

ATCO Ltd.

52nd Annual General Meeting of Shareowners

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CORPORATE PARTICIPANTS

Nancy Southern

ATCO Ltd. — Chair & Chief Executive Officer

Dennis DeChamplain

ATCO Ltd. — Senior Vice President & Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Jim Landon

ATCO Ltd. — President, ATCO Frontec

Adam Beattie

ATCO Ltd. — President of ATCO Structures

George Constantinescu

ATCO Ltd. — Senior Vice President and Chief Transformation Officer

Roger Urwin

ATCO Ltd. — Director

Chuck Wilson

ATCO Ltd. — Director

Derek Cook

ATCO Ltd. — Senior Financial Officer and Controller

Katie Patrick

ATCO Ltd. — Vice President Finance and Risk

Norm King

Shareholder

Siegfried Kiefer

Canadian Utilities Limited — President and Chief Executive Officer

PRESENTATION

Nancy Southern — Chair & Chief Executive Officer, ATCO Ltd.

Good morning, ladies and gentlemen. There are a few extra single seats around, so I think our concierge can help you find a chair. Sharon and Norm, I'm glad you found a seat in the front row. I know you were trying to avoid that. Kind of like school and church, isn't it? Nobody wants to sit up front.

Well, welcome, everyone, to the 52nd Annual General Meeting of Shareowners for ATCO.

Before we proceed with the formalities this morning, I would like to take just a few moments to reflect on a significant part of your company and its people. Twenty-nine years ago, most of you will remember that we acquired Canadian Utilities, over 50 percent of Canadian Utilities from International Utilities based out of Philadelphia.

And since that time, your company has faced and weathered many challenges: global recessions, inflation, perhaps deflation, high interest rates, low interest rates, the national energy program of the '80s, and version two of the national energy destruction policy that we are encountering today.

We entered deregulation, we squarely faced global competitors, and won more than our fair share, often in the absence of a level playing field. And through it all, you believed in us, you supported us, you trusted us to do the right thing for you, the owners of our company.

I believe our record of success speaks volumes to the people of ATCO past and present. They have been and are terrific people. And while it's not for me to say, I believe your company stands alone and above its peers in its performance. And over this 29-year period, there's only been three CEOs of Canadian Utilities: Ege King, Ron Southern, and myself.

And while there are many long-time, extraordinarily talented and committed people in Canadian Utilities that have made tremendous contributions and achieved heroic success, there is an individual who

has dedicated the past 36 years of his life to our company, who I wish to recognize. Like myself, he is a child of commerce. His father, Gerry Kiefer, worked alongside my grandfather and my father. Travelling the world, Gerry brought his manufacturing expertise to make a humble trailer company into a global leader.

Gerry's son, Siegfried Kiefer, is a man cut from the same cloth as his father, and he exemplifies our definition of excellence. And throughout his 36 years with your company, Siegfried has brought the highest standards of integrity, commitment, perseverance, and courage to our deliberations. He cares deeply for our customers, our employees, and our communities. He's collaborative; he's inclusive. He's agile and progressive in an ever-changing world. Strategic and one of the very best negotiators I have ever experienced, always striving for a win-win.

As a result, he has garnered tremendous credibility from industry and governments for his forthright approach to the issues of the day. He is never self-serving in his pursuits and always putting the greater community first. As a results, he brings great opportunity to our businesses.

And today, it is my singular honour to recognize Siegfried Kiefer in his new role as Chief Executive Officer of Canadian Utilities. Siegfried? Congratulations.

Okay. I will move to the formal part of business today. Joining me on the dais are Senior Vice President and Chief Financial Officer, Dennis DeChamplain; and Carol Gear, our Corporate Secretary.

Joining us from our executive committee today: Adam Beattie, President of ATCO Structures—you can stand up; Jim Landon—Jim, I saw you come in, there you are—the President of ATCO Frontec; George Lidgett, Managing Director of our Pipelines and Liquids global business unit; Wayne Stensby, back here, Managing Director of our Electricity global business unit; George Constantinescu, over here, Senior

Vice President and Chief Transformation Officer; Marshall Wilmot—where's Marsh, he's got a broken wing—President, ATCO Energy and our Chief Digital Officer.

Many officers of your company are also here with us today, and thank you, all, very much for joining us. Thank you.

And as our tradition, I'd like to mention a few of our special guests that have joined us today. Sett Policicchi, formerly the head of our electricity, transmission, and distribution business. Set just recently retired, but was one of the leading proponents of our Alberta Power Line. Welcome, Set.

There are many shareowners that are here with us today that I would like to recognize. But in fact, I think pretty much all of the room is a shareowner, so I wanted to just point out a few very special people: Sharon and Norm King, coming to every one of our AGMs for as long as I can remember and being a tremendous supporter of not only ATCO, but our entire family. Thank you very much.

And Emily Shrevner (phon). Emil, wonderful to have you join us today, and it was great to see you at AKITA yesterday as well. From the Consulate of Mexico, Juana María Ruíz and Jesus Cana (phon) is here today with us. Thank you very much for joining us. Nice to see you as well.

I'll now introduce you to our directors who are standing for reelection today. Bob Booth. Bob is a partner of the law firm of Bennett Jones. Dennis Ellard, Corporate Director, who held many senior positions with ATCO before his retirement in 2003. Tony Fountain, Executive Chairman of Nyara Energy Limited, a major oil and gas refining and marketing company in Mumbai, India. Rob Routs, chair of the supervisory board of Royal Dutch in the past and the Chair of the Supervisory Board of Royal DSM, which is a Dutch multinational science-based company active in health, nutrition, and sustainable living. Linda Southern-Heathcott, President and Chief Executive Officer of Spruce Meadows and Chair of the Board of AKITA Drilling. Roger Urwin, Chair of ATCO Australia and former group chief executive of National Grid in

the UK; Susan Werth, Corporate Director and former chief administration officer of the Company. Chuck Wilson, our Lead Director who's the former president and chief executive officer of Shell Canada; and myself, Nancy Southern, your Chair and Chief Executive Officer. Unfortunately, Michael Rayfield is unable to join us this morning, and he does send his sincere regrets, but he will be standing for reelection as well.

