any, to it.

9.03 Voting Securities. Unless otherwise directed by the Board, the President & CEO, any Vice President, the Secretary and any Assistant Secretary shall have full power and authority on behalf of the Corporation to act and to vote (grant a proxy to vote) on behalf of the Corporation, in accordance with any Shareholder Agreements, at any meetings of security holders of corporations, limited liability companies and other entities in which the Corporation holds securities, and to execute in the name or on behalf of the Corporation one or more consents in lieu of meetings of such security holders. The Board by resolution from time to time may confer like power upon any other person or persons.

ARTICLE X

BOOKS AND RECORDS

10.01 Maintenance of Books and Records. The proper officers and agents of the Corporation shall keep and maintain the books, records, and accounts of the Corporation's business and affairs, minutes of the proceedings of its Shareholders, Board, and committees, if any, and the stock ledgers and lists of Shareholders, as the Board shall deem advisable and as shall be required by the laws of the state of Michigan and other states or jurisdictions empowered to impose such requirements. Books, records, and minutes may be kept within or without the state of Michigan in a place that the Board shall determine.

10.02 Reliance on Books and Records. In discharging his or her duties, a director or an officer of the Corporation, when acting in good faith, may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

(a) one or more directors, officers, or employees of the Corporation, or of a subsidiary or controlled affiliate of the Corporation, whom the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence; or

(c) a committee of the Board, if the director or officer reasonably believes the committee merits confidence.

A director or officer is not entitled to rely on the information set forth above if he or she has knowledge concerning the matter in question that makes such reliance unwarranted.

10.03 Inspection of Book and Records. Subject to any Shareholder Agreements, any Shareholder of record, in person or by attorney or other agent, shall, upon written demand stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's Share ledger, a list of its securityholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a Shareholder. Subject to any Shareholder Agreements, in every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Shareholder. The demand shall be directed to the Corporation at its registered office in the State of Michigan or at its principal place of business.

ARTICLE XI

INDEMNIFICATION

11.01 Indemnification. Subject to all of the other provisions of this Article XI, the Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, including any appeal, by reason of the fact that the person is or was a director or officer of the Corporation, or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, member, partner, trustee, employee, fiduciary or agent of another foreign or domestic corporation, partnership, limited liability company, joint venture, trust, or other enterprise, including service with respect to employee benefit plans or public service or charitable organizations, against expenses (including actual and reasonable attorney fees and disbursements), judgments, penalties, fines and amounts paid in settlement and incurred by him or her in connection with such action, suit, or proceeding, in each case to the maximum

extent permitted by the Michigan Business Corporation Act (the "MBCA"). The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that any person otherwise entitled to indemnification hereunder (a) did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Corporation or its Shareholders, (b) with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful, or (c) received a financial benefit to which he or she is not entitled, intentionally inflicted harm on the Corporation or its Shareholders, violated Section 551 of the MBCA or intentionally committed a criminal act.

11.02 Expenses of Successful Defense. To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 11.01, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the director or officer shall be indemnified against actual and reasonable expenses (including attorney fees) incurred by the person in connection with the action, suit, or proceeding and any action, suit, or proceeding brought to enforce the mandatory indemnification provided by this Section 11.02.

11.03 Definitions. For purposes of this Article XI only:

(a) "serving at the request of the Corporation" shall include any service as a director, officer, employee, or agent of the Corporation that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner the

person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its shareholders;" and

(b) "independent director" shall have the meaning set forth in Section 107 of the MBCA.

11.04 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XI shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Corporation as well as in the person's capacity as a director or officer. No amendment of these Bylaws or the Articles of Incorporation shall eliminate or impair a right to indemnification or to advancement of expenses established herein or therein with respect to any action or omission occurring prior to such amendment. Except as otherwise expressly provided in this Article XI, the Corporation shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board.

11.05 Determination That Indemnification Is Proper.

(a) Except as provided in Section 11.05(b), any indemnification under Section 11.01 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct provided by

applicable law, and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

(1) by a majority vote of a quorum of the Board consisting of directors who are not parties or threatened to be made parties to the action, suit, or proceeding;

(2) if the quorum described in clause (1) above is not obtainable, then by majority vote of a committee of directors duly designated by the Board and consisting solely of two or more directors who are not at the time parties or threatened to be made parties to the action, suit, or proceeding;

(3) by independent legal counsel in a written opinion, which counsel shall be selected in one of the following ways: (i) by the Board or its committee in the manner prescribed in clause (1) or (2); or (ii) if a quorum of the Board cannot be obtained under clause (1) and a committee cannot be designated under clause (2), by the Board;

(4) by the Shareholders, but Shares held by directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding may not be voted on the determination or evaluation; or

(5) by all independent directors who are not parties or threatened to be made parties to the action, suit, or proceeding.

