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# EDITED TRANSCRIPT

H.TO - Hydro One Ltd Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**Mark Poweska** *Hydro One Limited - President, CEO & Director*

**Maureen Wareham** *Hydro One Limited - Corporate Secretary*

**Timothy Hodgson** *Hydro One Limited - Independent Chairman of the Board*

## CONFERENCE CALL PARTICIPANTS

**Maggie Mulroney**

## PRESENTATION

### Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Hydro One Annual Meeting. I would now like to hand the call over to your speaker, Mr. Tim Hodgson. Sir, please go ahead.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you. Good morning, ladies and gentlemen. My name is Tim Hodgson, and I'm a Director and Chair of the Board of Hydro One Limited. It gives me great pleasure to welcome you to the company's 2020 Annual Meeting of Shareholders. As I sit here in my home office, I would like to acknowledge that I am on the traditional territory of the Mississaugas of the Credit First Nation, the Haudenosaunee and the Huron-Wendat, and that we recognize that this land is now home to many diverse indigenous peoples.

As our world continues to navigate the COVID-19 pandemic, we made the decision to hold this meeting virtually to ensure the health and safety of our shareholders, employees and the communities in which they work. This is consistent with many of the safety precautions Hydro One is taking in light of COVID-19. Our President and CEO, Mark Poweska, will be speaking to these safety precautions in his remarks following the formal portion of this meeting. It also affords all of our shareholders an even greater ability to participate in the annual general shareholder meeting regardless of their location.

On behalf of my fellow directors and management, we thank you for your ownership and interest in Hydro One and for participating in this virtual format.

I will now call the meeting to order.

In accordance with Hydro One Limited's bylaws, I will act as Chair of the meeting. Attending the meeting with me this morning are Mark Poweska, our President and Chief Executive Officer; Chris Lopez, our Chief Financial Officer; and Maureen Wareham, our Corporate Secretary. My fellow directors who are also joining us virtually today are Cherie Brant, Blair Cowper-Smith, David Hay, Jessica McDonald, Russel Robertson, William Sheffield, Melissa Sonberg and Susan Wolburgh Jenah.

On our agenda today, we will first turn to the formal business of the meeting, following which our President and CEO will speak. After Mark's remarks, there will be time for shareholder questions. You can submit your questions in the text box on the bottom left-hand corner of the screen throughout the meeting. Maureen Wareham, the Corporate Secretary of the company, will serve as Secretary and record the proceedings of the meeting.

Leanne Branston and Rosemary Colakic from Broadridge Financial Solutions, Inc. will act as scrutineers.

Before we begin, I will ask Maureen to speak to the forward-looking information and to review the rules of conduct for transacting the business of the meeting today. Maureen?



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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

Thank you, Chair. Good morning, everyone. First, I would like to draw your attention to the bottom right-hand side of your screen, where there is a link entitled forward-looking information. This link contains important information regarding forward-looking statements that may be made in the course of our remarks this morning or by those speaking in the question-and-answer session that follows, and all listeners are encouraged to please read them carefully.

To facilitate the formal business of the meeting, I will propose and Maggie Mulroney, an employee shareholder, will second the formal motions.

At this time and at any time during the formal business of the meeting, if you are a registered shareholder who has not provided voting instructions or appointed a proxy holder and wish to vote your shares, you may do so by clicking on the Vote Here button on your screen. Proxy holders may also vote at any time using the same method. The polls will remain open until just before the conclusion of the formal business of the meeting. As our Chair said, if you are a shareholder or proxy holder, you may ask questions at any time during the meeting by entering your question in the Ask A Question box on the bottom left-hand side of the screen and clicking submit.

During the formal business portion of the meeting, we will respond to questions received on items of business. Questions that are not related to the items of business will be addressed in the question-and-answer session, which will follow our President's remarks. If we do not have sufficient time to address your questions, we will post them and our responses as soon as possible on our website.

If you have voted your shares prior to the start of the meeting, your vote has been received by the company's scrutineers, and there is no need to vote those shares during the meeting unless you wish to revoke or change your vote.

Following the meeting, we will post the final voting results on the Investor Relations page of our website. The results will also be filed on SEDAR.

We have been advised by Broadridge Financial Solutions, Inc. that based on the proxies already deposited with them, enough votes have been cast to carry each of the motions.

