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EDITED TRANSCRIPT

FTS.TO - Fortis Inc Annual Shareholders Meeting

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CORPORATE PARTICIPANTS

Barry V. Perry *Fortis Inc. - President, CEO & Director*

Douglas J. Haughey *Fortis Inc. - Independent Chairman of the Board*

James R. Reid *Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary*

Jocelyn H. Perry *Fortis Inc. - Executive VP & CFO*

Stephanie A. Amaimo *Fortis Inc. - VP of IR*

PRESENTATION

Stephanie A. Amaimo - *Fortis Inc. - VP of IR*

Good morning, and welcome to the Annual and Special Meeting of Shareholders of Fortis Inc. My name is Stephanie Amaimo, and I'm Vice President, Investor Relations of Fortis. I'm pleased to act as a moderator for this meeting.

Before we call the meeting to order, I will briefly review procedures regarding voting and asking questions.

If you have already voted ahead of the meeting, your vote has been counted, and you do not need to vote during the meeting.

If you have logged in as a registered shareholder, you may vote by online ballot for each matter brought forward at this meeting. Please note that if you vote during the online ballot, that will revoke your previously submitted proxy. If you do not wish to revoke your previously submitted proxy, do not vote again during the online ballot. If you logged in with the user name provided by Computershare, please cast your online ballot for each matter brought forward during the meeting. In order to vote by online ballot, please select the polling icon on the navigation bar at the top of your screen when prompted to do so by the Chair. The resolutions and voting choices will be displayed.

After you vote, a message containing Vote Received will appear. Your vote can be changed by simply clicking the Other option. If you wish to cancel your vote, please press Cancel. To ask a question, press the messaging icon at the top of your screen. Type your message within the text box at the bottom of the messaging screen and then click the send button. Only registered shareholders or duly appointed proxy holders who have standing at the meeting will be able to address the meeting and ask questions during the formal conduct of business.

When submitting a question, we ask that you identify whether your question relates to a motion being considered as part of the formal business of this meeting or whether it is of a general nature. We will address questions that directly relate to a particular motion at the appropriate time during the meeting, and we will address general questions following management's presentation.

Questions will be read aloud so everyone is aware of the matter being addressed. If we receive several questions that are similar, we will only address one question out of the group. We expect 20 minutes for questions and answers. In the event we are unable to answer all questions during the meeting, we will post a complete list of questions and responses to our website following the meeting.

I will now invite the chair of our Board, Doug Haughey to call this meeting to order.

Douglas J. Haughey - *Fortis Inc. - Independent Chairman of the Board*

Well, thank you, Stephanie, and good morning, everyone. I'm pleased to call this 33rd Annual and Special Meeting of Fortis Inc. to order. My name is Doug Haughey. I'm the Chair of the Board of Directors of Fortis and will serve as Chair of this meeting.

As you know, we're hosting this meeting virtually to ensure everyone's health and safety during this COVID-19 crisis. We thank you for joining us online this morning. While we regret that we cannot meet in person this year, we do intend to return to an in-person meeting and look forward to welcoming you all back to St. John's for our next annual meeting.

Now we're clearly living in uncertain times. As we fight against this global pandemic, I'd be remiss if I did not take a moment to thank those in the front line who are working tirelessly to perform critical services. Workers in healthcare, emergency services, food supply, telecommunications, utilities and crucial government services. Your dedication to your communities is truly remarkable and we wish to pass on our sincere thanks.

I would also like to thank our 9,000 Fortis employees, many of whom perform critical work and are out maintaining and operating our electricity grids and natural gas networks. Whether working from home or in the field, our employees are dedicated to delivering the energy required to run essential services and to keep our customers comfortable and, most importantly, safe at home.

At Fortis, we're always focused on the health and safety of all of our employees and customers, and we will ensure we maintain those high standards. To our control centre operators, generation, transmission and distribution technicians, systems planners, customer service representatives, field construction workers and more, we sincerely thank you.

At this time, everyone, I'd like to take a moment to remember Ida Goodreau, a former Fortis Board colleague, who passed away in December of last year. Ida was Chair of our Governance and Nominating Committee, Chair of Fortis British Columbia and a long-serving Fortis Director. Ida was a strong, insightful and passionate leader who leaves a tremendous legacy of achievement. On behalf of my fellow directors, I can say she was a cherished colleague and is greatly missed. So please join me in a moment of silence to remember a great friend of Fortis, Ida Goodreau.

