DISCLAIMER

Due to uncertainty surrounding the application of recent amendments to the Competition Act (Canada), these documents are provided for historical information purposes only and do not constitute active or current representations of CU Inc. or any of its related parties. The purpose of these documents is to comply with disclosure requirements that were in effect on the date these documents were filed; CU Inc. undertakes no obligation to update such information except as required by applicable law. CU Inc. remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.

CU INC.
An ATCO Company

CU INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2023

March 27, 2024

This Annual Information Form (AIF) is meant to help readers understand the business and operations of CU Inc. (our, we, us, or the Company).

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2023.

The Company is controlled by Canadian Utilities Limited, which in turn is controlled by ATCO Ltd. and its controlling share owners, Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

Terms used throughout this AIF are defined in the Glossary at the end of this document.

TABLE OF CONTENTS

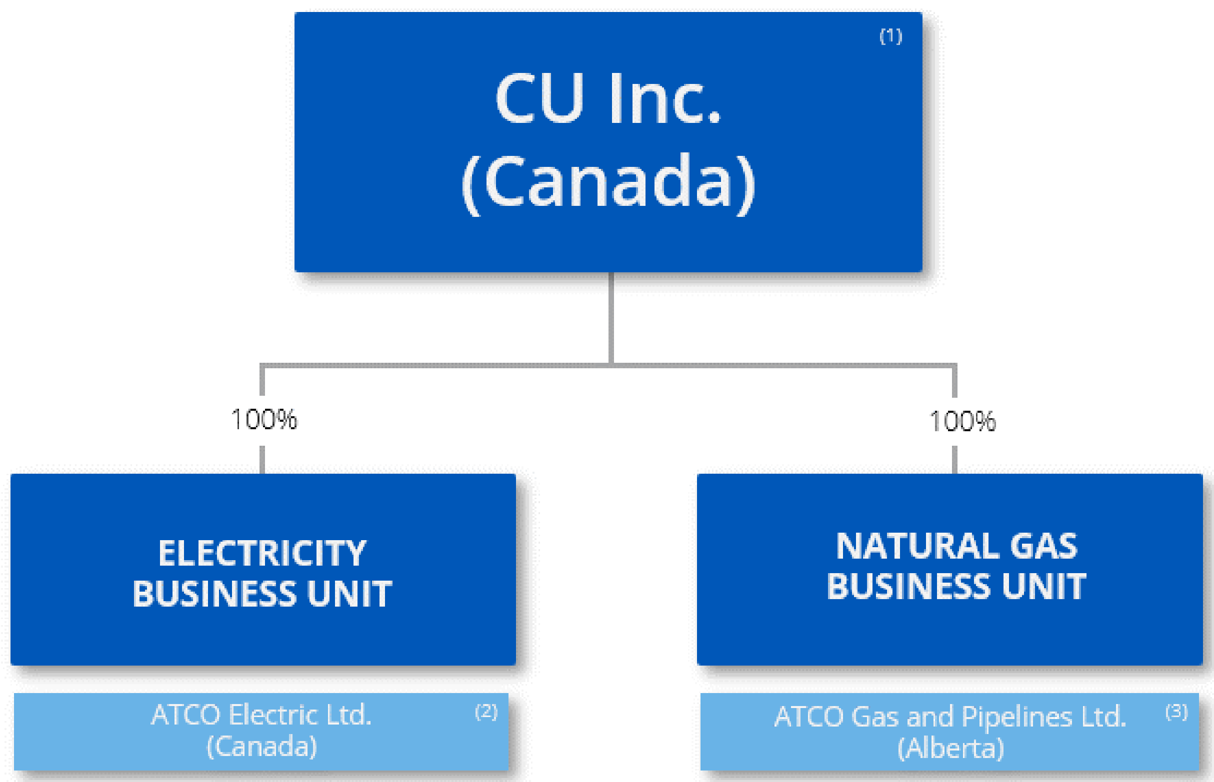
CORPORATE STRUCTURE

CU Inc. was incorporated under the *Canada Business Corporations Act* on March 12, 1999. The address of the head office and registered office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4.

SIMPLIFIED INTERCORPORATE RELATIONSHIPS

CU Inc. is a wholly-owned subsidiary of Canadian Utilities Limited, an ATCO company. CU Inc. is an Alberta-based corporation with 3,850 employees and assets of $19 billion comprised of rate regulated utility operations in electricity transmission and distribution and natural gas transmission and distribution (the Utilities). More information about CU Inc. can be found on the Canadian Utilities Limited website at www.canadianutilities.com.

The following chart includes the names of the Company's principal business units, as well as the principal subsidiaries comprising the business units, and the jurisdictions in which they are governed. The chart also shows the percentages of such subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



(1) *The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2023.*

(2) *ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission.*

(3) *ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission.*

BUSINESS DESCRIPTION

OVERVIEW

The activities of the Company are conducted through two regulated business units within western and northern Canada: Electricity, which includes Electricity Distribution and Transmission, and Natural Gas, which includes Natural Gas Distribution and Transmission.

Our value proposition is delivering essential energy for an evolving world. We do this through safely delivering reliable and affordable energy, responsibly leading an equitable energy transition, investing to serve the growing and changing needs of our customers, and being a trusted partner committed to long-term mutual prosperity.

COMPETITIVE ENVIRONMENT

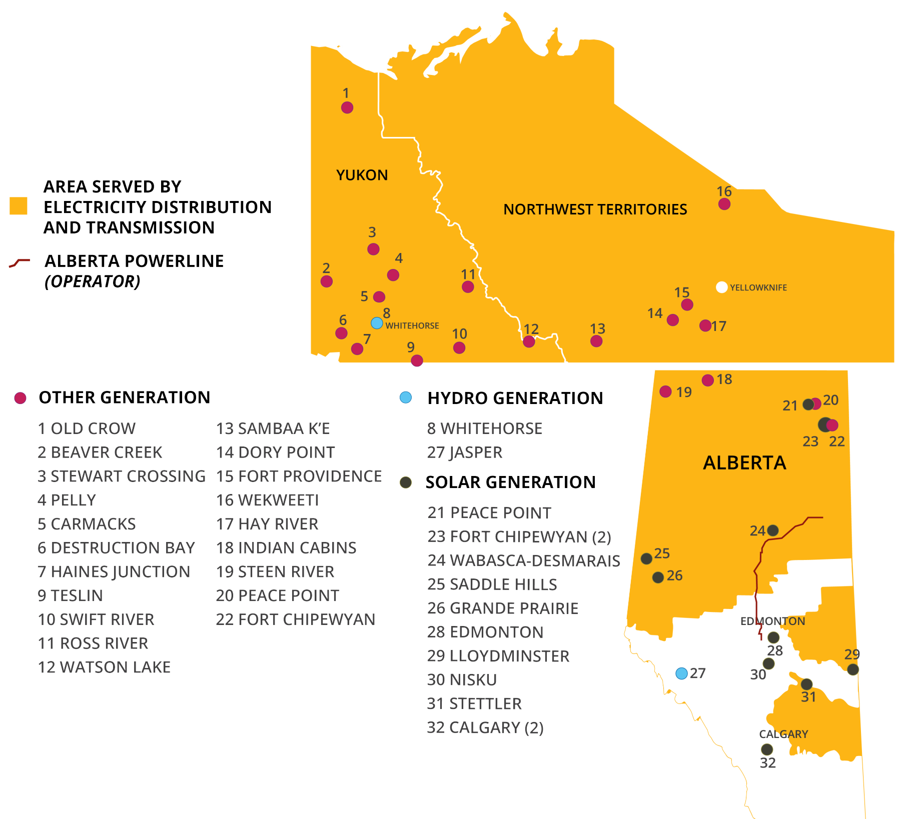
The utility industry is evolving with an increasing focus on climate-adaptation, decarbonization, digitalization and decentralization in response to our customers' and other stakeholders' expectations. Evolving regulations, government emissions reduction targets and associated investment incentives present the Company with opportunities, which it is well positioned to pursue.

The majority of our assets are located in Alberta, Canada, where our utilities are established and trusted with over 100 years of operations that have involved numerous regulatory and policy changes; this earned experience provides us an advantage over our peers in all of our jurisdictions.