(b) If the Articles of Incorporation include a provision eliminating or limiting the liability of a director pursuant to Section 209(1)(c) of the MBCA, the Corporation shall indemnify a director for the expenses and liabilities described in this paragraph without a determination that the director has met the standard of conduct set forth in the MBCA, but no indemnification may be made except to the extent authorized in Section 564c of the MBCA, if the director received a financial benefit to which he or she was not entitled, intentionally inflicted harm on the Corporation or its Shareholders, violated Section 551 of the MBCA, or intentionally violated criminal law. In connection with an action or suit by or in the right of the Corporation, indemnification under this Section 11.05(b) may be for expenses, including attorneys' fees, actually and reasonably incurred. In connection with an action, suit or proceeding other than one by or in the right of the Corporation, indemnification under this Section 11.05(b) may be for expenses, including attorneys' fees, actually and reasonably incurred, and for judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred.

11.06 Authorizations of Payment. Authorizations of payment under Section 11.01 shall be made in any of the following ways:

(a) by the Board:

(1) if there are two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors (a majority of whom shall for this purpose constitute a quorum) or by a majority of the members of a committee of two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding;

(2) if the Corporation has one or more independent directors who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors (a majority of whom shall for this purpose constitute a quorum); or

(3) if there are no independent directors and fewer than two directors who are not parties or threatened to be made parties to the action, suit or proceeding, by the vote necessary for action by the Board in accordance with Section 5.07, in which authorization all directors may participate; or

(b) by the Shareholders, but Shares held by directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding may not be voted on the authorization.

11.07 Proportionate Indemnity. If a person is entitled to indemnification under Section 11.01 for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

11.08 Expense Advance. The Corporation shall pay or reimburse the reasonable expenses incurred by a person referred to in Section 11.01 who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition (herein, an "advance") of the proceeding if the person furnishes the Corporation a written undertaking executed personally, or on his or her belief, to repay the advance if it is ultimately determined by final judicial decision from which there is no further right to appeal that he or she did not meet the standard of conduct, if any, required by the MBCA for the indemnification of the person under the circumstances. The Corporation shall make an evaluation of reasonableness under this Section 11.08 as specified in Section 11.05, and shall make an authorization in the manner specified in Section 11.06, unless the advance is mandatory. The Corporation may make an authorization of advances with respect to a proceeding and a determination of reasonableness of advances or selection of a method for determining reasonableness in a single action or resolution covering an entire proceeding. A provision in the Articles of Incorporation, these Bylaws, a resolution by the Board or the Shareholders, or an agreement making indemnification mandatory shall also make advancement of expenses mandatory unless the provision specifically provides otherwise.

11.09 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.10 Indemnification of Employees and Agents of the Corporation and its Subsidiaries. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article XI with respect to the indemnification and

advancement of expenses of directors and officers of the Corporation. Any person serving, or who has served, as a director, officer, trustee or employee of another corporation or of a partnership, joint venture, limited liability company, trust, association or other enterprise, at least 50% of whose equity interests or assets are owned, directly or indirectly, by the Corporation (a "subsidiary" for this Article XI) shall be conclusively presumed to be, or to have been, serving in such capacity at the request of the Corporation.

11.11 Former Directors and Officers. The indemnification provided in this Article XI continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

11.12 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify the person against the liability under these Bylaws or the laws of the state of Michigan. If the Articles of Incorporation include a provision eliminating or limiting the liability of a director pursuant to Section 209(1)(c) of the MBCA, such insurance may be purchased from an insurer owned by the Corporation, but such insurance may insure against monetary liability to the Corporation or its Shareholders only to the extent to which the Corporation could indemnify the director under Section 11.05(b).

11.13 Changes in Michigan Law. If there is any change of the Michigan statutory provisions applicable to the Corporation relating to the subject matter of this Article XI, then the indemnification to which any person shall be entitled under this article shall be determined by the changed provisions, but only to the extent that the change permits the Corporation to provide broader indemnification rights than the provisions permitted the Corporation to provide before the change. Subject to Section 11.14, the Board is authorized to amend these Bylaws to conform to any such changed statutory provisions.