Thank you, everyone.

Joining me virtually this morning are Barry Perry, your President and Chief Executive Officer; Jocelyn Perry, Executive Vice President and Chief Financial Officer; Jim Reid, Executive Vice President, Chief Legal Officer and Corporate Secretary. Members of our Board of Directors and management teams are tuned in, just as you are to this online webcast.

The agenda for today's meeting will follow the usual format. We will begin with receiving the financial statements for the year ended December 31, 2019, followed by the election of your directors and the appointment of your Auditors for 2020 and the authorization of the directors to fix their remuneration. Then shareholders will consider the resolution of approving the adoption of our Advance Notice Bylaw and finally, shareholders will consider our annual advisory vote on the company's approach to executive compensation.

Following the conclusion of the formal part of the meeting, I'll pass things over to Barry and Jocelyn for remarks from management.

I now appoint Mark Thompson and Patricia Favron, representatives of Computershare Trust Company of Canada to act as Scrutineers for this meeting. And I further appoint Jim Reid, Executive Vice President, Chief Legal Officer and Corporate Secretary of Fortis, to act as Secretary of this meeting.

I'll ask that Jim read the Scrutineer's report. Jim?

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, we have received an Affidavit from Computershare, our transfer agent, that the documents required to be delivered to shareholders were mailed on or before April 1, 2020 to shareholders of record as of March 20, 2020. The Scrutineers have confirmed that there is a quorum present.

Notice of the Meeting having been given within the time prescribed in the bylaw and a quorum being present, I can confirm that this meeting is validly constituted for the transaction of business.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you, Jim. The Secretary has reported that notice was properly given and that a quorum is present. I therefore declare this meeting validly constituted for the transaction of business.

Now given that we're conducting this meeting electronically and the main presenters are in different locations, you will notice that we will make a couple of changes to facilitate our conduct of business.

First, in order to keep the meeting rolling along smoothly, our Secretary, Jim Reid, a Fortis shareholder will move and second the formal motions.

Second, during the meeting, I may pause from time to time to review messages from the Secretary as we coordinate our roles from a distance. Thanks, everyone, in advance for the patience.

Okay. We'll begin by presenting our consolidated financial statements for the year ended December 31, 2019. The 2019 Annual Report was mailed to shareholders who indicated their preference to receive a printed copy, while others were able to access the electronic version on our website. The Fortis consolidated financial statements begin on Page 61 of the Annual Report. The unqualified opinion of your Auditors, Deloitte LLP, is found on Page 62 of the report.

I'll now ask the Secretary to confirm whether we have received any questions on the financial statements before we move on.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, we have not received any questions on the financial statements.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you, Jim. Before we move to our next item of business, I'd like to take a moment and explain our voting practice. The vast majority of votes are voted by proxy. These votes have been tabulated by Computershare up to the proxy cutoff of 10:30 on Tuesday, May 5, 2020. We do wish to tabulate all votes cast by proxy as well as all votes cast live during the meeting. We will proceed to present the four motions to the meeting. At the conclusion of the reading of each motion, we'll open voting and ask those shareholders completing an online ballot to complete your voting at that time so your votes can be tabulated.

As a reminder, if you have already voted by proxy, you do not need to vote again.

Before we proceed to the nomination of directors, I wish to acknowledge the tremendous contribution of our colleague, Joe Welch, who is not standing for reelection this year. Joe is the founder, Chairman and former President and CEO of ITC Holdings and joined the Board of Fortis after our acquisition of ITC in 2016. Joe, you built ITC into a great company that Fortis is now very proud to own. And as a Fortis Director, you provided candid insight, penetrating perspective as an accomplished utility operator and valuable wisdom from your years of experience. So on behalf of our fellow directors, Fortis management and employees and all of our shareholders thank you for your great contribution to Fortis.

Now let's move to the Election of Directors for 2020. The resolution is set out on Page 11 of the circular. The nominated directors are pictured on the current slide, and their biographies are included in the circular. Each of the nominated directors currently serve on the Board. All of the nominated directors are independent, except for Barry Perry, your President and CEO. I can say these directors are committed, active and engaged and are working very hard on your behalf to oversee the affairs of the corporation.