ELECTRICITY BUSINESS UNIT

ELECTRICITY DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Electricity Distribution and Electricity Transmission, as well as the locations of electricity generation owned or operated by Electricity Distribution and Transmission, in western and northern Canada.



Electricity Distribution and Transmission transmit and deliver electricity to approximately 240 communities and rural areas in Northern and Central East Alberta. Among those served are the communities of Drumheller, Grande Prairie, and Fort McMurray, as well as areas near Fort McMurray, Cold Lake and Peace River. Electricity utility service is also provided to three communities in Saskatchewan, including Lloydminster. Electricity Distribution and Transmission is headquartered in Edmonton and has 34 offices throughout its service area.

The Yukon Electrical Company Limited (ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Northland Utilities Enterprises Ltd. (Northland Utilities) is a 50/50 partnership between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. Northland Utilities has two operating divisions: Northland Utilities (NWT) Limited (NWT) and Northland Utilities (Yellowknife) Limited (NUY). NUY and NWT serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Approximately 670,800 people live in the principal markets for electric utility serviced by Electricity Distribution and Transmission and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 264,000 customers. Electricity Distribution and Transmission has been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 13 per cent of the provincial electrical load and 12 per cent of the population.

The average monthly number of customers served by Electricity Distribution and Transmission, NUY, NWT and AEY in 2023 and 2022 is shown below.

		2023		2022
	Number	%	Number	%
Residential	**187,041**	**71**	185,919	71
Commercial	**35,155**	**13**	34,960	13
Industrial	**9,264**	**4**	9,299	4
Rural, REA and other	**32,420**	**12**	32,400	12
Total	**263,880**	**100**	262,578	100

Electricity distributed to the various classes of customers in 2023 and 2022 is shown below.

		2023		2022
	GWh	%	GWh	%
Residential	**1,321**	**11**	1,364	11
Commercial	**2,297**	**19**	2,325	19
Industrial	**7,822**	**66**	8,266	66
Rural, REA and other	**511**	**4**	534	4
Total	**11,951**	**100**	12,489	100

Electricity Distribution and Transmission, NUY, NWT and AEY own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,000-km of transmission lines and approximately 60,000-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,500-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, NUY and NWT distribute electricity to incorporated communities under the authority of franchises or by-laws. In rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to Electricity Distribution and Transmission, NUY or NWT, and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be determined by the regulatory authority. The franchise under which service is provided in the Yukon was granted under the *Public Utilities Act* (Yukon) and has no set expiry date.

Under the *Electric Utilities Act* (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the Alberta Utilities Commission (AUC). Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except inter-provincial inter-tie projects and those deemed "critical" by the Government of Alberta.

Alberta PowerLine

CU Inc. is the operator of Alberta PowerLine (APL) under a 35-year contract ending in 2054. APL owns a 500-km, 500-kV electricity transmission line running from Wabamun, Alberta to Fort McMurray, Alberta. APL is 60 per cent owned by TD Asset Management Inc. for and on behalf of TD Greystone Infrastructure Fund (Global Master) L.P., and IST3 Investment Foundation acting on behalf of its investment group IST3 Infrastruktur Global. The other 40 per cent is owned by seven Indigenous communities in Alberta: Athabasca Chipewyan First Nation, Bigstone Cree Nation, Gunn Metis Local 55, Mikisew Cree First Nation, by way of its business arm, the Mikisew Group of Companies, Paul First Nation, Sawridge First Nation and Sucker Creek First Nation.

Electricity Generation

Hydroelectric, Solar Generation and Diesel

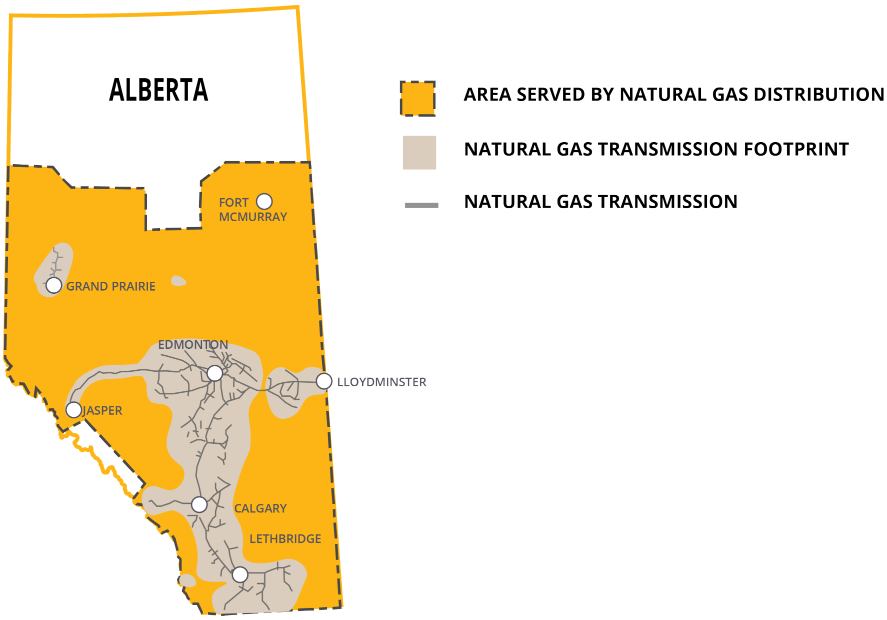
Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 12 solar sites, and 20 diesel-generating plants and 6 mobile generating units, with an aggregate nameplate capacity of 48-MW in Alberta, the Yukon and Northwest Territories.

The hydroelectric assets include one facility in Whitehorse, Yukon, and one in Jasper, Alberta, that each generate 1.4-MW of hydroelectric power. The solar sites in Alberta include rooftop and ground mounted solar sites, including the Fort Chipewyan Solar Project, the largest off-grid solar project in Canada, and Old Crow Solar project, the most northerly off-grid solar project. The diesel sites are spread throughout the Yukon, Northwest Territories and Alberta and serve remote communities that are not connected to the grid.

Electricity Distribution and Transmission continue to advance their strategy to enable renewable energy generation and delivery while supporting their customers' energy needs. In August 2022, the Government of Northwest Territories announced it was providing Northland Utilities up to $300,000 to support the installation of two public EV fast-charger stations in Yellowknife. In December 2022, ATCO Electric Yukon, a subsidiary of CU Inc., and Copper Niisüü Limited Partnership finalized landmark Electricity Purchase Agreements to underpin the Saa Sè Energy Project in Beaver Creek and the wind facility project in Burwash Landing to enhance energy autonomy for both the White River and Kluane First Nations.

NATURAL GAS BUSINESS UNIT

The following map shows the areas served by Natural Gas Distribution and Natural Gas Transmission in Alberta.



NATURAL GAS DISTRIBUTION

Natural Gas Distribution delivers natural gas throughout Alberta and in the Lloydminster area of Saskatchewan and serves approximately 1.3 million customers in 302 Alberta communities.

Natural Gas Distribution's principal markets for distributing natural gas are in the Albertan communities of Edmonton, Calgary, Airdrie, Fort McMurray, Grande Prairie, Lethbridge, Red Deer, Spruce Grove, St. Albert and Sherwood Park, and the Lloydminster area of Saskatchewan. These communities have a combined population of approximately 3.3 million people. Approximately 81 per cent of Natural Gas Distribution's customers were located in these 11 communities in 2023. Also served are 291 smaller communities as well as rural areas with a combined population of approximately 770,000.

The average monthly number of customers served by Natural Gas Distribution in 2023 and 2022 is shown below.

		2023		2022
	Number	%	Number	%
Residential	**1,185,527**	**92**	1,167,506	92
Commercial	**103,833**	**8**	102,958	8
Industrial	**341**	**—**	340	—
Other	**711**	**—**	737	—
Total	**1,290,412**	**100**	1,271,541	100

The quantity of natural gas distributed by Natural Gas Distribution in 2023 and 2022 is shown below.