11.14 Amendment or Repeal of Article XI. No amendment or repeal of this Article XI shall apply to or have any effect on any director or officer of the Corporation for or with respect to any acts or omissions of the director or officer occurring before the amendment or repeal. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article XI in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article XI shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

11.15 Enforcement of Rights. Any determination with respect to indemnification or payment in advance of final disposition under this Article XI shall be made promptly, and in any event within thirty days, after written request to the Corporation by the person seeking such

indemnification or payment. If it is determined that such indemnification or payment is proper and if such indemnification or payment is authorized (to the extent such authorization is required) in accordance with this Article XI, then such indemnification or payment in advance of final disposition under this Article XI shall be made promptly, and in any event within thirty days after such determination has been made, such authorization that may be required has been given and any conditions precedent to such indemnification or payment set forth in this Article XI, the Articles of Incorporation or applicable law have been satisfied. The rights granted by this Article XI shall be enforceable by such person in any court of competent jurisdiction.

ARTICLE XII

AMENDMENTS

12.01 Amendments. Subject to the provisions of any Shareholder Agreements, these Bylaws may be amended, altered, or repealed, in whole or in part, only by the Shareholders; provided, that notice of any meeting at which an amendment, alteration or repeal would be acted upon shall include notice of the proposed amendment, alteration or repeal.

ARTICLE XIII

DISTRIBUTIONS

13.01 Declaration. The Board may authorize, and the Corporation may make, distributions to its Shareholders in cash, property or Shares to the extent permitted by the Articles of Incorporation and the MBCA and subject to any dividend policy of the Corporation then in effect.

13.02 Fixing Record Dates for Dividends and Distributions. For the purpose of determining Shareholders entitled to receive a distribution by the Corporation (other than a distribution involving a purchase, redemption, or acquisition by the Corporation of any of its own Shares) or a share dividend, the Board may, at the time of declaring the dividend or distribution, set a record date no more than 60 days before the date of the dividend or distribution. If the Board does not set a record date, the record date shall be the date on which the Board adopts the resolution declaring the distribution or share dividend.

ARTICLE XIV

MISCELLANEOUS

14.01 Fiscal Year. The fiscal year of the Corporation shall end on December 31st of each year.

14.02 Conflict with Applicable Law or Articles of Incorporation. These Bylaws are adopted subject to any applicable law and the Articles of Incorporation. Whenever these Bylaws may conflict with any applicable law or the Articles of Incorporation, such conflict shall be resolved in favor of such law or the Articles of Incorporation.

14.03 Inconsistent Provisions. These Bylaws (other than Article XI hereof) are subject in all respects to the provisions of any Shareholder Agreements. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of any Shareholder Agreement, any such Shareholder Agreement shall control to the maximum extent permitted by the MBCA.

14.04 Invalid Provisions. If any one or more of the provisions of these Bylaws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, the provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any provision shall not be affected thereby.

* * *

ANNEX D

FORM OF TAX SHARING AGREEMENT

(Attached)

EXHIBIT F

FORTISUS INC.
AGREEMENT FOR THE
ALLOCATION OF INCOME TAX LIABILITIES AND BENEFITS

This agreement (this "**Agreement**") is entered into as of December 31, 2014 for the purpose of allocating United States Federal and state income tax liabilities and benefits by and among FortisUS Inc., a Delaware corporation (the "**Parent**"), and its wholly-owned subsidiaries, UNS Energy Corporation, an Arizona corporation ("**UNS**"), CH Energy Group, Inc., a New York corporation ("**CH Energy**"), and Other First Tier Subsidiaries (as defined below), as such Other First Tier Subsidiaries are added pursuant to Section 10.9 herein, acting on their own behalf and on behalf of their Subsidiaries (UNS, CH Energy and such Other First Tier Subsidiaries being herein referred to together as the "**Companies**" and individually as a "**Company**"). The Parent and the Companies are herein referred to collectively as the "**Parties**" and individually as a "**Party**".

