

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,

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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.

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(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:

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- (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;

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- (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;

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- (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

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- (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:

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(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

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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

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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

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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

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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

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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

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(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

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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).

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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.

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

	<u>Shares of Common Stock</u>	<u>Percentage</u>
FortisUS	[•]	80.1%
Investor	[•]	19.9%

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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.

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§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.

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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

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SCHEDULE A TO EXHIBIT A

ADDRESS FOR NOTICES

[Insert Joining Party's address]
Email:
Attention:

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EXHIBIT B

DIVIDEND POLICY

(See attached.)

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**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.

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ANNEX B

FORM OF INITIAL INVESTMENT BYLAWS

(Attached)

**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.

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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.

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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

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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

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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.

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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

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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;

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(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.

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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;

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(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

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(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.

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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

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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

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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.

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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

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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

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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

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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

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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:

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(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

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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

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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.

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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

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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

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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;

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(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

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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.

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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.

* * *

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ANNEX D

FORM OF TAX SHARING AGREEMENT

(Attached)

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**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;

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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.

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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

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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.

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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.

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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.

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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 _____

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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