		2023		2022
	PJ	%	PJ	%
Residential	**112.2**	**45**	127.7	46
Commercial	**123.1**	**49**	135.5	49
Industrial	**14.4**	**6**	13.1	5
Other	**0.3**	**—**	0.2	—
Total	**250.0**	**100**	276.5	100

Natural Gas Distribution owns and operates approximately 41,700-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 169 franchise agreements with communities throughout Alberta. These franchise agreements detail the rights granted to Natural Gas Distribution and its obligations to deliver natural gas services to consumers in the municipality.

All franchises are exclusive to Natural Gas Distribution and are renewable by agreement for additional periods of up to 20 years. If any franchise is not renewed, it remains in effect until either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be determined by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. Natural Gas Distribution has a 20-year franchise agreement with Edmonton that will expire on July 21, 2030. The franchises under which service is provided in other incorporated communities in Alberta have been granted for up to 20 years.

In Calgary, the distribution of natural gas operates under a municipal by-law. The rights of Natural Gas Distribution under this by-law, while not exclusive, are unrestricted as to term. The by-law does not confer any right for Calgary to acquire the facilities used in providing the service.

Hydrogen Blending Project

The advancement of hydrogen production in the province creates additional opportunities related to blending within existing natural gas infrastructure. CU Inc. has proposed projects that reinforce the safe use of hydrogen with the intent to eventually leverage Alberta's existing carbon capture and sequestration infrastructure to store emissions associated with the production process. These opportunities will contribute to system decarbonization, investment, and help support provincial and federal emissions targets.

NATURAL GAS TRANSMISSION

Natural Gas Transmission owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system from various gas processing plants as well as from connections with other natural gas transmission systems. The business transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province.

Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,100-km of pipelines, 11 compressor sites, approximately 3,600 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan, Alberta. The system has 173 producer receipt points, one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 5.02 billion cubic feet per day.

REGULATORY INFORMATION

The regulatory framework and recent developments are described in the "Utilities Regulatory Information" section in CU Inc.'s MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

THREE YEAR HISTORY

Summarized below are the major events, acquisitions, dispositions, and conditions that have influenced the Company's development during the past three years.

REVENUE SUMMARY

Each business unit's contribution to the Company's consolidated revenues is shown in the chart below.

Revenues (1)	2023		2022		2021	
	($ millions)	*%*	*($ millions)*	*%*	*($ millions)*	*%*
Electricity	**1,397**	**48**	1,464	46	1,376	49
Natural Gas	**1,542**	**52**	1,692	54	1,452	51
Corporate & Other and Intersegment Eliminations	**(8)**	**—**	(5)	—	(5)	—
Total	**2,931**	**100**	3,151	100	2,823	100

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2023 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

Revenues and earnings in the Utilities are driven by capital expenditures. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. The Utilities have invested over $3.1 billion in capital since 2021.

The Utilities revenues have been influenced by several regulatory decisions over the last three years. In 2022, higher revenues in the Electricity Distribution and Natural Gas Distribution businesses were a result of rate relief provided to customers in 2021 in light of COVID-19 and the subsequent AUC decision to maximize the collection of 2021 deferred revenues in 2022. 2023 revenues were lower mainly due to cost efficiencies generated by Electricity Distribution and Natural Gas Distribution over the second generation Performance Based Regulation term now being passed onto customers under the 2023 Cost of Service rebasing framework, and Electricity Transmission's settlement of the 2018-2021 Deferral Application and the 2023-2025 General Tariff Application which reflects ceased collection and a refund of previously collected federal deferred income taxes.

ELECTRICITY BUSINESS UNIT

CAPITAL EXPENDITURES

Total capital expenditures for Electricity in the last three years is provided in the table below.

				Year Ended December 31
($ millions)	**Total**	**2023**	**2022**	**2021**
Electricity Distribution	903	**391**	282	230
Electricity Transmission	643	**239**	284	120
Total	1,546	**630**	566	350

Capital expenditures in utility infrastructure in Alberta over the past three years have included the replacement of aging infrastructure, grid modernization, new customer connections and off-diesel initiatives.

NATURAL GAS BUSINESS UNIT

CAPITAL EXPENDITURES

Total capital expenditures for Natural Gas in the last three years is provided in the table below.

			Year Ended December 31	
($ millions)	**Total**	**2023**	**2022**	**2021**
Natural Gas Distribution	978	**355**	329	294
Natural Gas Transmission	650	**145**	143	362
Total	1,628	**500**	472	656

Capital expenditures in Natural Gas Distribution and Transmission over the past three years have been focused on the replacement of aging infrastructure, installation of new customer connections as well as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal to gas generating conversion of power plants.

Urban Pipelines Replacement (UPR) Program

The UPR program installed 140-km of new high-pressure pipelines within the Transportation Utility Corridor within Edmonton and Calgary to address safety, reliability and future growth. In addition, 200-km of pipelines were transferred from Natural Gas Transmission to Natural Gas Distribution, and 110-km of pipelines were abandoned. Natural Gas Distribution and Natural Gas Transmission has invested over $900 million over the duration of the UPR program, which had all major components completed in 2022. Final clean up and project close outs were completed throughout 2023.

Mains Replacement Program

Natural Gas Distribution has two mains replacement programs which were approved in 2011, the plastic mains replacement and the steel mains program. The plastic mains replacement includes 8,000-km of polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe that are planned for replacement. Natural Gas Distribution has replaced 2,407-km of PVC and PE pipe since the approval of this program. The steel mains program includes 9,000-km of steel pipe that is monitored and continually evaluated for replacement based on the performance history. Natural Gas Distribution has replaced 365-km of steel pipe since the approval of this program.

Pioneer Pipeline

The transaction to acquire the 131-km Pioneer Pipeline from Tidewater Midstream & Infrastructure Ltd. and its partner TransAlta Corporation for a purchase price of $265 million closed in 2021. Consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred to Nova Gas Transmission Ltd. (NGTL) the 30-km segment of pipeline that is located in the NGTL footprint. The transfer to NGTL received approval from the Canada Energy Regulator on December 22, 2021, and on February 25, 2022, Natural Gas Transmission completed the transfer to NGTL of the 30-km segment of pipeline located in the NGTL footprint for $63 million.

CORPORATE & OTHER

EXECUTIVE APPOINTMENT

On January 19, 2024, the Company announced the retirement of Executive Vice President and Chief Financial Officer, Brian P. Shkrobot, effective March 1, 2024. Katie Patrick, Executive Vice-President, Chief Financial & Investment Officer, ATCO, will broaden her portfolio to include Chief Financial Officer for Canadian Utilities and CU Inc. effective March 1, 2024.

INFORMATION TECHNOLOGY (IT) MASTER SERVICE AGREEMENTS

In 2020, ATCO Technology Management Ltd., a wholly owned subsidiary of the Company's parent, Canadian Utilities Limited, signed a Master Services Agreement (MSA) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) to provide managed IT services. These services were previously provided by Wipro Ltd. (Wipro) under ten-year

MSAs expiring in December 2024. The transition of the managed IT services from Wipro to Kyndryl commenced on February 1, 2021 and was completed by December 31, 2021.

EMPLOYEE INFORMATION

At December 31, 2023, the Company had 3,850 employees; 1,677 in Electricity, 1,941 in Natural Gas, and 232 employees in Corporate & Other.

SPECIALIZED SKILLS AND KNOWLEDGE

CU Inc. requires a wide range of talent to continue to operate at world-class levels. Our business units are required to develop and retain a skilled workforce for their operations. Many of our employees possess specialized skills and training and the Company must compete in the marketplace for these workers. As part of our people resourcing and management strategy, we believe in investing in our people by promoting and supporting their development. We also complete succession and development planning annually with a significant focus on critical roles and skills while providing leadership and individual development programs. Further details about workforce retention are discussed in the "Business Risk and Risk Management" section of the Company's 2023 MD&A.

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Sustainability, Climate Change and Energy Transition is described in the "Sustainability, Climate Change and Energy Transition" section in CU Inc.'s MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca. ATCO's 2023 Sustainability Report will be published in May 2024.