Chair, those are the rules of conduct for the meeting.

**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you, Maureen. We will now proceed with the meeting.

The notice of meeting in the form of proxy of voting instruction form was mailed to all shareholders of record as of the close of business on March 20, 2020. The management information circular for the meeting, together with our 2019 annual report containing the audited financial statements for the year ended December 31, 2019 and related auditor's report were made available through the notice and access system of the Canadian securities regulators. They are also available on the bottom right-hand side of your screen under Meeting Materials.

We have received an affidavit from Broadridge as to the proper mailing of the notice of this meeting in the form of proxy to shareholders. And a copy of that affidavit will be kept with the minutes of this meeting.

**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

The scrutineers have provided a report regarding shareholder attendance. Based on the preliminary tabulation of proxies received to date, the scrutineers report that a quorum is present.



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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

I accept the scrutineers' report and declare that a quorum of shareholders is present. As a quorum is present and proper notice of the meeting has been given, this meeting is now duly and properly constituted for the transaction of business. The scrutineers' report will be incorporated into the minutes of the meeting.

The first item of business is for the shareholders to receive the company's audited consolidated financial statements for the year ended December 31, 2019, together with the auditor's report, both of which can be found in our 2019 annual report. The 2019 annual report is available to all shareholders through the Investor Relations page of our website and on SEDAR. You can also access the 2019 annual report on the right-hand side of your screen under Meeting Materials.

The next item of business is the election of the directors of the company. The management information circular for the meeting lists the 10 director nominees. Before we do so, I would like to take a moment and thank Anne Giardini, who is not standing for reelection this year, for her contribution as a director, and her leadership as Chair of our health, safety, environment and indigenous people's committee of the Board.

The nominees identified in the 2020 management information circular for election as directors, in addition to myself are, Cherie Brant, Blair Cowper-Smith, David Hay, Jessica McDonald, Mark Poweska, Russel Robertson, William Sheffield, Melissa Sonberg and Susan Wolburgh Jenah.

I now turn to Maureen to make the nomination.

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

Thank you, Chair. I nominate each of the director nominees named in the 2020 management information circular for this meeting for election as a director of Hydro One Limited to serve until the next annual meeting of shareholders or until their respective successor is elected or appointed.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

I now turn to Maggie Mulroney, Manager of Board relations, to second the nomination.

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**Maggie Mulroney**

Thank you, Chair. I second the nomination.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you, Maggie. As no notice of additional director nominees was received in accordance with the company's bylaws, I declare the nominations closed.

Maureen, have we received any questions relating to this item of business?

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

No Chair, we have not. As a reminder to shareholders and proxy holders voting at the meeting, to vote on this item of business, click on Vote Here on the right-hand side of your screen, and under item number one, you will find listed the names of the 10 nominees for election to the Board of Directors listed in the 2020 management information circular. For each nominee, you may vote for or withhold voting. If you have already provided voting instructions or submitted a proxy, you do not need to vote again on this matter unless you wish to change your vote.



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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you, Maureen. Based on the proxies received by management prior to the meeting, each of the director nominees has received a majority of votes cast in favor of their election as director. I confirm that the 10 director nominees named in the 2020 management information circular have been elected as directors.

The next item of business is the appointment of the company's external auditors for the next year and authorizing the Board of Directors to fix their remuneration.

I will turn to Maureen to make the motion.

**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

Thank you, Chair. I move that KPMG LLP be appointed as the company's external auditors until the next annual meeting of shareholders or until a successor is appointed, and that the Board of Directors be authorized to fix the auditor's remuneration.

**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

I will now turn to Maggie to second the motion.

**Maggie Mulroney**

Thank you, Chair. I second the motion.

**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you. Maureen, have we received any questions relating to the item of business?

**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

No Chair, we have not. To vote on this item of business, click on Vote Here on the right-hand side of your screen and under item number two, you may vote for or withhold from voting in respect of the motion. You may not vote for any accounting firm other than KPMG LLP. If you have already provided voting instructions or submitted a proxy, you do not need to vote on this matter unless you wish to change your vote.

**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

As the company has received a sufficient number of proxies in favor of the appointment of auditors, the motion is carried. KPMG LLP has been reappointed as the company's external auditors and the Board of Directors is authorized to fix their remuneration.