Thank you very much to our directors who are standing for election today.

Copies of the minutes for our Annual Meeting of Shareowners held on May 15th of last year are available in the reception area. And I will ask Carol Gear to act as our recording secretary again for this year's meeting.

With the consent of the meeting, I will also ask Nazim Nathoo and Karyn Laurie of AST Trust Company, our registrar and transfer agent, to act as our scrutineers.

Mailing of the Notice of this Annual General Meeting to all shareowners of record at March 28th was completed on April 8th. You know I have to say all this, right? Sorry.

As you all know, all shareowners and visitors are welcome to participate in this meeting by asking questions and joining our discussion. However, only the owners of the Class 2 voting shares and the holders of valid proxies of those shares are entitled to vote on the election of the directors and the appointment of the auditors.

The scrutineers have advised that we have a quorum present and, therefore, I declare this meeting properly constituted for the transaction of business.

Now in order to expedite matters, we have asked certain directors and officers of the Corporation who also own shares in the Company to move and second our motions.

First, I wish to table the Company's consolidated financial statements and the auditor's report for the year ended December 31, 2018. Put this lovely document in the box. Copies of the financial

statements, Management’s Discussion and Analysis, and the Proxy Circular have been mailed to all registered owners and beneficial owners who requested a copy. Additional copies are also outside in the foyer for you.

The next item is to proceed with the election of our directors. The meeting is now open to receive nominations for directors.

Jim Landon — President, ATCO Frontec, ATCO Ltd.

I am Jim Landon, President ATCO Frontec. And I’ve been with the Corporation for two years, and I am a proud shareholder. I nominate the individuals proposed in the Management Proxy Circular dated March 11, 2019, to be elected directors of the corporation, namely, Robert Booth, Dennis Ellard, Anthony Fountain, Michael Rayfield, Robert Routs, Nancy Southern, Linda Southern-Heathcott, Roger Urwin, Susan Werth, and Charles Wilson.

Nancy Southern

Thank you very much, Mr. Landon. Are there any other nominations from the floor? If not, I declare the nominations closed.

May I have a motion to elect those nominated as directors?

Adam Beattie — President of ATCO Structures, ATCO Ltd.

I am Adam Beattie, President of ATCO Structures. I’ve been with the corporation for 16 years, and I’m a proud shareowner. I move that the 10 persons nominated be individually elected as directors of the corporation until the next annual meeting of shareowners, or until their successors are elected or appointed.

Nancy Southern

Thank you, Mr. Beattie. May I have a seconder, please?

George Constantinescu — Senior Vice President and Chief Transformation Officer, ATCO Ltd.

My name is George Constantinescu, Senior Vice President and Chief Transformation Officer. I am entering my third decade with the corporation, having recently rejoined after a 14-year holiday. And I am very proud shareowner. I second the motion.

Nancy Southern

Thank you very much, Mr. Constantinescu.

This resolution to elect directors individually will be conducted by ballot. Registered Class 2 shareowners and valid proxy holders should have received and completed a ballot on registration this morning, which the scrutineers will have recorded. If you have not completed a ballot, please raise your hand and the scrutineers will bring one to you. Did anybody not receive their ballot? Okay. Great.

Now while the scrutineers are tabulating the results of the ballots, we will continue with the next item on our agenda, which is the appointment of the corporation's auditors.

May I have a motion to appoint the auditor, please?

Roger Urwin — Director, ATCO Ltd.

Well, good morning, everyone. I'm Roger Urwin. I've been a director of the Corporation for five years, and I, too, am a proud shareowner. I'm also very proud to be the chair of your company's audit and risk committee. It's in that capacity that it's my pleasure to move that PricewaterhouseCoopers, Chartered Accountants, be appointed auditor for the corporation, to hold office until the next annual general meeting of shareowners.

Nancy Southern

Thank you very much, Dr. Urwin. And may I have a seconder, please?

Chuck Wilson — Director, ATCO Ltd.

I'm Chuck Wilson, long-time director of the corporation, even a longer-time investor in the company's shares. I second the motion.

Nancy Southern

Thank you very much, Mr. Wilson. All those in favour, please raise your hand. Contrary-minded?

Motion is carried.

And I'd like to introduce you to Shannon Ryhorchuk and Cal Jacober from PricewaterhouseCoopers partners who are with us today. Thank you very much for joining us, Shannon and Cal.

Thank you. Thank you, Carol.

I'm pleased to announce the scrutineers have reported that shareholders voted 99 percent or more in favour of the election of directors that were nominated. So I therefore adopt the scrutineers' report, and declare that each of the nominees has been elected as a director ATCO Limited. Congratulations.

On behalf of all shareowners, I want to thank each of the directors for your tireless and tremendous efforts on behalf of our collective company. You bring terrific insight and experience to our deliberations, and I am very honoured to work alongside you. Thank you.

Now at the conclusion of the formal part of this meeting, there will be presentations from your Chief Financial Officer and myself, followed by an opportunity for a robust discussion and question period, if you wish.

Now as you know, we genuinely love your participation. If you're not comfortable asking a question, there is a card on your chair, and you can write down your question or comment and our concierge will bring it up to the front. I can read it for you.

Before we conclude the formal part of this meeting, I would like to recognize members of honorary directors and honorary directors themselves that are with us today. Norm Robertson. Great to see you, Norm. Baz French (phon). And here on behalf of Bill Britton is Linda Britton. Hi, Linda. And Donna Wood on behalf of Dr. John Wood. Great to have you all here today. Terrific, terrific builders of your corporation.

May I have a motion to conclude the formal part of our meeting today.

Derek Cook — Senior Financial Officer and Controller, ATCO Ltd.

Good morning, everybody. My name is Derek Cook. I'm Senior Financial Officer and Controller. I've been with the Company for 18 years, and I too am a proud shareowner. And I motion to terminate the meeting. Thank you.