BUSINESS RISKS AND RISK MANAGEMENT

Business risks are described in the "Business Risks and Risk Management" sections in CU Inc.'s MD&A and are incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

(Canadian dollars per share)	**Date of Issue**	**2023**	**2022**	**2021**
Series Preferred Shares				
Series 1	Apr 18, 2007	**1.15**	1.15	1.15
Series 4 [(1)]	Dec 2, 2010	**0.57**	0.57	0.57
Class A shares and Class B shares		**45.82**	85.71	64.32

(1) Effective June 1, 2021, the annual dividend rate for the Series 4 Preferred Shares was reset at 2.29 per cent for the five-year period from June 1, 2021 to May 31, 2026. Prior to the reset on June 1, 2021, the annual dividend rate was 2.24 per cent.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at March 27, 2024 is as shown below.

Share Description	Authorized	Outstanding
Series Preferred Shares	Unlimited	7,600,000
Class A shares	Unlimited	3,570,322
Class B shares	Unlimited	2,188,262

All of the Class A and Class B shares are owned by Canadian Utilities Limited.

SERIES PREFERRED SHARES

An unlimited number of Series Preferred Shares are issuable in series, each series consisting of such number of shares and having such provisions attaching thereto as may be determined by the directors. The Series Preferred Shares as a class have, among others, provisions to the following effect:

i. The Series Preferred Shares are, with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, entitled to preference over the Class A shares and the Class B shares and any other shares of the Company ranking junior to the Series Preferred Shares. The Series Preferred Shares may also be given such other preference over the Class A shares and the Class B shares and any other junior shares as may be determined for any series authorized to be issued.

ii. The owners of the Series Preferred Shares are not entitled as such (except as provided in any series) to any voting rights nor to receive notice of or to attend share owners' meetings unless dividends on the Series Preferred Shares of any series are in arrears to the extent of eight quarterly dividends or four half-yearly dividends, as the case may be, whether or not consecutive. Until all arrears of dividends have been paid, such owners will be entitled to receive notice of and to attend all share owners' meetings at which directors are to be elected (other than separate meetings of owners of another class of shares) and to one vote in respect of each Series Preferred Share held.

iii. The class provisions attaching to the Series Preferred Shares may be amended with the written approval of all the owners of the Series Preferred Shares outstanding or by at least two-thirds of the votes cast at a meeting of the owners of such shares duly called for the purpose and at which a quorum is present.

The following Series Preferred Shares are currently outstanding:

	Stated Value	Shares	Amount *($ millions)*
Series Preferred Shares:			
4.60% Series 1	$25.00	4,600,000	115
2.29% Series 4	$25.00	3,000,000	75
		7,600,000	190

SERIES PREFERRED SHARE REDEMPTION

Series 1 Preferred Shares

The Series 1 Preferred Shares became redeemable at the option of the Company beginning on June 1, 2012 at the stated value plus a 4 per cent premium per share for the following 12 months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding 12-month period until June 1, 2016.

Series 4 Preferred Shares

The Series 4 Preferred Shares became redeemable at the option of the Company on June 1, 2016, and are redeemable on June 1 of every fifth year thereafter at the stated value per share plus accrued and unpaid dividends. If not redeemed, owners may elect to convert any or all of their Series 4 Preferred Shares into an equal number of

Cumulative Redeemable Preferred Shares Series 5 on June 1, 2026, and on June 1 of every fifth year thereafter. Owners of the Series 5 Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board, payable quarterly at a rate equal to the then current 3-month Government of Canada Treasury Bill yield plus 1.36 per cent. On June 1, 2026, and on June 1 of every fifth year thereafter (Series 5 Conversion Date), holders of the Series 5 Preferred Shares may elect to convert any or all of their Series 5 Preferred Shares back into an equal number of Series 4 Preferred Shares. The Company may redeem the Series 5 Preferred Shares in whole or in part at $25.00 on a Series 5 Conversion Date or at $25.50 on any other date.

CLASS A SHARES AND CLASS B SHARES

The owners of the Class A shares and the Class B shares are entitled to share equally, on a share-for-share basis, in all dividends declared by the Company on either of such classes of shares as well as the remaining property of the Company upon dissolution. The owners of the Class B shares are entitled to vote and to exchange at any time each share held for one Class A share.

If a qualifying offer to purchase Class B shares is made to all, or substantially all owners of Class B shares, and such offer is not made concurrently to owners of Class A shares, then owners of Class A shares have the ability to convert their Class A shares into Class B shares on a one-for-one basis which Class B shares will, as a result of such conversion, be automatically tendered to the offer. Any converted for Class B shares shall be automatically converted back into Class A shares on a one-for-one basis if the owner withdraws the conversion during the term of the offer or pursuant to the terms of the offer such converted for Class B shares are not taken up.

PREFERRED SHARE RESTRICTIONS ON DIVIDEND DISTRIBUTIONS

The Company's articles contain provisions for each series of preferred shares that would restrict the declaration or payment of dividends on Class A shares or Class B shares, or any other series of preferred shares ranking junior, unless all outstanding dividends up to and including the dividends payable on the last respective dividend payment date have been paid or set apart for payment.

LONG-TERM DEBT

On September 20, 2023, Canadian Utilities' subsidiary CU Inc. issued $340 million of 5.088 per cent 30-year debentures. Proceeds from the issue are being used to finance capital expenditures and for other general corporate purposes. Details with respect to the issued and outstanding long-term debt can be found in Note 11 of the 2023 Consolidated Financial Statements. These debentures are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT FACILITIES

At December 31, 2023, CU Inc. and its subsidiaries had the following lines of credit.

($ millions)	**Total**	**Used**	**Available**
Long-term committed	**900**	—	900
Uncommitted	**100**	57	43
Total	**1,000**	57	943

Of the $1,000 million in total lines of credit, $100 million was in the form of uncommitted credit facilities with no set maturity date. The other $900 million in credit lines was committed, with maturities between 2025 and 2026, and may be extended at the option of the lenders. The majority of the credit lines are provided by Canadian banks. Details with respect to the credit facilities can be found in Note 19 of the 2023 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer's capacity and willingness to meet its financial commitment on an obligation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

Credit ratings are important to the Company's financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost-effective access to funds required for operations and growth.

The following table shows the current credit ratings assigned to CU Inc.

	DBRS	Fitch
CU Inc.		
Issuer	A (high)	A-
Senior unsecured debt	A (high)	A
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2 (high)	BBB+

On March 17, 2023, Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook for CU Inc.

At our request, on July 12, 2023, S&P Global Ratings withdrew its 'A-' issuer credit rating and all related debt issue ratings on CU Inc. Going forward, Fitch and DBRS will continue to rate CU Inc.

On July 25, 2023, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on CU Inc.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

An 'A' issuer rating by DBRS is the third highest of ten categories. An issuer rated 'A' is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than 'AA'. A-rated issuers may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than 'AAA' and 'D' contains the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

An 'A' rating by Fitch is the third highest of eleven categories. An 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

An 'F2' rating by Fitch is the second highest of seven categories. 'F2' indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

PREFERRED SHARE CREDIT RATINGS

A 'PFD-2' rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are generally of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as 'PFD-1' rated companies. Each rating category is denoted by the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Cumulative Redeemable Preferred Shares Series 1 and Series 4 are listed on the Toronto Stock Exchange (TSX).

The following table sets forth the high and low prices and volume of the Company's shares traded on the TSX under the symbols CIU.PR.A for Series 1 shares and CIU.PR.C for Series 4 shares, during 2023.

			Series 1			Series 4
2023	**High ($)**	**Low ($)**	**Volume**	**High ($)**	**Low ($)**	**Volume**
January	20.01	18.06	26,035	13.36	13.04	1,900
February	20.00	18.54	13,886	13.60	12.75	38,921
March	19.04	18.46	27,110	13.98	12.50	16,405
April	18.99	18.47	22,201	12.50	12.26	18,200
May	18.95	18.03	27,479	12.84	12.25	13,002
June	18.40	17.24	64,790	12.90	12.40	21,800
July	17.46	16.79	75,071	12.99	12.35	20,934
August	17.28	16.40	57,649	13.00	12.80	12,600
September	16.80	16.43	135,709	13.38	12.57	1,198
October	16.60	15.81	59,414	12.70	12.00	13,319
November	17.30	16.00	68,816	12.55	12.02	10,681
December	17.37	16.55	44,183	13.37	12.55	13,290

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS [1]

Name, Province or State and Country of Residence	Position	Position Held and Principal Occupation	Director Since
Robert T. Booth [2] Alberta, Canada	Director	Corporate Director	2014
Loraine M. Charlton [2] Alberta, Canada	Director	Corporate Director	2008
Robert J. Normand [2] Alberta, Canada	Director	Corporate Director	2020
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer Director	Chair & Chief Executive Officer	1999
Linda A. Southern-Heathcott Alberta, Canada	Vice Chair & Director	President & Chief Executive Officer of Spruce Meadows Ltd.	2017

(1) All directors hold office until their successors are elected on an annual basis.