I'd now like to ask the Secretary to read the motion.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

I am a shareholder of Fortis, and I hereby move and second that Tracy C. Ball, Pierre J. Blouin, Paul J. Bonavia, Lawrence T. Borgard, Maura J. Clark, Margarita K. Dilley, Julie A. Dobson, Douglas J. Haughey, Barry V. Perry and Jo Mark Zurel be elected as Directors of Fortis to hold office until the close of the next Annual Meeting or until their successors are elected or appointed.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thanks, Jim. I'd now ask you to confirm whether we have received any questions on the Election of Directors.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, we have not received any questions on this motion.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you, Jim. We'll now proceed to a vote. I remind you that the Board of Directors and management recommend that you vote for all of the nominated directors. For those of you who are registered shareholders or appointed proxy holders and have not yet voted and do wish to vote during the meeting, you can vote now by selecting the polling icon on the navigation bar at the top of your screen.

As a reminder, if you have already voted, you do not have to vote again.

Our next item of business is to appoint the Auditors for 2020 and to authorize the directors to fix their remuneration. I'll ask the Secretary to read the motion. The resolution is discussed on Page 11 of the circular.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

I hereby move and second that Deloitte LLP be appointed Auditors of Fortis until the close of the next Annual Meeting or until their successors are appointed and that the directors be and are hereby authorized to fix the remuneration of the Auditors at such amount as they may in their discretion determine.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thanks, Jim. I also ask you to confirm whether we have received any questions on the appointment of the Auditors.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, we have not received any questions on this motion.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you. We'll now proceed to a vote. A reminder that the Board of Directors and management recommend that you vote for the appointment of Auditors. Once again, for those of you who are registered shareholders or appointed proxy holders and have not yet voted and do wish to vote during the meeting, you can vote now by selecting the polling icon on the navigation bar at the top your screen.

I remind you, if you have already voted, you do not need to re-vote.



Next item of formal business is a resolution approving our new bylaw, which sets out advance notice requirements for director nominations. The full text of the relevant resolution is set forth on Page 12 of the circular, along with a description of the bylaw. The full text of the bylaw is also included in the circular at Appendix C.

I'll ask the Secretary to read the motion.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

I hereby move and second that the adoption of the Advance Notice Bylaw No. 2 of Fortis, the full text of which is set out in Appendix C on Page 107 of the Management Information Circular of Fortis dated March 20, 2020, be and is hereby approved.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thanks, Jim. Could you also confirm whether we have received any questions on the Advance Notice Bylaw?

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

We have not received any questions on this motion.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you. We'll now proceed to a vote. Once again, I remind you that the Board of Directors and management recommend that you vote for the approval of the Advance Notice Bylaw. For those of you who are registered shareholders or appointed proxy holders and have not yet voted and do wish to vote during the meeting, you can vote now by selecting the polling icon on the navigation bar at the top of your screen.

Again, if you have already voted, you do not have to re-vote.

The final item of formal business is the advisory vote on the Fortis approach to executive compensation. As part of the company's ongoing commitment to strong corporate governance practices, the Board adopted the practice of conducting an annual nonbinding advisory shareholder vote to accept the company's approach to executive compensation. The resolution is discussed on Page 13 of the circular.

I'll ask the Secretary to read the motion.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

I hereby move and second, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Fortis, the shareholders of Fortis accept the approach to executive compensation as described in the Compensation Discussion and Analysis section of the Management Information Circular of Fortis dated March 20, 2020.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you, Jim. I'd also like you to confirm whether we have received any questions on this motion.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

We have not received any questions on this motion.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you. We'll now proceed to a vote. I remind you, once again, the Board of Directors and management recommend that you vote for the motion to accept the corporation's approach to executive compensation. For those of you who are registered shareholders or appointed proxy holders and have not yet voted and do wish to vote during the meeting, you can vote now by selecting the polling icon on the navigation bar at the top of your screen.

As I've mentioned before, if you have already voted, you do not need to re-vote.

So ladies and gentlemen, all motions to be voted on have now been moved and seconded. We will now proceed to close voting for this meeting.