Nancy Southern

Thank you, Mr. Cook. A seconder, please?

Katie Patrick — Vice President Finance and Risk, ATCO Ltd.

My name is Katie Patrick, Vice President Finance and Risk, and I've been with the Company for four years. I too am a proud shareowner, and I second the motion.

Nancy Southern

Thank you, Ms. Patrick. All those in favour of the motion? Great.

And contrary-minded?

Ladies and gentlemen, that completes the formal business to be conducted at our annual general meeting, and it is now my great pleasure to call on your Chief Financial Officer, Dennis DeChamplain.

Dennis DeChamplain — Senior Vice President & Chief Financial Officer, ATCO Ltd.

Thanks, Nancy, and good morning, ladies and gentlemen. It's my great pleasure to address you as your Chief Financial Officer today.

2018 was a year of real transformation for ATCO. We broadened our focus to investments that put us at the forefront of global trends. Our holding company portfolio pursues select opportunities in the select global services you can see on this slide. Nancy is going to talk to you more about this vision for ATCO's future in her remarks.

I will focus my presentation on two strategic priorities that support that vision, namely, how we grew in 2018 and the financial strength that underpinned that growth. Let's begin with growth.

Our long-term success is dependent on our ability to grow the business by expanding into new markets and new business lines. To achieve this, we enhanced our sales and customer focus in all of our businesses and expanded our global investment portfolio in 2018.

At the same time, we continued to pursue cost savings and efficiencies in every part of our organization to ensure we deliver the most competitive solutions for our customers, and in the end, this effort translated into higher earnings.

We had tremendous success in all these areas in 2018, and the earnings results show it. We generated \$355 million in earnings, which was \$20 million higher than 2017. Given the economic and geopolitical backdrop we're facing globally and here in Western Canada, 6 percent earnings growth is something we should all be very proud of.

The earnings growth we achieved in 2018 came mainly from three of our businesses. Beginning with Structures and Frontec, in 2018, these businesses improved earnings by \$9 million. That may not seem like much until you put it in context of how much Structures and Frontec made in 2017. It is really

quite impressive. We more than doubled earnings this past year, from \$6 million in 2017 to \$15 million in 2018.

We did that by executing a three-pronged action plan to continue improving the stability of earnings and cash flow by, first, diversifying the customer base into new market segments within the health, education, and hospitality sectors, as well as rebuilding the customer lead list; second, increasing rental utilization, particularly in Central Canada and the eastern seaboard of Australia, as well as lowering our operating costs; and third, expanding geographically in new markets with long-term growth potential like Mexico and South America. There truly is a world of opportunity for these businesses out there.

I know Nancy has some great information to tell you about how and where we diversified the business, both by business line and geography in 2018. So we will wait with bated breath for that.

I would like to spend a couple of minutes on our 2018 investment for our 40 percent ownership interest in Neltume Ports. This business has 16 port operations across four South American countries, as you can see on the map.

This low-risk investment increases ATCO's participation in global trade and transportation. The ongoing globalization trend and stronger GDP growth expectations in Latin America compared to North America create a positive environment for Neltume Ports to continue growing the business.

In 2018, this business contributed earnings of \$4 million for us in just three short months. To add to that, in early 2019, we already received a \$12 million dividend from the investment, adding to our cash flow. So we're off to an excellent start.

The next investment I'd like to highlight is our commercial real estate business, which was formed in 2017 through ATCO Investments Limited, or AIL. AIL was formed to consolidate many of ATCO's

real estate holdings and to leverage strategies to generate revenue across ATCO's real estate portfolio. You can see some of these properties on the right side of the slide.

In 2018, we sold two of our properties for proceeds of almost \$20 million, resulting in \$13 million in earnings. One of those properties is on the bottom left. By selling these underutilized properties, we were able to unlock hidden value on our balance sheet and create positive earnings and cash flow.

Now turning to our largest investment, Canadian Utilities, or CU. While most of CU's businesses generated strong earnings growth in 2018, the utilities faced some fierce regulatory headwinds. CU's utilities had a resetting of their revenues to match their new lower operating costs that were achieved over the past number of years.

But CU absolutely rose to the challenge. Through their tenacious efforts to drive down costs and increase revenues in all businesses, CU finished 2018 with flat earnings compared to 2017. This is a remarkable achievement, given the utility headwinds they faced this past year.

As you can see by the yellow bars on this slide, CU's energy infrastructure businesses were the growth drivers in 2018. This was mainly due to three accomplishments. First, CU sold its ownership in the Barking Power assets located in the UK. Total proceeds received were \$219 million. This created positive cash flow and resulted in adjusted earnings for ATCO of \$6 million.

The Barking plant was an excellent asset for us over many years, but it had come to the end of its economic life. Selling mature assets like these and recycling the proceeds into growing areas of the company is part of our strategy and generated cash flow and earnings in 2018.

The next positive contributor was CU's electricity generation business. This business performed well in 2018, due to higher power market prices and top-notch operational excellence at the power plants. The employees certainly deserve the credit for all that great work.

And finally, one of CU's biggest achievements in 2018 was the construction of Alberta Powerline, a 500-kilometre electricity transmission line running from Edmonton to Fort McMurray. Because the project was completed a full three months ahead of schedule, we were able to record additional earnings. Congratulations to our Alberta PowerLine team, including our partner, Quanta, on this excellent achievement.

That hard work by our people in 2018 is continuing to pay off in 2019 across all of our businesses. In the first quarter of 2019, CU's utilities generated \$93 million in earnings for ATCO, which was \$3 million higher than the first quarter of 2018. All other ATCO businesses also achieved higher earnings in the first quarter of 2019, with \$10 million of earnings growth, as you can see on the right side of this slide.

In total, first quarter 2019 earnings were \$112 million compared to \$99 million earned in the first quarter of 2018, and that represents a stellar 13 percent year-over-year increase.