(2) Member of the Audit Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province or State and Country of Residence	Position Held and Principal Occupation
Melanie L. Bayley Alberta, Canada	President, ATCO Electric
Kyle M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary
Colin R. Jackson Alberta, Canada	Senior Vice President, Finance, Treasury & Sustainability
Katherine J. Patrick Alberta, Canada	Executive Vice President & Chief Financial Officer
Rebecca A. Penrice Alberta, Canada	Executive Vice President, Corporate Services
D. Jason Sharpe Alberta, Canada	President, ATCO Gas and Pipelines
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer
Wayne K. Stensby Alberta, Canada	Chief Operating Officer, ATCO Energy Systems
Clinton G. Warkentin Alberta, Canada	Executive Vice President & Chief Investment Officer, ATCO Energy Systems

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

All of the executive officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Brunner, Ms. Penrice and Mr. Warkentin:

- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.

- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.
- Mr. Warkentin was appointed Executive Vice President & Chief Investment Officer in July 2023. Prior to joining the company, Mr. Warkentin was an independent consultant and was Chief Financial Officer of Certarus Ltd. from April 2019 to March 2022.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

Except as otherwise stated under the heading "Voting Securities and Principal Holder Thereof", at December 31, 2023, none of the Company's directors and executive officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, by corporate holdings or otherwise, any of the outstanding Class B shares of the Company.

EXECUTIVE COMPENSATION

Refer to Appendix 1 for the Compensation Discussion and Analysis.

DIRECTORS' COMPENSATION

In 2023, non-employee directors of the Company were paid annual retainers for acting as directors as shown in the table below.

Directors	Annual Retainer	Audit Member	Audit Chair	Director Totals
Robert T. Booth	$6,500	$6,000	$—	$12,500
Loraine M. Charlton	$6,500	$—	$21,000	$27,500
Robert J. Normand	$6,500	$4,000	$—	$10,500
Linda A. Southern-Heathcott	$6,500	$—	$—	$6,500
Total Remuneration	**$26,000**	**$10,000**	**$21,000**	**$57,000**

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, greater than 10 per cent of the Company’s Class B shares, nor any associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

No director or executive officer of the Company is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including CU Inc.) that:

i. was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or

ii. was subject to an event that resulted, after the person ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to an exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

Corporate Bankruptcies

Except as otherwise disclosed below, no director, executive officer or controlling securityholder of the Company is, as at the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company (including CU Inc.) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Nancy C. Southern was, until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

Ms. Penrice served as Executive Vice President & Chief Operating Officer of Sears Canada Inc. (Sears) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (Sears Group) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (the Court) that, among other things, granted the Sears Group protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears’ common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores.

Personal Bankruptcies

No director, executive officer or controlling security holder of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No current director, executive officer or controlling security holder of the Company has:

i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by any such member of the Board will be provided to the Company. However, the Company's procedures provide that each director and executive officer must comply with the disclosure requirements of the *Canada Business Corporations Act* regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

VOTING SECURITIES AND PRINCIPAL HOLDER THEREOF

The Company has 2,188,262 Class B shares outstanding, all of which are owned by Canadian Utilities. ATCO Ltd. (ATCO), directly or indirectly, owns 99.6 per cent of the voting securities of Canadian Utilities. ATCO is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Cumulative Redeemable Preferred Shares Series 1 and Series 4 is TSX Trust Company at its principal offices in Calgary and Toronto.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is occasionally named as a party in claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favour or that such claim may not have a material adverse effect on the Company. For further information, please refer to Note 24 of the 2023 Consolidated Financial Statements.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has prepared the auditor’s report for the Company’s 2023 Consolidated Financial Statements. PricewaterhouseCoopers LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Corporation and its subsidiaries for professional services provided by PricewaterhouseCoopers LLP for each of the past two years were as follows:

($ Millions)	**2023**	**2022**
Audit fees (1)	**1.8**	2.1
Audit-related fees (2)	**0.1**	—
Total	**1.9**	2.1

(1) Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) Audit related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services including consultations regarding IFRS.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to: strategic plans and targets; expectations regarding emissions reductions, decarbonization, digitalization and decentralization and resulting opportunities; the expected term of contracts; the expected impact or benefits of contracts; expectations regarding the competitive environment; proposed hydrogen projects and opportunities; and the expected purchase and sale of electricity.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to meet its initial set of 2030 ESG targets and successfully achieve its net-zero GHG target by 2050; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and other ESG targets; continuing collaboration with certain business partners and engagement with new business partners, and regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws, regulations and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing market and economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, infrastructure, and future demand for resources; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential termination or breach of contract by contract counterparties; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events, global pandemics; and geopolitical tensions and wars; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see the “Business Risks and Risk Management” section in the MD&A for the year ended December 31, 2023.

This AIF may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this AIF.

Any forward-looking information contained in this AIF represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Additional financial information is provided in the Company's audited 2023 Consolidated Financial Statements and MD&A for the financial year ended December 31,2023.

Information relating to ATCO or Canadian Utilities may be obtained on request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street SW, Calgary, Alberta, T3E 8B4, or by telephone (403) 292-7500.

GLOSSARY

2023 Consolidated Financial Statements means CU Inc.'s Consolidated Financial Statements for the year ended December 31, 2023.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

Class A shares means Class A non-voting common shares of the Company.

Class B shares means Class B common shares of the Company.

Company means CU Inc. and, unless the context otherwise requires, includes its subsidiaries.

GHG means greenhouse gas.

Gigawatt hour (GWh) is a measure of electricity consumption equal to the use of 1 billion watts of power over a one-hour period.

IFRS means International Financial Reporting Standards.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2023.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

NGTL means Nova Gas Transmission Ltd.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

REA means Rural Electrification Association. REAs are constituted under the *Rural Utilities Act* (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

SEDAR+ means The System for Electronic Document Analysis and Retrieval+.

APPENDIX 1

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) discusses the Company's executive compensation program, and how it is structured, governed, and designed to support the corporate business objectives.

This CD&A discloses compensation of the Chief Executive Officer, Chief Financial Officer and the next four executives that received the highest pay as of December 31, 2023 (our named executives):

- Nancy C. Southern, Chair & Chief Executive Officer
- Brian P. Shkrobot, Executive Vice President & Chief Financial Officer
- Wayne K. Stensby, Chief Operating Officer, ATCO Energy Systems
- Rebecca (Becky) A. Penrice, Executive Vice President, Corporate Services
- Melanie L. Bayley, President, ATCO Electric
- Donald (Jason) Sharpe, President, ATCO Gas & Pipelines

Brian P. Shkrobot retired from his role as Executive Vice President & Chief Financial Officer, CU Inc., effective March 1, 2024, and Katherine (Katie) J. Patrick's role at ATCO was broadened to include responsibility as Chief Financial Officer of CU Inc., effective March 1, 2024.

Wayne K. Stensby was appointed Chief Operating Officer, ATCO Energy Systems effective July 1, 2023, prior to which he held the role of President & Chief Executive Officer of LUMA Energy, LLC (LUMA) until June 30, 2023. The compensation we report here is compensation received from CU Inc.

In 2023, the named executives had multiple roles for CU Inc., Canadian Utilities, and/or ATCO, the Company's ultimate parent company, with the exception of Melanie L. Bayley and D. Jason Sharpe with 100 per cent of their compensation expenses allocated to CU Inc.