RECITALS

WHEREAS on June 26, 2013, the New York State Public Service Commission approved the acquisition of CH Energy by Fortis Inc. ("**Fortis**") through its subsidiary the Parent;

AND WHEREAS on August 12, 2014, the Arizona Corporation Commission approved the acquisition of UNS by Fortis through its subsidiary the Parent;

AND WHEREAS the Parties plan to file a consolidated Federal income tax return with the Parent as the common parent;

AND WHEREAS the Parties may file consolidated or combined returns in those states in which they conduct business and which permit the filing of such returns;

AND WHEREAS the Parties desire that the income tax liabilities and benefits of the Companies and their respective Subsidiaries as reflected in or resulting from the filing of consolidated or combined tax returns be allocated and apportioned using the Separate Return Method (as defined below);

AND WHEREAS the Parties desire that the Separate Return Method (as defined below) be used to further their intent that no cross-subsidizations arise between the utility and non-utility activities engaged in by a Member;

AND WHEREAS the Parties wish to provide for a method of determining the financial consequences to each Party resulting from the filing of a consolidated Federal income tax return and a consolidated or combined state income tax return;

AGREEMENT

NOW THEREFORE in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree that this Agreement is stated in its entirety to read as provided in the heading and recitals hereto, as provided in this paragraph, and as follows:

1. Definitions. The following terms as used herein shall have the meanings set forth below:

1.1 "**Agreement**" has the meaning provided in the preamble.

1.2 "**AMT**" means the tax imposed by section 55(a) of the Code and any similar provisions under applicable state law.

1.3 "**CH Energy**" has the meaning provided in the preamble.

1.4 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.5 "**Company**" and "**Companies**" have the meanings provided in the preamble.

1.6 "**Company Group**" means a Company and all of the Subsidiaries that would be affiliated with the Company within the meaning of section 1504(a) of the Code if the Company were the common parent.

1.7 "**Consolidated Group**" means the affiliated group of corporations within the meaning of section 1504 (a) of the Code, of which the Parent is the common parent and which duly elects to file a Consolidated Return, or a similar group of corporations under applicable state law.

1.8 "**Consolidated Return**" means a Federal income tax return filed with respect to the Consolidated Group pursuant to section 1501 of the Code and/or a combined or unitary state franchise or income tax return or report filed with respect to the Consolidated Group pursuant to applicable sections of any state tax code.

1.9 "**Consolidated Return AMT**" means the amount of AMT due as shown on the Consolidated Return.

1.10 "**Consolidated Return MTC**" means the MTC utilized on the Consolidated Return for a taxable year.

1.11 "**Former Company**" means a Company that ceases to be included in the Consolidated Return.

1.12 "**Fortis**" has the meaning provided in the recitals.

1.13 "**Member**" means the Parent and any corporation that is included in the Consolidated Group whether for all or part of a taxable year. A corporation other than the Parent shall only be a Member for the taxable years it is included in the Consolidated Group.

1.14 "**MTC**" means the credit provided for in section 53 of the Code and any similar provisions under applicable state law.

1.15 "**Net Losses**" means, with respect to each Member, the amount of net operating losses, net capital losses or credits against tax in excess of the amounts of such losses or credits that may be utilized to reduce the Separate Tax Liability. For purposes of computing "Net Losses", carryovers from earlier taxable years are taken into account and the AMT and MTC are disregarded.

1.16 "**Other First Tier Subsidiaries**" means Subsidiaries owned directly by the Parent other than UNS and CH Energy.

1.17 "**Parent**" has the meaning provided in the preamble.

1.18 "**Party**" and "**Parties**" have the meanings provided in the preamble.

1.19 "**Separate Return AMT**" means with respect to any Company, the excess of the Consolidated Return AMT for the taxable year over the Consolidated Return AMT for the taxable year recomputed by excluding its Company Group's items of income, deductions and credits.

1.20 "**Separate Return Method**" means the method of determining Federal income tax liability by using a separate Federal income tax return that is computed with the modifications listed in Treasury Regulations section 1.1552-1 (a)(2)(ii) or a state franchise or income tax return that is computed with similar modifications corresponding to applicable state law.

1.21 "**Separate Tax Benefit**" of a Member means the increase in the tax liability of the Consolidated Group which would arise if the Net Losses of such Member were excluded from the Consolidated Return, and computed without regard to the AMT and MTC.

1.22 "**Separate Tax Liability**" of a Member means the amount of Federal income tax and state franchise or income tax that a Member would have paid (if any) if that Member had filed using the Separate Return Method for such taxable year. The Separate Tax Liability cannot be less than zero and is computed without regard to the AMT and MTC. and

1.23 "**Subsidiary**" means a corporation, in which a Company's direct or indirect ownership meets the 80 percent voting and value tests under section 1504(a)(2) of the Code.