Our Scrutineers are now tabulating the votes received on each of the motions.

I'd like to take this opportunity to thank all of our shareholders who took the time to vote their shares this year, whether you voted today or in advance of the meeting. We truly appreciate your continued support. I'll now ask the Secretary to confirm the preliminary voting results of the four motions placed before the meeting this morning. Final voting results will be published this afternoon in a press release that will be available on the Fortis website as well as on SEDAR and EDGAR.

Jim, could you please confirm the results of the motions?

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

Mr. Chair, based on votes received by proxy prior to the proxy cutoff time and votes received online today, all motions have been carried.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thanks, Jim. Based on the report of our Secretary, I confirm all motions brought before the meeting this morning have been carried. So this concludes the formal business of the meeting.

Before I pass things over to Barry and Jocelyn for management's presentation, I'd like to ask the Secretary for a motion to terminate.

James R. Reid - Fortis Inc. - Executive VP, Chief Legal Officer & Corporate Secretary

I hereby move and second that the meeting be terminated.

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Thank you, Jim. I declare this 33rd Annual and Special Meeting of Fortis Inc. terminated. Thank you, everyone, for your continued support of Fortis. It's truly appreciated. Please keep yourself and your families safe and healthy.

Before I turn things over to Stephanie to make a few comments before the management presentation by Barry and Jocelyn, I'd like to provide a special shout-out to our information technology and communications folks for pulling together the complexities of this virtual meeting. It's much appreciated.

And lastly, on behalf of all of us, I'd like to thank the Fortis executive team for the outstanding leadership during these unprecedented times. If there's any way for us to give you all a virtual ovation, we would do it now. It's very much deserved. And thank you.

So with that, Stephanie, over to you.

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Thank you, Doug. As a reminder, to ask a question, select the messaging icon at the top of your screen. Type your message within the text box at the bottom of the messaging screen and then click the send button.

On behalf of management, I note that their statements this morning may include forward-looking information. Details regarding forward-looking information are on the screen and can also be found in our Annual Report and as updated in our first quarter report to shareholders. Actual results can differ materially from the forecast projections included in the forward-looking information presented today. Unless otherwise indicated, all financial information that's referenced is in Canadian dollars.

I will now pass things over to Barry and Jocelyn for management's presentation.

Barry V. Perry - Fortis Inc. - President, CEO & Director

Thank you, Stephanie, and thank you, Doug, and good day, everyone. Thank you for joining our webcast today. While it's not our usual gathering in St. John's, it's great to connect with you virtually. As we all respond to the COVID-19 pandemic, we trust you, your families and coworkers are staying safe and managing well.

Fortis is an energy delivery company, serving more than 3.3 million customers across our 10 utilities throughout North America. During this challenging time, people are experiencing considerable worries and uncertainties. Having safe and reliable electricity and natural gas delivered to their homes and businesses should not be one of them. Healthcare systems need reliable energy to treat patients and to battle the virus. Transportation, food and other critical industries need reliable energy to complete their important jobs.

Our assets, our poles, wires, gas lines, control rooms and more are core to delivering the service our customers have come to expect. Our service is essential. We have and we will keep the energy flowing. Our communities and our health care systems are depending on us.

Employee safety guides every decision we make. We've carefully adhered to guidance from local health authorities and we have transitioned half of our employees to working from home. While a number of employees can effectively perform their jobs at home, the nature of our business requires many employees to work in the field to ensure critical services continue. Fortis utilities have put additional safety measures in place to protect our mission-critical personnel during this time.

Crews no longer share the same vehicle to travel to job sites, additional work site screening and protocols have been put in place. And in some locations, we have sequestered certain essential workers. Employees have been equipped with necessary personal protective equipment and follow heightened safety procedures when interacting with customers. Fortis utilities have ongoing consistent communication with employees and customers to outline the steps being taken to keep our teams healthy and safe.

Within the Fortis business model, our utilities operate substantially independent from head office. Local management teams focus on the needs of their communities. The agility and independence of our business model means that Fortis utilities create a tailored approach to effectively respond at the local level.