Every year, the Company apportions compensation for executives with multiple roles based on each entity's contribution to total consolidated revenues, labour expenses and total assets. This allocation method, which has been approved by the Alberta Utilities Commission, represents an estimate of the amount of time the Company expects the executives will devote to each entity.

The table below shows how CU Inc., Canadian Utilities and ATCO have shared the compensation expense of executives with multiple roles over the past three years. The compensation reported in this Appendix 1, shows the amounts allocated to CU Inc.

	Amount paid and reported by CU Inc. (%)	Amount paid by Canadian Utilities (%)	Amount paid by ATCO (%)	Combined total reported by ATCO (%)
2023	**72.1**	**16.9**	**11.0**	**100**
2022	75.7	13.3	11.0	100
2021	76.6	12.4	11.0	100

EXECUTIVE COMPENSATION PROGRAM ELEMENTS

The disclosure required by items 2.1, 2.3 and 2.4 of National Instrument 51-102F6 *Statement of Executive Compensation* is set out in the ATCO Ltd. and/or Canadian Utilities Limited management proxy circulars dated March 11, 2024, which are incorporated herein by reference and are available on SEDAR+ at www.sedarplus.ca.

2023 NAMED EXECUTIVES

Nancy C. Southern

Chair & Chief Executive Officer

Location: Calgary, Canada

Years of Service: 34

Age: 67

Ms. Southern is Chair & Chief Executive Officer of CU Inc. Ms. Southern reports to the Board of Directors and has been a director of CU Inc. since 1999. She has full responsibility for the Company's strategic direction and operations and has been instrumental in executing its growth strategy. She has positioned the Company at the forefront of Indigenous economic reconciliation and the energy transition, with a focus on clean fuels, electricity, and critical energy infrastructure, and champions a diverse and inclusive environment.

	2023	2022	2021
Cash			
Base salary	**721,000**	757,000	766,000
Short-term incentive	**1,297,800**	1,362,600	0
Total cash compensation	**2,018,800**	2,119,600	766,000

Ms. Southern has an employment agreement with Canadian Utilities. Details regarding this agreement are set out in the Canadian Utilities Limited management proxy circular dated March 11, 2024, which is incorporated herein by reference and is available on SEDAR+ at www.sedarplus.ca.

Brian P. Shkrobot

Executive Vice President & Chief Financial Officer

Location: Calgary, Canada

Years of Service: 23

Age: 51

Mr. Shkrobot was Executive Vice President & Chief Financial Officer of CU Inc. until his retirement on March 1, 2024. He was responsible for the overall financial management of CU Inc. including Finance, Accounting, Treasury, Taxation, Risk Management, Investor Relations and the administration of Internal Audit. He was also responsible for ATCO's Sustainability and Information Technology functions and Regulatory Affairs for ATCO's utilities divisions. Mr. Shkrobot joined the Company in 2000 and held a variety of leadership positions.

	2023	2022	2021
Cash			
Base salary	**365,006**	331,188	348,055
Short-term incentive	**302,820**	492,050	322,700
Total cash compensation	**667,826**	823,238	670,755

Wayne K. Stensby
Chief Operating Officer, ATCO Energy Systems
Location: Calgary, Canada
Years of Service: 35
Age: 57

Mr. Stensby is Chief Operating Officer of ATCO Energy Systems. He is responsible for the strategic direction and operations of CU Inc.'s natural gas and electric utilities, including the company's interests in Puerto Rico. Collectively, these businesses provide safe, efficient, and reliable energy to millions of homes and businesses in hundreds of communities. Mr. Stensby joined the Company in 1989 and has held a variety of leadership positions across multiple operating jurisdictions. He was appointed to his current role in July 2023.

	2023	2022	2021
Cash			
Base salary	**400,000**	—	—
Short-term incentive	**457,143**	—	—
Total cash compensation[1]	**857,143**	—	—

1. *The compensation amounts for Wayne K. Stensby reflect his compensation during his time as Chief Operating Officer of ATCO Energy Systems from July 1, 2023 to December 31, 2023. Details regarding his full compensation, including his time as President & Chief Executive Officer of LUMA until June 30, 2023 are set forth in the ATCO Ltd. and Canadian Utilities Limited management proxy circulars dated March 11, 2024 and are available on SEDAR+ at www.sedarplus.ca.*

Rebecca A. Penrice
Executive Vice President, Corporate Services
Location: Calgary, Canada
Years of Service: 4
Age: 49

Ms. Penrice is Executive Vice President, Corporate Services for CU Inc. She has overall responsibility for leading key corporate functions, including: IT, Human Resources, Corporate Security, Common Services, Supply Chain, Governance & Legal, Marketing, Brand & Communications and Aviation. She is involved in strategic decisions which guide the evolution of the corporate culture as well as supporting the Executive leadership team and the Board of Directors. Ms. Penrice joined the Company in 2020.

	2023	2022	2021
Cash			
Base salary	**387,538**	370,930	345,658
Short-term incentive	**432,600**	567,750	383,000
Total cash compensation	**820,138**	938,680	728,658

Melanie L. Bayley
President, ATCO Electric
Location: Edmonton, Canada
Years of Service: 23
Age: 46

Ms. Bayley is President, ATCO Electric. She is responsible for the operational and financial performance of the electric utility businesses in Alberta, Yukon and Northwest Territories with a strategic focus on the transformation of our electricity systems to achieve sustainable and affordable decarbonization of the grid and to enable the energy transition. Ms. Bayley joined the Company in 2000 and has held a variety of leadership positions across the organization. She was appointed to her current role in 2021.

	2023	2022	2021
Cash			
Base salary	**437,500**	400,000	365,000
Short-term incentive	**360,000**	600,000	220,000
Total cash compensation	**797,500**	1,000,000	585,000
Equity			
Mid-Term Incentive	**N/A**	N/A	870
Long-Term Incentive			
Stock options	**99,500**	143,250	54,420
Share appreciation rights	**N/A**	N/A	N/A
Total equity	**99,500**	143,250	55,290
Total direct compensation	**897,000**	1,143,250	640,290

Donald (Jason) Sharpe
President, ATCO Gas & Pipelines
Location: Calgary, Canada
Years of Service: 21
Age: 49

Mr. Sharpe is President, ATCO Gas & Pipelines. He is responsible for the operational and financial performance of our Natural Gas business, maintaining a continued strong track record of operational and regulatory excellence with a focus on energy sustainability. Mr. Sharpe has held a variety of senior roles in engineering, major projects, and operations within the gas transmission and distribution businesses. He was appointed to his current role in 2021.

	2023	2022	2021
Cash			
Base salary	**437,500**	400,000	345,000
Short-term incentive	**360,000**	500,000	400,000
Total cash compensation	**797,500**	900,000	745,000
Equity			
Mid-Term Incentive	**N/A**	N/A	N/A
Long-Term Incentive			
Stock options	**99,500**	143,250	54,420
Share appreciation rights	**N/A**	N/A	N/A
Total equity	**99,500**	143,250	54,420
Total direct compensation	**897,000**	1,043,250	799,420

2023 COMPENSATION DETAILS

Summary Compensation Table

The table below summarizes the total compensation allocated to the Company in accordance with the table set out on the first page of this Appendix 1 for each of the named executives for the years ended December 31, 2023, 2022 and 2021.