Now I'd like to take a few minutes to discuss one of ATCO's key tenants, financial strength. In August, DBRS completed its annual review of ATCO and confirmed its A credit rating with a stable outlook. In September, Standard & Poor's completed its annual review and confirmed its A minus credit rating, also with a stable outlook. Our commitment to sound fiscal stewardship remains the same and is supported by our conservative financial policies and prudent capital management.

Financial strength isn't just about the credit rating. It's also about being disciplined and taking the necessary steps to refresh our business. We continuously review our holdings to look for opportunities to monetize assets and increase growth in our portfolio.

The viability of these capital recycling opportunities depends on the outlook of each business, as well as general market conditions. This ongoing focus supports the optimal allocation of capital across the company.

In 2018, CU helped to strengthen the balance sheet through the sale of the Barking Power assets in the UK and AIL disposed of two real estate properties here in Alberta. We recycled that capital into assets with superior growth potential.

We acquired a majority ownership position in Espasimovil, a leading modular building manufacturer in Mexico, and CU acquired a long-term contracted 35-megawatt hydroelectric facility in Mexico. We also acquired our 40 percent interest in Neltume Ports, which we discussed a few minutes ago.

Further to this ongoing process, in September of 2018, CU announced a strategic review of their Canadian electricity generation portfolio, and CU recently commenced a strategic review of its ownership in Alberta PowerLine, or APL. As part of the APL process, we are providing an opportunity for Indigenous communities along the route to obtain an equity interest in APL. CU intends to remain as the operator of APL over its 35-year contract with the ISO.

The last element to financial strength I would like to talk to you about today is our dividends. Our growth in high-quality earnings and financial strength provide the foundation for continued dividend growth for you, our shareowners. In January, we announced a 7.5 percent quarterly dividend increase. ATCO has increased its dividend every year for 26 years, which is a track record we're extremely proud of.

In summary, 2018 was a year of real transformation for ATCO. We've broadened our focus to investments that put us at the forefront of global trends. At the same time, we continue to pursue cost efficiencies in every part of our organization to ensure we deliver the most competitive solutions for our customers. And those efforts produced some excellent results, with strong earnings growth in 2018, growth that continued into 2019, growth that will carry on as we expand our global reach, diversify our product offering, and provide innovative solutions for our customers.

In closing, I just want to reiterate that, as always, we remain focused on making prudent decisions to maintain our financial strength and create long-term value for you, our shareowners.

Thank you very much, and I'll turn it back to Nancy now.

Nancy Southern

Thanks, Dennis. Sometimes Dennis is a bit shy about celebrating. Twenty-six years of dividend growth is pretty remarkable. Thank you, Dennis.

Dennis DeChamplain

This is me having fun.

Nancy Southern

I hope you all agree that 2018 was a very successful year for your company, and Q1 continued to build on last year's results, despite the fact that we continue to face many challenges.

I recognize that there are a number of people in this room, Karl Ruud, the President and CEO of AKITA Drilling, Tim Egan, Kim (phon) at Waterworks, we're all facing difficult challenges in this province and in this country for our industries, particularly the energy and resource sector, including water.

I do feel, though, that the hard work that we have conducted over the past four years is paying off. First, we had to look at our cost structure and the reality of a very different economy, far slower than what we had experienced from 2005 to 2015, and Canada, Alberta, and Australia were particularly affected as commodity price collapsed. We had to face the fact that our world was going to look significantly different in the future.

So we began to address our processes and our procedures in order to enhance our lean and agile organization. And in parallel to this hard work, as constant disruption enters traditional businesses and whole industries today, we identified those parts of our business, which ended up being every aspect of

our business, that we ourselves could disrupt and build upon the new opportunities technology would offer and the skill sets of our people and how they could contribute to create the most value for you, our shareowners, well into the future.

We identified six essential services, as Dennis mentioned. Six essential services the world will require in some form. And these services now drive our strategy: energy, housing, logistics and transportation, agriculture, water, and real estate. Now, obviously, we have not fully developed or are participating in all of these industries, but this chart clearly depicts the visual form of our current and future strategy.

I believe we can check the box for energy. Canadian Utilities represents a marvellous asset that will continue to innovate and deliver world-class energy infrastructure solutions here at home and abroad under Siegfried Kiefer's leadership.

And there is exciting innovation occurring in CU's operations that have resulted in O&M cost reductions in both the pipes and wires business unit that puts us in the top quartile against our peers, making us an industry leader in reliable, safe, affordable energy delivery. And the same is true in our wires business, transmission and distribution.

And even more importantly, Canadian Utilities has significantly outperformed our year-over-year safety record, with total recordable injury incidents in 2018 down by 63 percent over 2017. We are working safer than we ever have before, with greater reliability from our systems and assets at a lower cost for our customers.

And we continue to demonstrate leadership in engineering, design, and construction. The Alberta Powerline that Dennis mentioned is a great example of this, and it is a true Canadian success story.

This Fort McMurray West 500-kilovolt Transmission Project successfully energized on March 29th, three months ahead of schedule and with an impeccable safety record. It's a model that we plan to use in projects, as the opportunity arises, around the world. And I'd like to congratulate Wayne Stensby, Sett Policicchio, Paul Geoguen, Quyen Nguyen, and the entire ATCO electric team that worked on Alberta Powerline for your tremendous success. It's terrific.

In this project, we conducted extensive landowner and community engagement that totalled more than 3,000 face-to-face meetings and resulted in a permit and licence application with no Indigenous or NGO objections. None. That's remarkable in today's world. Thank you, Ron.

Local Indigenous communities benefitted from a comprehensive contracting strategy that we offered as well that generated \$85 million in contracts and created tremendous skills training and local economic development. Centuries-old culture, histories, and local knowledge also helped us in shaping the route and our Caribou Protection Program. And this program has actually set a brand-new standard for construction here in Alberta.