1.24 "**UNS**" has the meaning provided in the preamble.

2. Separate Tax Liability.

2.1 For each taxable year ending on or after December 31, 2014, with respect to which the Parent files, or reasonably anticipates that it will file, a Consolidated Return with the Companies, the Parent shall determine the Separate Tax Liability and Net Losses with respect to each Company and each Company shall determine the Separate Tax Liability and Net Losses with respect to each Subsidiary in that Company's Company Group. Such determination shall be

made reflecting the same practice, elections and positions used in preparing the Consolidated Return.

2.2 Each of the Companies shall pay to the Parent the amount by which (a) the aggregate of the Separate Tax Liability of such Company, and the Separate Tax Liability of each Subsidiary in its Company Group, exceeds (b) the aggregate of the Separate Tax Benefit of such Company, and the Separate Tax Benefit of each Subsidiary in its Company Group. Such payment shall be made in the manner provided in Section 5 below.

3. Separate Tax Benefits. With respect to each of the Companies which have Net Losses for any taxable year ending on or after December 31, 2014 and each Subsidiary in that Company's Company Group which has Net Losses for any such taxable year, the Parent shall calculate the Separate Tax Benefit. If, for any such taxable year, the aggregate of (a) the Separate Tax Benefit, if any, of a Company and each Subsidiary in its Company Group exceeds the aggregate of (b) the Separate Tax Liability, if any, of such Company and each Subsidiary in its Company Group, the Parent shall pay to such Company an amount equal to such excess. Such payment shall be made in the manner provided in Section 5 below. If more than one Company Group has a Net Loss and any portion of the aggregate Net Losses of all Company Groups is not used to reduce the income tax liability of the Consolidated Group for the taxable year, an allocation will be made. The allocation for a Company Group shall be determined by reference to the ratio of that Company Group's Net Losses to the Net Losses of all Company Groups. In any taxable year, utilization of such taxable year's Net Losses (excluding, for this purpose, carryovers from earlier taxable years) of any Company or its Subsidiary shall be deemed to occur first. Additional Net Losses utilized shall be deemed to occur in chronological order beginning with the earliest taxable year in which the Net Losses were generated.

4. Allocation of Consolidated Return AMT and Consolidated Return MTC.

4.1 Each Company's allocable share of the Consolidated Return AMT for a taxable year shall be determined by multiplying the Consolidated Return AMT by a fraction, the numerator of which is that Company's Separate Return AMT for that taxable year and the denominator of which is the sum of Separate Return AMT for all Companies having Separate Return AMT for that taxable year.

4.2 Any Consolidated Return AMT allocated to a Company pursuant to this Agreement shall carry with it an MTC carryover. In any taxable year for which the Consolidated Return reflects an MTC, utilization shall be deemed to occur in chronological order beginning with the earliest taxable year in which a Consolidated Return AMT was generated. A Consolidated Return MTC shall be allocated to each Company consistent with the allocation of the Consolidated Return AMT which generated the MTC. If the Consolidated Return MTC absorbs some, but not all, of the Consolidated Return AMT for a given taxable year, the MTC shall be allocated among the Companies by multiplying the Consolidated Return MTC by a fraction, the numerator of which is the amount of the Consolidated Return AMT allocated to the Company for such taxable year and the denominator is the total amount of Consolidated Return AMT for such taxable year.

4.3 Similar principles as those provided in Sections 5, 6 and 7 shall apply with respect to the AMT and MTC; provided, that any applicable calculations shall be made in accordance with Section 4 rather than Sections 2 and 3.

5. Payments.

5.1 Payments to Federal and state taxing agencies with respect to the Consolidated Group's tax liability shall be made by the Parent.

5.2 Each Company shall provide the Parent monthly, or upon demand as necessary, with all relevant information necessary for the Parent to, and the Parent shall, calculate the periodic estimated tax installments on a Consolidated Return basis. Each Company's estimated tax installment with respect to the aggregate Separate Tax Liability of its Company Group, if any, or the amounts payable to it with respect to the aggregate Separate Tax Benefits, if any, of its Company Group, shall be calculated in accordance with Sections 2 and 3, above. Such calculations shall be made by the Parent in its sole discretion but shall be consistent with elections made by the Parent under the Code and applicable state tax codes and this Agreement.