				Non-equity incentive plan compensation				
	Salary	Share based awards [1,2]	Option based awards [1,3,4]	Annual incentive plans	Long term incentive plans	Pension value [5]	All Other Compensation [6]	Total Compensation
Nancy C. Southern								
Chair & Chief Executive Officer								
2023	**721,000**	**N/A**	**N/A**	**1,297,800**	**N/A**	**1,301,424**	**25,235**	**3,345,459**
2022	757,000	N/A	N/A	1,362,600	N/A	977,223	26,495	3,123,318
2021	766,000	N/A	N/A	0	N/A	1,214,480	26,810	2,007,290
Brian P. Shkrobot [7]								
Executive Vice President & Chief Financial Officer								
2023	**365,006**	**N/A**	**N/A**	**302,820**	**N/A**	**22,755**	**6,387**	**696,968**
2022	331,188	N/A	N/A	492,050	N/A	23,300	82,747	929,285
2021	348,055	N/A	N/A	322,700	N/A	26,932	12,182	709,869
Wayne K. Stensby [8]								
Chief Operating Officer, ATCO Energy Systems								
2023	**400,000**	**N/A**	**N/A**	**457,143**	**N/A**	**272,808**	**17,371**	**1,147,322**
2022	—	N/A	N/A	—	N/A	—	—	—
2021	—	N/A	N/A	—	N/A	—	—	—
Becky A. Penrice								
Executive Vice President, Corporate Services								
2023	**387,538**	**N/A**	**N/A**	**432,600**	**N/A**	**22,755**	**9,688**	**852,581**
2022	370,930	N/A	N/A	567,750	N/A	23,300	9,273	971,253
2021	345,658	N/A	N/A	383,000	N/A	22,375	8,641	759,674
Melanie L. Bayley								
President, ATCO Electric								
2023	**437,500**	**N/A**	**99,500**	**360,000**	**N/A**	**31,560**	**15,313**	**943,873**
2022	400,000	N/A	143,250	600,000	N/A	30,780	184,578	1,358,608
2021	365,000	870	54,420	220,000	N/A	29,210	12,775	682,275
Jason Sharpe								
President, ATCO Gas & Pipelines								
2023	**437,500**	**N/A**	**99,500**	**360,000**	**N/A**	**31,560**	**15,313**	**943,873**
2022	400,000	N/A	143,250	500,000	N/A	30,780	13,563	1,087,593
2021	345,000	N/A	54,420	400,000	N/A	29,210	12,075	840,705

1. *With the exception of Ms. Bayley and Mr. Sharpe, whose share based and option based awards are allocated 100 per cent to CU Inc., the disclosure regarding the named executives' equity compensation as well as information regarding the equity plans is set out in the ATCO Ltd. and Canadian Utilities Limited management proxy circulars dated March 11, 2024, as applicable, which are incorporated herein by reference and are available on SEDAR+ at www.sedarplus.ca.*
2. *The share based awards value includes the dividends received during the respective calendar year pursuant to the mid-term incentive plan. Neither ATCO nor Canadian Utilities granted units under the mid-term incentive plan during the past three years.*
3. *The option values shown for the last three years are the grant date fair values determined using the Black-Scholes method, the same method used for determining the accounting fair values. The assumptions used were as follows:*

Option Assumptions	2023		2022		2021	
	ATCO	*Canadian Utilities*	*ATCO*	*Canadian Utilities*	*ATCO*	*Canadian Utilities*
Expected life (years)	*7.0*	*6.7*	*7.1*	*6.8*	*7.1*	*6.8*
Risk free rate of return	*3.79%*	*3.82%*	*3.17%*	*3.20%*	*1.10%*	*1.06%*
Volatility	*24.48%*	*22.81%*	*25.98%*	*21.44%*	*26.23%*	*24.09%*
Dividend yield	*5.14%*	*5.69%*	*3.98%*	*4.41%*	*3.93%*	*4.89%*

4. *Total ATCO and Canadian Utilities stock options and share appreciation rights.*
5. *Estimated using a prescribed formula based on several assumptions. Also includes other compensatory items. For additional information, please see the disclosure under Pension and Retirement Benefits starting on Page 29.*
6. *Employer contribution to the Employee Share Purchase Plan.*
7. *Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.*
8. *The compensation amounts for Wayne K. Stensby reflect his compensation during his time as Chief Operating Officer of ATCO Energy Systems from July 1, 2023 to December 31, 2023.*

INCENTIVE PLAN AWARDS

With the exception of Ms. Bayley and Mr. Sharpe, whose share based and option based awards are allocated 100 per cent to CU Inc., the disclosure regarding the named executives' equity compensation as well as information regarding the equity plans is set out in the ATCO Ltd. and/or Canadian Utilities Limited management proxy circulars dated March 11, 2024, as applicable, which are incorporated herein by reference and are available on SEDAR+ at www.sedarplus.ca.

Outstanding Option-Based Awards

The table below shows each named executive's outstanding incentive plan awards as of December 31, 2023.

	Option-based awards								
	Number of securities underlying unexercised options (#)				Option exercise price /SARs base value ($)		Option / SARs expiration date	Value of unexercised in- the-money options / SARs[5] ($)	
	Canadian Utilities		ATCO						
	Options[1]	SARs[2]	Options[3]	SARs[4]	Canadian Utilities	ATCO		Canadian Utilities	ATCO
Melanie L. Bayley									
2023	25,000	N/A	N/A	N/A	31.28	N/A	2031-09-15	15,250	0
2022	25,000	N/A	N/A	N/A	40.89	N/A	2030-09-15	0	0
2021	10,000	N/A	2,000	N/A	35.76	45.38	2029-06-15	0	0
2020	10,000	N/A	2,000	N/A	32.09	38.40	2028-12-15	0	540
2019	3,000	3,000	N/A	N/A	38.97	N/A	2029-11-15	0	0
2018	1,000	1,000	1,000	1,000	34.13	42.08	2028-03-15	0	0
2017	1,000	1,000	1,000	1,000	38.07	48.82	2027-03-15	0	0
2016	1,500	1,500	N/A	N/A	36.08	N/A	2026-03-25	0	0
2015	1,000	1,000	N/A	N/A	40.78	N/A	2025-03-15	0	0
2014	1,000	1,000	N/A	N/A	38.96	N/A	2024-12-15	0	0
Jason Sharpe									
2023	25,000	N/A	N/A	N/A	31.28	N/A	2031-09-15	15,250	0
2022	25,000	N/A	N/A	N/A	40.89	N/A	2030-09-15	0	0
2021	10,000	N/A	2,000	N/A	35.76	45.38	2029-06-15	0	0
2020	10,000	N/A	2,000	N/A	32.09	38.40	2028-12-15	0	540
2019	2,000	2,000	N/A	N/A	38.97	N/A	2029-11-15	0	0
2018	2,000	2,000	N/A	N/A	34.13	N/A	2028-03-15	0	0
2017	2,000	2,000	N/A	N/A	38.07	N/A	2027-03-15	0	0
2016	1,500	1,500	N/A	N/A	36.08	N/A	2026-03-25	0	0
2015	1,000	1,000	N/A	N/A	29.97	N/A	2025-12-15	0	0
2015	1,000	1,000	N/A	N/A	40.78	N/A	2025-03-15	0	0
2014	1,000	1,000	N/A	N/A	39.39	N/A	2024-07-15	0	0

1. *Options to buy Canadian Utilities Class A shares.*
2. *Share appreciation rights based on Canadian Utilities Class A shares.*
3. *Options to buy ATCO Class I Shares.*
4. *Share appreciation rights based on ATCO Class I Shares.*
5. *The difference between the market value as of December 31, 2023, of Canadian Utilities Class A shares ($31.89) and ATCO Class I Shares ($38.67) underlying the option-based awards and the exercise price of the option-based awards.*

The table below shows incentive plan awards that have vested or were earned for each named executive during 2023.

Year ended December 31, 2023	**Option-based awards**				**Non-equity incentive plan compensation**
	Value vested during the year *($)*				**Value earned during the year** *($)*
	Canadian Utilities		**ATCO**		
	Options[1]	**SARs[2]**	**Options[3]**	**SARs[4]**	
Melanie L. Bayley	482	482	0	0	360,000
Jason Sharpe	964	964	0	0	360,000

1. *Options to buy Canadian Utilities Class A shares.*
2. *Share appreciation rights based on Canadian Utilities Class A shares.*
3. *Options to buy ATCO Class I Shares.*
4. *Share appreciation rights based on ATCO Class I Shares.*

PENSION PLAN

The named executives participate in the Retirement Plan for Employees of Canadian Utilities Limited and Participating Companies (CU plan), which has both a defined benefit (DB) and defined contribution (DC) component.

Nancy C. Southern participates in the DB component. Brian P. Shkrobot, Becky A. Penrice, Melanie L. Bayley, and D. Jason Sharpe participate in the DC component. Wayne K. Stensby is a suspended participant in the DB component and an active participant in the DC component.