Furthering this already exemplary model is our commitment, as Dennis mentioned, to all 21 Indigenous communities and Métis communities along the route to participate in equity ownership, an opportunity that will provide a long-term stable investment, enabling these communities to become direct owners and participants in Alberta's energy sector.

I am so very proud of what we have accomplished, and I'd like to share a short video with all of you today.

[Video Presentation]

Nancy Southern

We can get things done in this country, and we can do them in the right way that benefits all constituents. And I am so proud of our team. One-point-six billion dollars that project was; ahead of time and on budget.

It is a great example of our commitment as well, your company's commitment to the Aboriginal peoples of Canada. And over the past several decades, we have had the honour of nurturing a great number of meaningful joint ventures with Indigenous communities.

We have fostered lasting, respectful partnerships with 47 Aboriginal communities across the country. In 2018 alone, the economic value of these partnerships totalled more than \$250 million, and since 2012, the cumulative value of our Indigenous partnerships sits at almost \$3 billion. As a result, Indigenous communities have built capacity, and your company has the opportunity to gain new traditional knowledge, as well as ongoing relationships for the future.

In addition to our partnerships, they are contributing to transformation. And one of the many off-grid communities is another great example of our innovation and working with community. For example, in the off-grid communities, they are completely reliant on diesel fuel for power generation, and so by installing solar power to reduce emissions, such as in Fort Chipewyan in Northern Alberta where ATCO, alongside the Athabasca Cree, the Mikisew Cree, and the Fort Chipewyan Métis and the Government of Alberta, we announced the largest-ever solar and battery storage project in an off-grid community in Canada.

It's a 2.2-megawatt solar farm owned by our Indigenous partners, with a 1.5-megawatt battery, inverters, and microgrid control system that is owned by your company. And it will save an estimated 800,000 litres of diesel annually, creating a 25 percent emissions reduction.

Now for the future of our energy utilities, we are very conscious that we must constantly innovate for our customers. And in 2018, we successfully energized Alberta's first universal fast-charging electric-vehicle corridor along Highway #2, with stations in Calgary, Red Deer, and Edmonton, all powered by ATCO Energy. With the addition of 20 new fast chargers dispersed throughout Southern Alberta this year, your company will be well positioned to support our customers' journey through their electric vehicle charging transition.

ATCO Energy, our retail energy business, made terrific strides in 2018, securing greater market share and outpacing our competitors. When we reentered the retail market back in 2016, we set as our goal to be number three in the marketplace by 2020. Well, that was a pretty ambitious goal, we thought, but following significant growth in our first year of business, our residential market share increased by 51.5 percent from September 2017 to 2018. The sharp improvement has made us the third-largest competitive retailer in the province today, beating our ambitious objective by almost two years. And I encourage each of you to stay tuned because we have lots more to come from ATCO Energy.

Of course, like all aspects of the energy sector, we are subject to regulation and policy that often lags or obstructs our ability to accelerate innovation. As a result, the Alberta economy at large faces ongoing fundamental challenges on several fronts from plummeting investor confidence and major project cancellations to increased taxation and regulatory uncertainty.

Since the provincial NDP and federal Liberal governments came into power in 2015, the taxes paid by ATCO and its customers have continued to increase, and I think this chart demonstrates what's happening. The taxes paid in 2014 were \$819 million. They have increased by more than \$400 million in past four years.

We've seen provincial tax rates rise, property taxes rise, and most importantly our customers have been paying substantially higher taxes from the Alberta-wide carbon tax. As you can see, last year almost \$1.3 billion in taxes were collected and paid by your company, more tax than we could ever dream of earning.

ATCO is proud of its reputation as a good corporate citizen, and we take our responsibilities as a taxpayer very seriously. But the tax burden we face as individuals and companies poses a significant challenge. We have serious concerns about the competitiveness of Canada for foreign investment because of the burden of these taxes and regulations and policies, let alone the cost it imposes on our own manufacturing business, which is now not competitive for export out of Canada. We are working diligently to relay this message at all levels of government.

And then, of course, there's Bill C-69, which not only affects oil and gas, but also major infrastructure projects in the ATCO world, ranging from gas transmission pipelines to electricity transmission projects, like the Alberta Powerline, and power generation in the future. I'm going to stop there because my blood always starts to boil at this point in time.

Okay. Setting aside government and regulatory burden and moving around the circle of our essential services strategy, ATCO Structures gives us a check mark for housing. Under the leadership of ATCO Structures President, Adam Beattie, our modular manufacturing business has accomplished a remarkable transformation. And in 2018, we secured one of our biggest wins. We are providing workforce housing for the construction of Shell's LNG Canada project in Kitimat, one of the largest camps ever built in Canada.

In collaboration with the Haisla Nation, we're designing, engineering, and manufacturing a 4,500-person dorm, kitchen, dining, and recreational facilities for the project. And we are putting more than 350 people back to work in our factory in Calgary.

And under Adam's leadership, we also completed the construction of two new state-of-the-art manufacturing facilities in Australia and Chile. Our Australian factory on the Gold Coast of Queensland near Brisbane complements our existing manufacturing in the States of Victoria and Western Australia. And the Queensland factory and operations are successfully leading the way into diversified business lines to offset the cyclical nature of the resource sector, branching into permanent modular space products building medical clinics, schools, offices, apartment buildings, hotels, and even jails, to name just a few of the innovative and profitable new business ATCO Structures is developing. This is a beautiful school, isn't it? And it's hard to believe, that's all modular construction.

Our new facility in Santiago, Chile, strengthens our growing presence in South America. ATCO Sabinco, a partnership with our Chilean partners, Ultramar, has recently been successful in winning two Bechtel projects for office complexes and is preparing to bid on a number of mining expansion projects in South America.

And you may have noticed, ATCO Structures has just recently announced the acquisition of the controlling ownership in Espaciomovil, a leading modular building manufacturer in Mexico. ATCO Espaciomovil—I'm going to have to work on my Spanish, Jesus—is the leader in Mexico of modular products and has the second largest fleet of rental assets in the country.