5.3 Parent shall invoice each Company for its Company Group's share of Federal and state quarterly estimated tax installments as soon as it is practically possible prior to the date of any installment payment. Each Company shall pay the Parent its Company Group's quarterly estimated tax installment, or receive payment from the Parent for any amount due its Company Group, prior to the date the Parent remits any installment payment to the appropriate taxing authority if an installment payment is due. If the Consolidated Group does not owe a quarterly estimated tax installment to a taxing authority, for the purposes of this Agreement, the due date of the installment if it were owed will be deemed to be the date the Parent would be required to remit an installment if one were owed.

6. Reconciliation of Tax Liability. The Parent shall reconcile the Federal and state quarterly estimated tax installments against the Separate Tax Liabilities and the Separate Tax Benefits attributable to each Member resulting from the filing of the Consolidated Returns. Parent shall invoice each Company and each Company shall pay to the Parent any additional tax liability of its Company Group, or receive payment from the Parent as may result pursuant to such reconciliation (including, but not limited to, resulting from overpayments made by its Company Group). Such reconciliation will occur within 90 days after the Consolidated Returns are filed.

7. Adjustments to Tax Liability. If any adjustments are made to the income, gains, losses, deductions, or credits pertaining to a Member as reported in a Consolidated Return, by reason of the filing of any amended return or claim for refund, including an amended return or claim for refund resulting from a carryback, or arising out of an audit of such Consolidated Return by the Internal Revenue Service or applicable state agency, then the Separate Tax Liabilities, Net Losses and Separate Tax Benefits, as the case may be, of each Member and the aggregate Separate Tax Liability or aggregate Separate Tax Benefit of each Company Group shall be re-determined to give effect to any such adjustment as if it had been made as part of the filed Consolidated Return. If any interest or penalty is to be paid or interest received as a result of a tax deficiency or refund, such interest or penalty shall be allocated in accordance with the item(s) giving rise to such interest or penalty. Either the Parent or the Company affected may contest or

cause to be contested any adjustments to income, gains, losses, deductions, credits or interest or penalty assessments and the reasonable costs incurred in contesting such adjustments or assessments shall be allocated upon such basis as is mutually agreed to by the Parent and the Company affected in advance of such contest. If, as a result of such redetermination, any amounts due to the Parent or any of the Companies under this Agreement, as the case may be, exceed the amounts previously paid to such Party, then payment of such excess shall be made by the appropriate Party, as the case may be, on the earliest date on which (i) the Parent shall pay, or be deemed to have paid, any additional taxes resulting from any such adjustment, (ii) the Parent shall receive, or be deemed to have received, a refund of taxes resulting from any such adjustment or (iii) such adjustment shall become final; provided, that any payment between the Parent and a

Company pursuant to (i) or (ii) above shall not become final until the adjustment with respect to which the redetermination was made becomes final. For purposes of this Section 7, an adjustment shall become final at the time of the expiration of the applicable statute of limitations with respect to the taxable year to which such adjustment relates, or, if such adjustment was made pursuant to a closing agreement with the Internal Revenue Service or applicable state agency, at the time such agreement is signed by all parties, or if such adjustment was made pursuant to a decision of a court, at the time such decision shall become final.

8. Tax Allocation Method Elections.

8.1 For purposes of determining both earnings and profits and tax bases in the Companies, the tax liability of the Companies shall be allocated in accordance with section 1552(a)(2) of the Code and Treasury Regulations section 1.1552-1(a)(2). Furthermore, for those same purposes the Percentage Method under Treasury Regulations section 1.1502-33(d)(3) is elected with a percentage of 100 to be used.

8.2 The respective obligations of the Parties hereunder in respect to any period for which the Parent files a Consolidated Return shall be determined in accordance with the provisions of this Agreement regardless of the actual method for allocation of Federal income tax liabilities specified in Treasury Regulations section 1.1552-1(a) and section 1.1502-33(d)(3) elected, or deemed to have been elected, by the Consolidated Group, and/or the allocation of state income/franchise tax liabilities imposed by state statutes, regulations or policies, respectively, for such period. To the extent that the obligations of the Parties under this Agreement differ from the elections made in Section 8.1 above, adjustments to earnings and profits and tax bases shall be made in accordance with the Treasury Regulations.

9. Operating Rules.

9.1 If as the result of its participation in the Consolidated Return, a Company Group's aggregated deduction under section 199 of the Code is reduced without another Company Group receiving a corresponding benefit under this Agreement, the Parent shall satisfy the amount of the shortfall of the Company Group whose deduction was reduced. A similar rule shall apply in any other instance where, as the result of participating in a Consolidated Return, a Company Group is adversely affected without another Company Group receiving a corresponding benefit.