How the DB component works:

- Executives do not contribute to the plan;
- Participants can retire with full benefits when they turn 62, or if their age plus their years of service equals 90 or more. They can retire as early as age 55. However, if they have not achieved 90 points, their pension benefit is reduced by 3 per cent for every year of retirement before age 62, and by another 3 per cent for every year before age 60;
- Pension benefits are paid until the participant dies; then, 60 per cent is paid to the surviving spouse; and
- Retiree pension benefit payments have historically been increased annually with inflation, to a maximum of 3 per cent.

How we calculate the pension benefit:

[1.4% X average year's maximum pensionable earnings ($61,840 in 2023) **+** 2% X average salary (highest five consecutive years of base salary, not including short-term incentive) *minus* $61,840] **X** Years of service

How the DC component works:

- Executives do not contribute to the plan;
- The Company contributes 10 per cent of base salary up to the maximum permitted by the *Income Tax Act* (Canada) which was $31,560 in 2023; and
- Participants are responsible for the investment decisions in the DC plan and may invest contributions in a broad selection of funds.

SUPPLEMENTAL PENSION BENEFITS

Pension benefits under our pension plans are subject to limits imposed by the *Income Tax Act* (Canada). Benefits that are higher than these limits are paid to Nancy C. Southern and Wayne K. Stensby as a supplemental pension. This supplemental pension is provided by Canadian Utilities and benefits are not pre-funded; it is also inclusive of the benefit under the Canadian Utilities plan. Wayne K. Stensby's supplemental pension is the amount exceeding these limits had he remained active in the DB provision, with the same survivor benefits and top-up for inflation.

How it works:

- Supplemental pension benefits are provided as a defined benefit plan;
- Executives do not contribute to the supplemental plan; and
- Service is limited to 35 years.

Nancy C. Southern's supplemental pension benefit is part of her employment agreement. Her benefits are calculated as 80 per cent of the average of the highest five years of cash compensation (salary and short-term incentives) throughout her career.

PENSION AND RETIREMENT BENEFITS

DEFINED BENEFIT

The table below shows the pension benefits and accrued obligations under all registered pension plans and supplemental arrangements for Nancy C. Southern and Wayne K. Stensby, as allocated to CU Inc.

		Annual Benefits Payable ($)					
	Number of years credited service	At year end	At age 65	Opening present value of defined benefit obligation ($)	Compensatory Change ($)	Non Compensatory Change ($)	Closing present value of defined benefit obligation ($)
Nancy C. Southern	28.00	1,511,216	1,511,216	23,707,928	1,301,424	1,483,967	26,493,319
Wayne K. Stensby[1]	34.08	256,786	263,013	4,467,679	514,055	563,207	5,544,941

1. *These values reflect pension benefits and accrued obligations for the full year ended December 31, 2023, which includes Mr. Stensby's time as President & Chief Executive Officer of LUMA until June 30, 2023, and as Chief Operating Officer at ATCO Energy Systems effective July 1, 2023.*

Number of years of credited service is the time the executive has been a member of the pension plan, and is used to calculate the pension.

Annual pension benefits payable at year end is based on the defined benefit credited service and actual average pensionable earnings at December 31, 2023. The benefits are reduced if a named executive is eligible for early retirement.

Annual pension benefits payable at age 65 is based on actual average pensionable earnings at December 31, 2023, and their projected service at age 65, to a maximum of 35 years service.

The Company calculates the accrued pension obligation using the method prescribed by International Financial Reporting Standards and based on management's best estimate of future events that affect the cost of pensions, including assumptions about adjustments to base salary in the future.

The compensatory change includes the service cost, differences between actual and estimated earnings, the impact of plan amendments and past service benefits, as well as changes in expected future retirement dates.

The non-compensatory change includes interest on the obligation, the impact of assumption changes, and the impact of changing the CU Inc. allocation from 75.7 per cent in 2022 to 72.1 per cent in 2023. See Note 15, Retirement Benefits, in the Company's consolidated financial statements for the year ended December 31, 2023, for more information about the methods and assumptions used to calculate accrued obligations.

DEFINED CONTRIBUTION

The table below shows the defined contribution disclosure for the named executives, as allocated to CU Inc.

	Accumulated value at start of year ($)	Compensatory[1] ($)	Accumulated value at year end ($)
Brian P. Shkrobot	541,437	22,755	618,500
Wayne K. Stensby [2]	1,027,843	31,560	1,234,073
Becky A. Penrice	68,495	22,755	98,383
Melanie L. Bayley	579,290	31,560	672,013
Jason Sharpe	574,240	31,560	711,208

1. *The compensatory amount is the Company's contribution. Participants are responsible for their investments and may invest contributions in a broad selection of funds.*
2. *These values reflect pension benefits and accrued obligations for the full year ended December 31,2023, which includes Mr. Stensby's time as President & Chief Executive Officer of LUMA until June 30, 2023, and as Chief Operating Officer at ATCO Energy Systems effective July 1, 2023.*

TERMINATION AND CHANGE OF CONTROL

Termination of employment of an executive is subject to applicable legislation and common law provisions as no employment agreements are in place for the named executives, except for Ms. Southern. See the ATCO Ltd. and Canadian Utilities Limited management proxy circulars dated March 11, 2024, which are incorporated by reference herein and are available on SEDAR+ at www.sedarplus.ca, for an explanation as to how various components of our compensation program are typically impacted by retirement, resignation, change of control and termination.

Details regarding termination and change of control that would apply to the Company's named executives, other than Ms. Bayley and Mr. Sharpe for whom 100 per cent of their compensation is allocated to the Company, are set out in the ATCO Ltd. and Canadian Utilities Limited management proxy circulars dated March 11, 2024, which are incorporated herein by reference and are available on SEDAR+ at www.sedarplus.ca.

The table below shows incremental amounts that would be paid to Ms. Bayley and Mr. Sharpe based on differing scenarios – retirement, resignation, termination without cause and change of control without termination, assuming the triggering event took place on December 31, 2023.

	Incremental Amounts	Retirement ($)	Resignation ($)	Termination Without Cause[1] ($)	Change of Control Without Termination[2] ($)
Melanie L. Bayley					
	Cash payment				
	Option-based awards[3]				15,385
	Pension				
	Benefits				
	Perquisites				
	Total				**15,385**
Jason Sharpe					
	Cash payment				
	Option-based awards[3]				15,385
	Pension				
	Benefits				
	Perquisites				
	Total				**15,385**

1. *The named executives are not entitled to any incremental payments in the event of termination for cause.*
2. *The cash payment that would be made upon termination in the event of change of control is the same value as shown under "Termination Without Cause".*
3. *Assumes the exercise of all unvested options and share appreciation rights. Shows the estimated value of accelerated awards based on $31.89 and $38.67, the respective closing prices of Canadian Utilities Class A shares and ATCO Class I Shares on December 31, 2023.*

DIRECTOR COMPENSATION

For information on the annual retainers paid to non-employee directors for acting as directors of the Company in 2023, please see page 16.

Mr. Booth is a director of the Company as well as ATCO. The disclosure required by item 7 of National Instrument 51-102F6 *Statement of Executive Compensation* is set out in the ATCO Ltd. management proxy circular dated March 11, 2024, which is incorporated herein by reference and is available on SEDAR+ at www.sedarplus.ca.

Ms. Charlton and Mr. Normand are directors of the Company as well as Canadian Utilities. The disclosure required by item 7 of National Instrument 51-102F6 *Statement of Executive Compensation* is set out in the Canadian Utilities Limited management proxy circular dated March 11, 2024, which is incorporated herein by reference and is available on SEDAR+ at www.sedarplus.ca.

Ms. Southern and Ms. Southern-Heathcott are directors of the Company as well as ATCO and Canadian Utilities. Ms. Southern is an employee of the Company and does not receive compensation as a director. The disclosure required by item 7 of National Instrument 51-102F6 *Statement of Executive Compensation*, for Ms. Southern-Heathcott as it pertains to the Company, is set out in the Canadian Utilities Limited management proxy circular dated March 11, 2024, which is incorporated herein by reference and is available on SEDAR+ at www.sedarplus.ca.