The Company serves a diverse customer base across Central America, providing traditional workforce housing and classrooms and office space that this is a very unique product that they have designed. And this is actually a classroom that's working in Mexico. It doesn't look anything like the old

classrooms we used to build, does it Norm? They have proprietary engineering and manufacturing techniques for permanent modular construction, fast-tracking the construction of retail and high-rise construction by an incredible pace.

Now here's a quick glimpse of these two impressive facilities.

[Video Presentation]

Nancy Southern

Now as we continue to witness natural disasters around the world, like the 2018 California wildfires, the need for rapid deployment of ATCO Structures' product continues. And today, we announced the \$70 million contract to provide workforce housing and camp support services for the 1,500-person Tuscan Ridge Lodge near Chico, California.

This contract required us to move over 1,300 units from various existing projects throughout Wyoming and Louisiana, and it had to be done in 45 days. Now let's just think about that. It means all 1,387 units had to be inspected, repairs completed, cleaned, and put on a truck to arrive at site, then complexed for commissioning in just six weeks' time, ready to house and begin feeding over 1,500 people.

The contract was signed on March 18, 2019, and hand over occurred May 5, 2019. The contract will support our customer, ECC with their efforts to provide environmental remediation and debris cleanup in the Butte County region of Northern California, and in particular, the community of Paradise. As we all know, that community was particularly devastated in the fires.

And this marks a very important milestone for our operations in the United States, and clearly demonstrates our ability to provide the critical, essential service of housing with the utmost efficiency. Well done, Adam. And well done to Chris Myers and his team. Congratulations.

Now Jim Landon, President of ATCO Frontec, which is another transformation success story I'm so very proud of. With the contract for the California fires recovery efforts, Jim's team was on the ground before hand over of the camp, providing meals to ATCO Structure's support people as well as recovery workers, even though the customer didn't have all of the power and water available for full kitchen operations. But in their anything is possible attitude, Frontec fired up charcoal barbecues and started serving meals.

ATCO Frontec has also earned new business this past year under Jim's leadership, winning a catering and facilities management contract with Teck Resources, and they have expanded their capacity for BC Hydro Site C requirements, which now has 1,730 workers on-site. Frontec is now serving 5,200 meals per day, per day, seven days a week. That's more than 36,000 meals per week. I certainly wouldn't want to be in charge of that. It's a heroic logistical effort. And no complaints on the food, right, Jim? Right. Right?

Frontec continues to pursue new initiatives in Canada's North, and successfully rebid NRCan facilities management and Iqaluit fuel contracts with the Government of Canada. The logistics and communities contract in Bosnia continues with NATO, and our initiative to provide rapid relief in natural disasters continues.

ATCO Frontec, along with our newly acquired 40 percent position in Neltume, checked the box for our strategy of transportation and logistics.

Now as Dennis mentioned, this past fall, we acquired 40 percent of Neltume. This investment is with a trusted partner of strong shared values. It builds on our existing business relationship that we formed in ATCO Sabinco in 2016.

Neltume has 16 ports across four South American countries. It has an outstanding reputation with its employees and its customers alike. And this investment diversifies ATCO's portfolio by industry and geography. And while this new business is new to us, it has strong parallels to existing ATCO operations, with franchise-like infrastructure, long-term contracts, and a common customer base in the minerals industry who also have need for other ATCO products and services.

With the purchase of Neltume Ports, we are now actively involved in delivering a variety of goods to the world, including both dry-boat cargo and container volumes, employing more than 6,500 people, and handling 44 million tonnes of product in 2018, including copper, forestry products, consumer goods, and agriculture. The ports provide ATCO with a whole new customer base.

Now while I have not touched on water or real estate in our essential services strategy, we do have a modest successful greenfield start in both of these businesses. And I hope to expand much further on these two businesses for you at next year's Annual General Meeting.

And while our thoughts on vertical indoor agriculture are still in the incubation stage, at first blush we believe the complementary nature of our structures, energy, water, and real estate businesses have an important role to play in the future of agriculture.

Now Dennis mentioned one of our fundamental tenants. In our ever-changing world, it requires us to stay agile and flexible, and our method of operating must remain constant through this time of change. And so our fundamental tenants remain unchanged.

First, a healthy and strong balance sheet; principal control of your corporation; and finally, perhaps most importantly, keeping our promise to our owners, you, and our customers. And none of that would be possible without the people of ATCO.

The hallmark of an exceptional business is not just its partnerships, its operational performance, or its financial success. It is also about being a socially conscious, engaged corporate citizen that works towards making a difference.

Our success, past, present, and future, is our people's success. And I could not be more proud of the women and men of this enterprise who every year through our annual EPIC Campaign show commitment and compassion in hundreds of communities around the world where we work, live, and raise our families.

In 2018, through EPIC, Employees Participating in Communities, our employees' contributions, matched by your company, donated more than \$2.6 million to charities, taking the program's cumulative fund-raising total to more than \$41 million since its inception in 2006. Our employees also donated more than 8,600 volunteer hours to over 800 community organizations around the world.

And in addition to our EPIC contributions, I'm equally proud of your company's donation to build and install the very first Homes for Heroes community right here in Calgary. This 15 tiny home community located in Northeast Calgary will serve to offer homeless veterans a place of their own. A tiny home, complete with a small kitchen, a bathroom with a real bathtub and shower, and a bedroom sitting area, all contained within 250 square feet. The Mustard Seed will be providing counselling and skills development to help get our homeless vets back on their feet and receive the hero's recognition they so deserve.

Speaking of deserving recognition, I'm also very pleased to celebrate for the second year the winners of our annual Excellence Awards. Of the 69 nominations from employees around the world, our selection committee chose one exemplary individual for each category. And I'd like to ask each of the winners to stand as I call your name.