For me personally, this year will mark 20 years that I've been with Fortis. Over the years, time and time again, our business model has shown its value to me, and that value is on full display in the current environment. We are fortunate that to date, we have only experienced a low number of positive COVID-19 employee cases amongst our 9,000 employees. We know this can change quickly, so we continue to remain diligent in our approach to safety.

Our executive and utility CEOs are showcasing their leadership and knowledge. I have every confidence in our team's ability to continue to make sound decisions. I have tremendous gratitude for our employees now more than ever. I thank every one of you and your families for the commitment you've shown in recent months. It's been incredible.

For many in our communities, the effects of this pandemic have created a significant financial burden. Fortis utilities have stepped up and put programs in place to support customers as they get back on their feet. We're also aware of the increased demands placed on local charities and community organizations that provide a hand up to people when needed.

Today, I'm announcing the Fortis Community Matters project. Fortis will donate \$500,000 total to 20 nonprofit organizations to provide immediate financial support for frontline COVID-19 response efforts in Newfoundland and Labrador. We shared the news with the recipients this week and it was a real feel good moment. This money will go a long way across the province to help those who need it most. Collectively, Fortis and its utilities have pledged \$4.5 million to date to COVID-19 community support.

As an industry, North American electric and gas companies are united. Those areas hardest hit by the virus are sharing their experiences so others can learn. We're all in step to keep the lights on and the gas flowing. It's a defining moment for our industry, for everyone.

From a financial perspective, Fortis remains healthy. During the first quarter of 2020, we delivered good performance, particularly given the current unexpected events. We've always taken a conservative approach to operating and financing our business. This approach, coupled with actions taken in 2019 has placed us in an enviable position with more than ample liquidity to execute on our business plans.

We took steps in 2019 to put Fortis on solid footing as we entered 2020. This includes the appointment of David Hutchens as our Chief Operating Officer, a new executive position to oversee all operations. We elevated our focus on technology and cybersecurity with Jim Laurito, our EVP of Business Development, taking on the additional responsibility of Chief Technology Officer upon the retirement of Phonse Delaney. We also added Ron Hinsley to our leadership team as Vice President, Chief Information Officer. Ron has a wealth of knowledge and also leads technology at ITC.

These executive changes elevated our focus on operations, cybersecurity and technology, all critical areas as we effectively manage our COVID-19 response.

I'll now hand things over to Jocelyn Perry, our Executive Vice President and Chief Financial Officer, to share details on our strong financial position. Over to you, Jocelyn.

Jocelyn H. Perry - Fortis Inc. - Executive VP & CFO

Thanks, Barry, and good morning, everyone. As Barry said, the financial action taken by Fortis last year has positioned us well for the changes we are seeing in 2020. By selling our interest in the Waneta expansion hydroelectric project in British Columbia for proceeds of almost \$1 billion, we were able to repay debt. Later in 2019, we also issued \$1.2 billion of common shares, the proceeds of which were again used to repay debt. The result was a strengthened balance sheet and a much stronger liquidity position for Fortis.

Turning to our 2019 annual results. Fortis delivered strong annual net earnings of \$1.7 billion or \$3.79 per common share in 2019, up \$1.20 from \$2.59 per common share in 2018.

Adjusted net earnings were \$1.1 billion or \$2.55 per common share in 2019, up \$0.04 from \$2.51 per share in 2018. The principal difference between our reported and adjusted earnings in 2019 was the \$484 million net gain on the sale of the Waneta expansion hydroelectric project.

We had a good start to 2020 in the first quarter. Reported net earnings for the first quarter of 2020 were \$312 million or \$0.67 per common share compared to net earnings of \$311 million or \$0.72 per common share for the first quarter of 2019. Our regulated utilities performed well during the quarter with strong rate base growth.

As expected, earnings per common share were tempered by a higher weighted share count related to the equity issuance completed in late 2019. And during the quarter, earnings per common share were also decreased as a result of lower earnings at UNS Energy.

In March, S&P recognized the execution of our funding plan in 2019 and affirmed the Fortis Inc. A- issuer credit and BBB+ senior unsecured debt ratings. S&P maintained a negative outlook on Fortis due to concerns around COVID-19, and this negative outlook is consistent with S&P's outlook on the entire North American utility industry.