The last item of business is an advisory vote on executive compensation, otherwise known as a say-on-pay resolution. As described in the 2020 management information circular for this meeting, Hydro One's executive compensation program provides total compensation opportunities that are market competitive relative to peer companies and are performance-based -- that are performance-based to attract, retain, motivate and reward management talent. It is also compliant with the executive compensation framework the Management Board of Cabinet of the Province of Ontario approved in 2019. I also note that executive salaries are not included in electricity rates. In other words, our rate payers do not pay for executive compensation. This shareholders' say-on-pay vote forms an important part of the ongoing process of engagement with shareholders.

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I will turn to Maureen to make the motion.

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

Thank you, Chair. I move on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the 2020 management information circular for this meeting.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

I will now turn to Maggie to second the motion.

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**Maggie Mulroney**

Thank you, Mr. Chair. I second the motion.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you. Maureen, have we received any questions relating to this item of business?

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

No Chair, we have not. To vote on this item of business, click on Vote Here on the right-hand side of your screen, and under item #3, you may vote for or against in respect of the motion.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

The company has received proxies in favor of the say-on-pay advisory vote representing approximately 98% of the votes cast by proxy prior to the meeting.

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

The polls are now closed with respect to voting on all the motions. The final report on voting results provided by the scrutineers after the meeting will be incorporated into the minutes of the meeting. We will also post the final voting results on the Investor Relations page on our website, and we'll file the results on SEDAR.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Since there are no other matters to come before the formal part of the meeting, the meeting is concluded and terminated.

I would now like to turn to Mark Poweska, our President and CEO, who will make his remarks. After hearing from Mark, we will open the floor to shareholder questions. Mark?



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**Mark Poweska** - *Hydro One Limited - President, CEO & Director*

Thank you, Tim. Good morning, everyone. I'd like to thank our shareholders, special guests and members of Hydro One team for joining us today. This is an unprecedented time with many firsts. Our virtual AGM is the another first as we work to flatten the curve through physical distance, hygiene and staying at home. Since March, COVID-19 has changed our world and daily lives. Communities, businesses and families have adapted to a new reality to prioritize our collective health and well-being. As we fight a global pandemic, we will also find ourselves facing new economic and social challenges.

Just as quickly as the world changed, we have seen people come together to help those in need. Governments and companies are taking action to provide relief to individuals and businesses, and the Hydro One has been working closely with government and the industry to advocate for customers to provide much-needed relief at this critical point.

Our employees take enormous pride in the critical role they play in energizing life across Ontario. I would like to thank the men and women of Hydro One for their outstanding effort and their commitment to our customers, each other and all Ontarians. The COVID-19 pandemic has brought new challenges for many of us. Our ability to quickly learn and adapt gives me great confidence that Hydro One will emerge from this even stronger than before.

One year ago this week, I took the helm to lead a great company, but a company that had undergone significant challenges and change, which required stability and a new direction. Over the course of the last year, I am very proud of our accomplishments. Securing an executive team, restoring employee confidence, improving relationships with the provincial government and a renewed strategy that focuses on investment and growth here in Ontario.

We recently received 2 important regulatory decisions that provide certainty on our investment plans and enable us to focus on executing our strategy for the next several years. Our strategy is accompanied by our vision of creating a better and brighter future for all. And it is supported by our mission to energize life for people and communities through a network built for the possibilities of tomorrow.

Energizing life is our greater purpose, and it will guide everything we do during this challenging time and moving into the future. It is a reminder of the essential role we play in the lives of indigenous peoples, customers and communities and supporting their everyday needs now more than ever.

With our corporate strategy as our road map, Hydro One is more focused than ever on being customer-driven, sustainable, safe and efficient. Our strategy to focus Ontario has helped to rebuild strong and lasting relationships. The last few years have been a testament to our resilience of the company to adapt and manage through changing times. I am confident that we have set Hydro One on the right path for success, and we have already achieved many important outcomes. But most importantly, our efforts to strengthen the company's foundation have prepared us for this very moment.

As we all respond to the challenges brought forward by COVID-19 pandemic, I would like to address the steps Hydro One has taken and our top priorities. During this time, we are focused on 2 priorities: First, to protect our employees; and secondly, to maintain the safe and reliable supply of electricity to our customers.