First is Tim Corboy. Tim, Manager, Contract Construction at ATCO Pipelines in our Blackfoot operations centre, he is the winner of the R.D. Southern Award of Excellence for Imagination and Innovation. On his own time, Tim developed a program that allowed our high-pressure pipelines buried underground to be visible on Google Maps through a mobile device. The program provides the precise location of our active and inactive pipelines, saving the transmission operators in the field time and guesswork, ensuring greater safety for our people and the surrounding communities. Our operators across the province using Tim's system constantly state, it's the greatest piece of technology they have to help them do their job. Congratulations, Tim.

Next is Yele. Yele Odofin-Belo, our award recipient for the Gerry Kiefer Award for Health and Safety. Yele is in our Frontec business, and is responsible for health, safety, and environment at BC Hydro's Site C Two Rivers Lodge. Yele built the facilities' quality management system from the ground-up. His work has earned several awards and accreditations from the International Organization of Standards (sic) [of Standardization], ISO, who recognized the highest standards being deployed by Yele for our site BC Hydro at Site C. Congratulations, Yele. You make us truly proud.

Howard Leong. Howard is the Award of Excellent for Marg Southern's Community Spirit. Howard devotes most of his personal time to volunteer efforts, and his contributions to community are significant. He's taken his vacation each year for the past three years, dedicating eight full weeks to volunteer for the Calgary Poppy Fund and the Veterans Food Bank. Howard continues to work on a multitude of programs to help our Canadian Armed Service veterans. He is a hero among heroes. Congratulations, Howard. Thank you very much.

Charles Latschislaw, our award recipient for the N.C. Southern Excellence Award for Growth. Charles introduced a small, mobile, self-contained latrine unit that can be—I'm having trouble

now—that can be transported with a pickup truck instead of a large transport semitrailer. Now this sounds simple, but this is truly an innovative product and design that has seen a rapid increase in demand and subsequent rental income, which has contributed significantly to ATCO Structure’s growth. Congratulations, Charles. We’re so proud of you as well.

The relentless pursuit of excellence demonstrated by each of our award recipients is truly a reflection of the values of your Company.

I would like to now close my remarks today by once again thanking our directors, and to each of you, the owners of our company. To our customers and to the people of our company, you are extraordinary. I am so proud to be among you. You come to work, our people come to work every day to make us who we are. ATCO. Always there, anywhere. Thank you.

That concludes our presentations, and I’d like to open the floor for any questions or discussion that any of you would like to undertake.

Does anybody have any questions you’d like to ask of—oh, Norm.

Q&A

Norm King — Shareholder,

I don’t really know if I have a question, but one of the things that’s occurring as we’re moving further in technology is artificial intelligence. Now we talked about a strategy program there, but a lot of the strategies now encompass that as a very real part of the process. Like in health care now, we could potentially, just in ER, look at a \$400 million reduction by doing AI evaluations without the physicalness—

Nancy Southern

Mm-hmm.

Norm King

—of the doctor. Now I know that scares people and some don't want to be. But as I look at the strategy there, I guess my question becomes, we've responded to some of the electric car stuff. What are we responding to as we develop those strategies in terms of the component of AI increasing efficiencies, increasing dollars, and those sorts of things? So I don't know if it's a question, but it's—

Nancy Southern

Well, it's an excellent comment and deserves a response. We are employing artificial intelligence, cognitive learning from our systems on a constant basis, and refreshing that and actually improving that. In fact, George, you've got an asset management new system that's going in as we speak that will give us a lot more intelligence, predictive intelligence around how our systems are going to operate.

I'd also say that Marshal Wilmot's ATCO Energy, our retail business, with the application of new digital and e-commerce technology, will give us tremendous insight regarding consumer demand, which will translate in us being able to build more efficient systems in the future, assets in the future. So we're very cognizant of the rapid growth in cognitive learning, machine learning that can help our business, and are in the process of deploying those technologies.

Anything else? Yes?

Shareholder

Hi.

Nancy Southern

Morning.

Shareholder

So my question today is about dealing with governments. And when so I, just as a resident of Calgary, attend some function put on by a member of parliament or a member of the Alberta legislature—

Nancy Southern

Or city council.

Shareholder

what should I—or what?

Nancy Southern

Or city council.

Shareholder

Oh, yeah. I go to the city ones a lot, too. My alderman, now called City Councillor, Peter Demon, he has lots of those, so he's really good at listening to his constituents. So when I chat with these people, what sorts of questions or comments might be helpful in terms of, say, ATCO's interests as a company that you want the community on your side and your shareholders on your side in these discussions? And I think politicians do listen to their constituents if you actually show up at their meetings and take the time to chat with them. So what should I be concerned about in terms of ATCO's interests when I'm chatting with these politicians at their events? Thanks.

Nancy Southern

Well, I think ATCO's interests are very much aligned with individuals' interests, and very much aligned with the business community at large. Of course, I have one pet peeve that I would ask city council, is why they spent over \$1 billion buying a utility outside of our jurisdiction when they're complaining about not having money to fulfill programs in the city. That's one question I would have.

I'm not going to let my blood boil. I would ask, when is government going to act like all of us and be fiscally responsible? What are the priorities? Address the priorities and provide them to our communities on the most efficient basis possible. We must reduce our debt. You, our company, anybody in this room cannot continue to live with the amount of debt that we are amassing. It will harm future generations.

I would ask, how are we going to bring back a competitive environment for our businesses. We have regulatory burdens. And this red tape, this regulatory burden, now can you share the mic with Adam? Adam, Adam, is facing cost structures taxation, noise, embargos on working. How competitive is your Calgary factory? Our leading founding factory, how competitive is it in North America?

Adam Beattie

Well, we're working harder to make it more competitive, but certainly, the restrictions or the burdens that are on us even to export across province are extremely restrictive, as well as looking at international sanctions on us. It's very restrictive. We work hard, but it's a daily grind to create competitiveness and efficiency from that facility. So it's certainly something that the governments can support and provide more capability to increase competitive value for the workers within Alberta.