And on May 4, DBRS Morningstar affirmed our BBB high issuer rating and senior unsecured debt rating with a positive trend, up from stable. From a shareholder perspective, 82% of our annual revenues are protected by regulatory mechanisms in place that stabilize cash flow and earnings over time or from residential sales, which are increasing during the pandemic. This helps to shield the majority of our utilities from changes in sales associated with the economic slowdown.

Shifting gears to our capital plan. Last year, we deployed \$3.8 billion in capital expenditures. In 2020, we have spent \$1.2 billion in the first quarter and expect to invest \$4.3 billion for the full year. Our growth platform is resilient, and we are confident that our long-term strategy remains intact. That includes our ability to deliver our \$18.8 billion capital plan over the next 5 years.

One reason for our confidence is the composition of our plan. In total, 80% of the plan is made up of what we call smaller projects, which have a total project cost of less than \$200 million each. So a common phrase, we don't have all of our eggs in one basket, certainly applies here.

From a financial perspective, during our response to COVID-19, we have maintained disclosure timelines and continue with shareholder engagement. And I want to thank our financial reporting and Investor Relations teams for their efforts in this area.

Operationally, Fortis remains an industry leader in safety, reliability and security. We outperformed industry averages, and we are unwavering in our commitment to these areas.

On the sustainability front, we are committed to reducing our carbon footprint and delivering more renewable energy to customers. Two of our largest utilities, FortisBC and Tucson Electric Power have ambitious targets that support a lower carbon economy, and these utilities are making good progress to reach their goals.

Gender diversity has long been important to us, and females now represent 60% of employees at corporate office, 40% of Directors elected today and 1/3 of executives throughout the Fortis Group of Companies. Also, we moved the dial on broader inclusion and diversity in 2019, and in the future, you'll see more from us in this area.

I'll now hand things back to Barry.

Barry V. Perry - Fortis Inc. - President, CEO & Director

Thanks, Jocelyn. We've marked 46 years of consecutive annual common share dividend payment increases in 2019. And with a strong foundation and confidence in terms of opportunities, we extended our 6% average annual dividend growth guidance to 2024. This guidance remains intact.

Superior annualized shareholder returns through March 31 continue with a 1-year total shareholder return of approximately 13.6%. This aligns with the average annual total shareholder return over the past 20 years of 14.8% through March of 2020. In fact, for the first quarter of 2020, we ranked 17th of 230 companies on total return on the TSX Composite Index.

Time and time again, we have demonstrated that Fortis delivers strength and stability to shareholders. Last year, our \$3.8 billion in capital expenditures was a record amount for Fortis. For 2020, we remain on track with \$4.3 billion planned in capital spending.

Jocelyn mentioned it, but it's worth repeating that our long-term strategy remains intact, and that includes our ability to deliver our \$18.8 billion capital plan over the next 5 years. We stay grounded in our responsibility to do what's right, honour our commitments and deliver reliable, safe and secure energy to customers. These pillars have and will remain our bedrock.

Our focus on energy delivery, geographic and regulatory diversity and local leadership captures the core of Fortis. These characteristics create a company that delivers financial scale and strategic direction while empowering utilities to innovate and grow. They minimize overall business risk and create a durable competitive advantage that supports the growth of long-term shareholder value. We are optimistic and focused on continued growth.

Thank you, again, to our employees. It's heartwarming to see our family of companies coming together as leaders in their communities. And to our shareholders, thank you for your continued support and belief in Fortis. Your company remains on a strong growth trajectory. We will continue to innovate, grow and deliver value to our shareholders.

With that, we'll move to questions. I'll pass it back to Stephanie Amaimo, who will facilitate our question period.

QUESTIONS AND ANSWERS

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Thank you, Barry and Jocelyn. We will now move forward to our question-and-answer period. Our first question comes from [Jacqueline Jordan.]

Fortis Inc. shareholders are experiencing a financial setback this year and likely in years to come. How will the Board align the compensation of executives with the financial setbacks of shareholders?

Douglas J. Haughey - Fortis Inc. - Independent Chairman of the Board

Stephanie, it's Doug. I'm happy to jump in and answer that.