9.2 If the Parent is required to satisfy a shortfall under Section 9.1 and the shortfall is permanent and will never reverse, the Parent is not entitled to repayment.

9.3 If as the result of a carryback or other adjustment, a Company Group is entitled to a deduction against its income using the Separate Return Method, and such income was earlier used to support a Separate Tax Benefit of a different Company Group, the Separate Tax Benefit and the Separate Tax Liability of the Company Groups is recomputed taking into account the carryback or other adjustment. To the extent a Company Group has been overpaid by the Parent because its recomputed aggregated Separate Tax Benefit is less than previously computed, the Company shall repay the Parent and to the extent a Company Group's Separate Tax Liability is reduced as a result of the recomputation it shall be repaid by the Parent.

10. Miscellaneous.

10.1 Parent as Agent for the Group. The Parent is the sole agent authorized to act in its own name regarding all matters relating to the Federal income tax liability for the Consolidated Return year for each Member and any successor or transferee of a Member (and any subsequent successors and transferees thereof).

10.2 Consents, Waivers, etc. Each Party agrees to execute and file such consents, waivers and other documents as may be necessary to effect the provisions of this Agreement.

10.3 Verification of Computation. Each Party shall provide promptly to the other Parties copies of the computations of all amounts payable under this Agreement and access to all records, work papers, and other documents necessary to verify such computations.

10.4 Successors and Beneficiaries. This Agreement may not be assigned, pledged or transferred by any Party without the express written consent of the other Parties; provided that a Party may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Party; provided further that no such pledge or assignment shall release such Party from any of its obligations hereunder or substitute any such pledge or assignee for such Party as a party hereto.

10.5 Termination of Agreement. This Agreement shall be applicable to all taxable years ended on or after December 31, 2014 and prior to termination of this Agreement by written agreement of all Parties (other than any Former Companies). Notwithstanding termination of this Agreement, its provisions will remain in effect with respect to any period of time during the taxable year in which the termination occurs for which the income or loss of a Member is included in the Consolidated Return of Parent. In addition, such termination shall not relieve any Party of any obligation arising hereunder with respect to taxable years covered by this Agreement.

10.6 Disaffiliation. A Former Company shall furnish the Parent with the information necessary to prepare the Consolidated Return for the last taxable year that the Former Company was a Member of the Consolidated Group, as well as for subsequent taxable years in which the information is necessary to prepare a Consolidated Return. Moreover, the Former Company shall furnish the Parent with the information and assistance necessary for the Parent to apply for and obtain the benefit of any carryback or carryover of the Former Company, and in the case of an audit by the Internal Revenue Service or applicable state agency where the Parent determines that cooperation of the Former Company is required.

10.7 Effect on Prior Agreement. This Agreement replaces and supersedes any prior tax sharing agreements between the Parent and a Company.

10.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

10.9 Additional Companies. Any Other First Tier Subsidiary may be added to this Agreement as an additional Company at any time by addendum executed by the Parent and that Other First Tier Subsidiary. The addendum must provide such Other First Tier Subsidiary will be bound by the terms of the Agreement. The Parent shall provide a copy of the addendum to the Companies.

IN WITNESS WHEREOF the parties have executed this Agreement by their respective officers thereunto duly authorized as of the date first above written.

FORTISUS INC.

By _____

UNS ENERGY CORPORATION

By _____

CH ENERGY GROUP, INC.

By _____

ANNEX E

SHAREHOLDER NOTE DOCUMENTS TERM SHEET

(Attached)

ITC INVESTMENT HOLDINGS INC.
SHAREHOLDER NOTE
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This summary of principal terms and conditions (this "**Term Sheet**") sets forth the indicative terms and conditions that would govern the promissory notes (the "**Notes**") issued by ITC Investments to one or more affiliates of Investor and one or more affiliates of Fortis. All capitalized terms used without definition in this Term Sheet have the respective definitions set forth in the Subscription Agreement to which this Term Sheet is attached as Annex E.