Nancy Southern

So my answer is ask our politicians, ask our policy leaders, what is they're going to do to bring back economic value and create a country that has been, in the past, punching far above its weight in what it's able to deliver to the world. And today, our resources, our manufacturing capabilities, our ability for our people to create new opportunities in business and for their own lives is being restricted every time we turn around. And what are they going to do about that? How are they going to move us back up the scale of competitiveness in the world today?

And that doesn't apply just to ATCO, does it? That's with regards to every business in this country. And the economic destruction—well, I'm going to be on a soapbox here, and my blood is boiling—but the economic destruction, it should be punishable.

Each one of you in this room are, in earnest, hardworking, striving to build a better life for your families, striving to build a better community. And that's what business is all about, offering jobs and providing opportunity. And when your company, born here in Calgary, Alberta, has to go outside of this country to find opportunity, it is a heart-breaking shame.

And I hope we're now pointed in the right direction and that Edmonton, the city council, and our leaders in Ottawa are starting to listen. I know Tim and Siegfried, Dale Friesen, Eddie Goldenberg, Kim, you have been heroic in your efforts to try and get Ottawa to understand what competition means in this world; what we need in Canada. And your efforts on C-69, C-68, -48, are really commendable. I want to thank you personally for all that you do. It is terrific.

Okay. I'm calm. Anything else? Nobody dares now.

Shareholder

Hello again. Yeah. I'm back here. So if nobody else wants to, I'll ask another question. And I figure a lot of people are your employees, so they already have had plenty of opportunity to ask questions, and maybe that's why they're not asking questions as much, I mean, but since I'm just a member of the community and I do own a couple shares of ATCO. But I'm just curious, dealing with your investments in other countries, you're dealing with other governments as well, and in the case of Mexico, Chile, and Uruguay, you're dealing with a different language and culture. With Australia, you have language in common. So dealing with other cultures and in the case of South America a different language and also different governments, how does that complicate your business? Thanks.

Nancy Southern

Well, it definitely complicates it. Language can be a severe barrier. We're very fortunate, as I mentioned, that we have a like-minded partner in Ultramar, a family owned company, the von Appen family. And they have really top-quality executives that help us. We have our own people in Chile and Mexico who are becoming more and more fluent in Spanish. And we have hired a lot of really good people from in-country.

I'm not saying that Canada is alone in its regulatory burden. We certainly are facing uncertainty from governments in Mexico. There is a growing momentum to provide more and more stricter regulatory covenants on new projects around the world. But I have to say that that entrepreneurial spirit that this country was born on is refreshing to see because it's still very much alive and thriving in South America and Mexico and Australia.

I know it wants to thrive here as well. Everybody's frustrated with the inability to do some of the things that we all want to do. But we're not finding that there's major issues learning new language and new government regulations or government practices in those countries. I believe, primarily, because we have such a good partner to work with. And that's the same in our Indigenous community partnerships. Their knowledge, we rely on it. It adds to the value of every project. And that's the same in other countries around the world where we do business.

Does that answer your question? Not really.

Shareholder

[off mic]

Nancy Southern

Yeah.

Shareholder

[off mic]

Nancy Southern

Good. Anything else? Can you imagine trying to digest—like let's go to Al, Norm. The Alberta Utilities Commission is a panel of people. Now who can actually digest 225,000 pages and come up with a rational decision. That doesn't include all the interventions and responses. That was just the application. The line's been working for the last six years. And it's just absolutely absurd. Tim, you see that all the time, right?

I mean, even the Coastal Link Pipeline, getting gas to LNG Canada, which is a great—it's one of the bright lights in Canada today is LNG Canada, Kitimat. We have that Coastal Link Pipeline to build. Trans Mountain Pipeline, Adam tells me the camps, for crying out loud, are on the critical path for that pipeline because there's no capacity. The capacity's all dried up. People have left.

Our competitors have closed down their manufacturing or sold it off. An obstruction occurs every step of the way. Now if Bill C-69 passes, we probably will see Trans Mountain and even Coastal Link back in the regulatory process. Think about that.

What the heck is wrong with us? I know we can figure this out. So I encourage you. I encourage you to talk to all of your members of parliament in the legislature and council to say, let's stop this nonsense. We understand prudent, safe, environmental and social practices. In fact, we are the leaders in the world. Get out of our way and allow business to do business in the best possible fashion, which is what we have been doing. It is what we have been doing. And stop restricting us from providing opportunity in the future.

Thank you very much, ladies and gentlemen.

Now—oh we have another question. I apologize.

Audience Member

Okay. I just want to say I'm actually here from one of the members of parliament's office. So in listening to you, I'm representing Stephanie Kusie today. My husband was a former MP as well for almost 12 years. So we are listening. We're aware. I think she goes every single day to Ottawa with great frustration.

So it's not—you do have to keep talking to us. The more that we hear from you, the better it is. Please keep engaging us. But there is an awareness that C-69 is going to going to kill Alberta. It's going to kill the regulatory framework in Canada. And there are people not just from Alberta, there are MPs all over this country who do get it. And want you to be encouraged by that. I want you to know that there there's MPs in Ontario and BC who understand this and are also carrying the same message.

So I believe our leader gets it. He's a Westerner. And he's said he will repeal C-69 if it passes. So hopefully, we'll see a change in October, but we're listening. We hear it. We know the frustration. And we do want to get out of the way. We want that to succeed.

Nancy Southern

And Sarah (phon), you know I am not talking about your MP. And I'm not talking about those MPs that do understand. I'm talking about the real decision-makers today in Ottawa that have the power of the electorate are not listening.

Audience Member

Agreed. They're not. Yeah. Well, they're listening, but I think that there's a willful choice to disregard what's being said.

Nancy Southern

Thank you. And thank you for your tremendous hard work.

This year's cover for the annual report is a lovely Alberta fox, one of my sister's most favourite creatures on the planet. And our traditional poster is available for you in the foyer to pick up.

And I believe that concludes our 52nd Annual Shareowners Meeting. Thank you very much for your patience with me. My apologies for standing on a soapbox.

Thank you very much for your trust and commitment in our company, and we look forward to seeing you again next year.