As always, our commitment to safety is uncompromised. Our employees are powering the province, and it is our responsibility to protect them. We've adjusted our operations and are concentrating on near-term safety and reliability as well as longer-term work that can still be done safely. We have altered our work methods and put additional safeguards in place to protect our employees.

To maintain physical distance, we are splitting field crews, deploying work digitally, staggering start times and minimizing travel across the province. More than 3,000 of our teammates are now working from home, enabling us to support our field crews while doing our part to prevent the spread.

Within days of the World Health Organization declaring a global pandemic, we seamlessly transitioned our customer contact center agents to work from home, where they continue to support our customers. We've introduced enhanced temperature and symptom screening for employees working in our control center and its backup location. And we are ready to sequester our operators, if required.



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As we continue this journey together, my senior leadership team and I are regularly engaging with all employees to share information and learn from each other. We recognize our critical role in supporting families, the economy and those on the front lines fighting this virus. We have taken several steps to support essential services during this time. We are proactively patrolling power lines that feed hospitals and other critical infrastructure.

We are prioritizing projects that enable food supply from connecting greenhouse growers to powering food depots in grocery stores, and we are connecting new homes to ensure people have shelter. We also volunteered our dedicated and professional customer service agents to assist the province with tracking COVID-19 by contacting and monitoring travelers coming into Ontario. We are proud to play this small role in keeping Ontarians safe. Ontarians are counting on us, and we are here for them. More than ever, it's important that we stand by our customers and advocate for their needs.

Just 2 days after the COVID-19 was declared a global pandemic, we launched a pandemic relief fund to provide customers with financial support and payment flexibility. At the same time, we announced that no one would be disconnected during this time. Since then, we've also suspended late payment fees and returned \$5 million in security deposits to businesses across Ontario. With more people isolated at home, we applaud the Ontario government for moving decisively to implement interim relief measures that move customers onto off-peak rates.

We're also fast-tracking payments to small, medium and indigenous suppliers to help with much needed cash flow. To meet a challenge of this magnitude, we must work in partnership with government, other companies, industry and unions. To meet an urgent need in the communities we serve, we have donated \$300,000 worth of meals to feed Ontario. As this situation unfolds, we will continue to put people first.

Since 2015, Hydro One has been on a journey to transform the business. Our customer-driven culture, nearly half a billion dollars in productivity savings, the use of new technologies in the field and digital solutions for our customers, these have formed a strong foundation to weather this storm. Since the pandemic began, we have adapted quickly to protect our employees, power Ontario and stand up for customers and communities. We found new ways to collaborate. We've developed innovative solutions, and we're more in tune than ever with the needs of our customers and communities.

Over the past few months, I have seen the best of humanity, creativity and kindness. And I know we will continue to find ways to support one another with new solutions to the challenges that lie ahead. And we will do it together.

Thank you again for joining us today.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you, Mark, and thank you to your entire executive leadership team for the leadership you displayed over this past year.

At this time, we would like to open the floor to any other questions that shareholders or proxy holders may have relating to the company. I will ask Maureen to review the guidelines for our shareholder question period.

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**Maureen Wareham** - *Hydro One Limited - Corporate Secretary*

Thank you, Chair. If shareholders wish to ask a question or make a comment, please enter your question in the text box under Ask a Question and hit submit. I will read the questions that are submitted via the web portal and consolidate questions of the same nature. If we do not have time to respond to questions in today's session, we will post a list of those questions and Hydro One's responses on our website on the Investor Relations page.

The company does not intend to address any questions that are, among other things, irrelevant to the business of the company or to the business of this annual meeting, related to material nonpublic information of the company, related to personal grievances, derogatory references or that are otherwise in bad taste, repetitious statements already made by another shareholder and are out of order or not otherwise suitable for the conduct of the annual meeting as determined by the Chair and Corporate Secretary in their reasonable judgments.





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We have not received any questions, Chair.

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**Timothy Hodgson** - *Hydro One Limited - Independent Chairman of the Board*

Thank you, Maureen. I think it's appropriate then to conclude the question period. On behalf of the entire Board of Directors and management team of Hydro One, we thank you for your ownership interest and your attendance at our annual meeting today.

I'll turn it back over to Michelle, our operator.

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**Operator**

Thank you. Ladies and gentlemen, this does conclude the program, and you may all disconnect. Everyone, have a great day.

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