That's a great question. And I think a very important one in the context that we're living in today, we're fortunate that Fortis shares have performed pretty well relative to other sectors. But there's no doubt that alignment of executive and shareholder interests are always vital. And I can assure you, it's top of mind for both our compensation committee and our Board.

So very briefly, here's the approach that we use. We pay for performance. So what you'll find is that between 75% and 85% of executive compensation at Fortis is performance-based, and that's very, very important.

There's a few other things. These are principles that are, I think, important to achieve the objectives you're looking for. And that is the company objectives and our objectives for compensation, need to be well balanced. So a balance between short and long term results, balanced performance metrics. In our case, they include earnings, cash flow, environment, social and governance targets, relative share price performance. Those are all important things, and they provide the balance that is really important so we don't have too much focus on one or possibly two narrow objectives.

The third thing we do, we try to manage compensation risk. We cap all of our incentive programs. And we always apply Board discretion as needed to act in the best interest of the corporation and shareholders. So if we feel that there - that the incentive programs are yielding a result that doesn't seem right, we will use the discretion that we have to act in the best interest of the corporation and our shareholders.

In the last principle, I think it's just keep things simple. We've tried over the years to keep the program as simple and as transparent as we can. That's really important so that both our shareholders and executives understand what the compensation system is and what it's intending to do. I guess the only other thing I would say is that we've taken a lot of time to detail our approach to executive compensation. It's in the Management Information Circular and that's available online, we'd be happy to provide you with a copy if you needed one as well.



So Stephanie, that's the answer to that question.

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Thank you, Doug. Our next question comes from Mr. Derrick Hutchens. I will read it verbatim.

Good morning, Mr. Perry. You continue to look better as every year goes by. Your annual letter to shareholders shows superior total shareholder returns. Congratulations. I have been a shareholder of Fortis or its predecessor for approximately 40 years and with returns on my investment like this, why not?

First, a few shout-outs. To all shareholders. Thank you for your continued confidence and support in the company for without your investment, we would not be able to do things we do. To all 9,000 employees, thanks for your continued hard work day-in and day-out for without you, we would not be getting things done. To the Board of Directors, both current and past, thanks for your vision and oversight for without you, we would not be where we are today.

Now Mr. Perry, the big question is, where are we going from here? Maybe you can expand on where you see the company going in the next five years, especially with regards to wind and solar energy? Thank you.

Barry V. Perry - Fortis Inc. - President, CEO & Director

Thanks for the question, Derrick, I'm looking forward to seeing you again in person next year.

So the answer really is Fortis has a very strong strategy and a strong growth plan as we've laid out in our materials, investing about \$19 billion of capital over the next 5 years in our businesses is going to underpin a lot of growth in the company. And that capital is being invested in all the big things that are happening in our sector: the move to cleaner energy, the electrification of transportation, technology and cybersecurity, those kind of areas and Fortis is heavily investing in those areas. And that's going to continue to support growth and earnings, and that will underpin our dividend growth going forward.

In particular, on the solar and wind, yes, they will play a part of our investment strategy. We're actually in the middle right now of building a very large wind farm in New Mexico that will bring really good clean energy into Tucson when it's completed later this year. We're also looking at some solar projects around the group as well. So all those will help us increase our energy - clean energy delivery to our customers.

So thanks again for the question, Derrick, and look forward to seeing you next year.

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Great. Thank you, Barry. Our next question comes from [Henry Van Driel.] How has the pandemic altered your acquisition strategy?

Barry V. Perry - Fortis Inc. - President, CEO & Director

Thanks, again, for the question, [Henry.] Clearly, we've been on a path of focusing on growing the existing businesses that we have. And as I just mentioned, we do have a very strong growth platform in front of us.

I would say generally from an industry perspective, I'm not seeing that acquisitions will be happening here as we go through this pandemic. The entire industry and Fortis included is focused on doing its job of providing reliable service to our customers during this time, and that's where our focus is.

But we'll get through this. And once we're on the other side of it, I do believe that consolidation in the North American utility industry will continue. We will have good organic growth, but I'm sure we'll look at opportunities that are good for our shareholders in the future and stay tuned on that.

Stephanie A. Amaimo - Fortis Inc. - VP of IR

Great. Thank you, Barry. Having received no further questions, this concludes our meeting for today. We thank you for joining us. Goodbye.

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