Payor/Issuer:	ITC Investment Holdings, Inc., a Michigan corporation (the "**Payor**")
Payees/Noteholders:	[Investor] (the "**GIC Payee**") [FortisUS] (the "**Fortis Payee**", and together with the GIC Payee, the "**Payees**")
Principal Amount:	The principal amount (the "**Principal Amount**") of the note issued by Payor: (i) to the GIC Payee shall be $199,000,000; and (ii) to the Fortis Payee shall be $801,000,000.
Maturity:	The outstanding Principal Amount plus any accrued and unpaid interest shall be due and payable on the [20th anniversary] of the Closing Date (the "**Maturity Date**").
Conditions to Issuance:	The issuance of the Notes on the Closing Date will be subject to consummation of the Merger and the Subscription.
Interest:	Interest shall accrue on the unpaid outstanding balance of the Principal Amount, from (and including) the Closing Date, to (but excluding) the Maturity Date at six percent (6%) per annum (the "**Interest Rate**"), compounded semi-annually. Any accrued and unpaid interest shall be added to the Principal Amount. Interest shall be computed on the basis of a year of 365 days and charged for the actual days elapsed during the period for which interest accrues. Payments of interest on the Notes shall be made on the Maturity Date, or any optional prepayment date, if earlier, whereupon all accrued and unpaid interest with respect to the prepaid portion of the Principal Amount shall be due. Any overdue Principal Amount or interest shall (to the fullest extent permitted by applicable law) bear interest, payable on demand at a rate per annum equal to 2% above the Interest Rate otherwise applicable during the period such payment is overdue.
No Prepayment:	Payor may not prepay all or any portion of the unpaid outstanding balance of the Principal Amount.
Acceleration on Default:	Upon the occurrence of an event of default, upon written notice by any Payee, the unpaid Principal Amount and all accrued and unpaid interest on all Notes shall be and become due

and payable; provided, that any Payee may specify a later date that such amounts owed to it shall become due and payable, and such Payee shall have such rights and remedies in respect of such sums as provided under its

Note(s) or otherwise by applicable law or in equity.

Pro-rata Payments:	Notwithstanding any other provision in the Notes, any payment by the Payor to a Payee (or a successor or assign thereof) pursuant to or on account of a Note (including as principal, interest, repurchase or otherwise) shall be made pro rata to each of the Payees in proportion to the Principal Amount outstanding under the Notes and owing to each Payee (or a successor or assign thereof).
Tax Matters:	Provided that the GIC Payee remains eligible for the benefits of Section 892 of the Internal Revenue Code and provides the Payor with a Form W-8EXP (or any successor form) claiming the benefits of such section, unless required by applicable United States federal income tax law, the Payor will not withhold U.S. tax on payments pursuant to the Note and, for purposes of Sections 1471-1474 of FATCA, absent a change in law or regulation, the Payor shall treat the GIC Payee consistent with the certification provided in such IRS Form W-8EXP.
Security:	Subject to the limitations set forth below in this section, Payor's obligations will be secured to each of the Payees by a perfected pledge by Payor of the relevant Proportional Share of the outstanding equity securities of ITC. For purposes hereof, the "Proportional Share" shall be 19.9% for the GIC Payee and 80.1% for the Fortis Payee.
Assignment:	After the Closing Date, the Payees will be permitted to assign the Notes with the consent of the Payor; provided, that no consent of the Payor shall be required (A) after the occurrence and during the continuance of an event of default or (B) with respect to any Note, if such assignment is an assignment to another Shareholder or an affiliate of Payor or of another Shareholder. Each assignment (other than to another Shareholder or an affiliate of a Shareholder) will be in an amount of an integral multiple of $1,000,000.
Register:	The Payor shall open and maintain accounts and a register wherein the Payor shall record the respective names and addresses of the Payees and their successors and assigns, and the principal amount outstanding under each of the Notes and each payment of principal and interest on account of each Note and all other amounts becoming due to and being paid to the Payees hereunder and under any of the other note documents. The Payees' accounts and the entries into the register shall constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Payor to the Payees and under the other note documents and the Payees may treat each person whose name is recorded in the register pursuant to such terms as a noteholder for all purposes of the Notes, notwithstanding notice to the contrary. No transfer of an interest in the Notes shall be effective unless and until recorded in the register maintained pursuant to this section.
Documentation:	The definitive documentation for the Notes (a) shall be a promissory note instrument, (b) will contain only those conditions to issuance expressly set forth in this Term Sheet, together with other customary note document provisions (including representations, warranties, covenants and events of default) and other terms and provisions to be mutually and reasonably agreed upon, the definitive terms of which will be negotiated in good faith (giving due regard to the operational requirements, size, industries, businesses and business practices of the

Payor and its subsidiaries), and (c) will be consistent with this Term Sheet.

Governing Law and Forum:	New York