

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Canadian Utilities Limited at 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 (telephone: (403) 292-7500), and are also available electronically at www.sedar.com.

Final Short Form Prospectus

New Issue

December 6, 2021



CANADIAN UTILITIES LIMITED

An **ATCO** Company

Canadian Utilities Limited

\$175,000,000

(7,000,000 shares)

Cumulative Redeemable Second Preferred Shares Series HH

The holders of the Cumulative Redeemable Second Preferred Shares Series HH (the "Series HH Preferred Shares") of Canadian Utilities Limited (the "Corporation") will be entitled to receive, as and when declared by the board of directors of the Corporation (the "Board of Directors"), fixed cumulative preferential cash dividends of \$1.1875 per Series HH Preferred Share per annum, to accrue from the date of original issue, payable quarterly on a cumulative basis on the first day of March, June, September and December of each year. Assuming an issue date of December 9, 2021 the initial dividend, if declared, will be payable on March 1, 2022 and will be \$0.26678 per Series HH Preferred Share.

This offering of Series HH Preferred Shares (the "Offering") is being underwritten by a syndicate of underwriters co-led by BMO Nesbitt Burns Inc. ("BMO") and RBC Dominion Securities Inc. ("RBC"), and including TD Securities Inc. ("TD"), Scotia Capital Inc. ("Scotiabank"), CIBC World Markets Inc. ("CIBC"), National Bank Financial Inc. and iA Private Wealth Inc. (collectively, the "Underwriters") pursuant to an underwriting agreement dated effective November 23, 2021 between the Corporation and the Underwriters (the "Underwriting Agreement").

The Series HH Preferred Shares will not be redeemable prior to March 1, 2027. On or after March 1, 2027, the Corporation may, on not less than 30 nor more than 60 days' notice, redeem the Series HH Preferred Shares in whole or in part, at the Corporation's option, by the payment in cash of \$26.00 per Series HH Preferred Share if redeemed on or after March 1, 2027 and prior to March 1, 2028, at \$25.75 per Series HH Preferred Share if redeemed on or after March 1, 2028 and prior to March 1, 2029, at \$25.50 per Series HH Preferred Share if redeemed on or after March 1, 2029 and prior to March 1, 2030, at \$25.25 per Series HH Preferred Share if redeemed on or after March 1, 2030 and prior to March 1, 2031 and at \$25.00 per Series HH Preferred Share if redeemed on or after March 1, 2031, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption. See "Details of the Offering".

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Series HH Preferred Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX on or before February 25, 2022.

In the opinion of counsel, subject to the provisions of any particular plan, the Series HH Preferred Shares, if issued on the date hereof, generally would be qualified investments under the *Income Tax Act* (Canada) (together with the Regulations thereto, the "Tax Act") for certain tax-exempt plans. See "Eligibility for Investment".

Price: \$25.00 per Series HH Preferred Share to yield 4.75% per annum

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Proceeds to the Corporation⁽¹⁾</u>
Per Series HH Preferred Share	\$25.00	\$0.75	\$24.25
Total Offering ⁽²⁾	\$175,000,000.00	\$5,250,000.00	\$169,750,000.00

Notes

- (1) *The underwriters' fee for the Series HH Preferred Shares is \$0.25 for each such share sold to certain institutions by the closing of the Offering, as agreed to between the Corporation and BMO and RBC, on behalf of the Underwriters, and \$0.75 per share for all other Series HH Preferred Shares purchased by the Underwriters (the "Underwriters' Fee"). The Underwriters' Fee indicated in the table assumes that no Series HH Preferred Shares are sold to such institutions.*
- (2) *The Corporation has granted the Underwriters an over-allotment option (the "Over-Allotment Option"), exercisable, in whole or in part, at any time until and including 30 days following the Closing Date (as defined herein), to purchase, at the offering price, an additional 1,050,000 Series HH Preferred Shares to cover over-allotments, if any. If the Over-Allotment Option is exercised in full and using the same assumptions as are set forth in note 1, the Price to the Public, the Underwriters' Fee and the Proceeds to the Corporation will be \$201,250,000.00, \$6,037,500.00 and \$195,212,500.00, respectively. A purchaser who acquires Series HH Preferred Shares forming part of the Over-Allotment Option acquires such shares under this prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.*

The following table sets out the number of Series HH Preferred Shares that may be issued to the Underwriters pursuant to the Over-Allotment Option:

<u>Underwriters' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to acquire up to an additional 1,050,000 Series HH Preferred Shares	From the Closing Date until up to 30 days following the Closing Date	\$25.00 per Series HH Preferred Share

The Underwriters, as principals, conditionally offer the Series HH Preferred Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Corporation by Bennett Jones LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP. Subject to applicable securities laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Series HH Preferred Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Series HH Preferred Shares at a price lower than that stated above. See "Plan of Distribution".**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on or about December 9, 2021 or on such other date as the Corporation and BMO and RBC, on behalf of the Underwriters, may agree (the "Closing Date"), and in any event not later than December 17, 2021. A book-entry only certificate representing the Series HH Preferred Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS") or its nominee and will be deposited with CDS following the closing of the Offering. The Corporation understands that a purchaser of Series HH Preferred Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom Series HH Preferred Shares are purchased.

There is no market through which the Series HH Preferred Shares may be sold and purchasers may not be able to resell Series HH Preferred Shares purchased under this prospectus. This may affect the pricing of the

Series HH Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series HH Preferred Shares, and the extent of issuer regulation. See "Risk Factors".

A prospective investor should be aware that the acquisition, holding and disposition of Series HH Preferred Shares may have tax consequences both in Canada and elsewhere. See "Certain Canadian Federal Income Tax Considerations".

Five of the Underwriters, being BMO, RBC, TD, Scotiabank, and CIBC, are subsidiaries of Canadian chartered banks, which have extended credit facilities to the Corporation and certain of its affiliates. Accordingly, under certain circumstances, the Corporation may be considered a "connected issuer" of these Underwriters under applicable Canadian securities legislation. See "Plan of Distribution".

The head office of the Corporation is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 and the registered office is 20th Floor, 10035 - 105 Street, Edmonton, Alberta T5J 2V6.

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FORWARD-LOOKING INFORMATION

Certain statements contained in this prospectus, and in certain documents incorporated by reference into this prospectus, may constitute forward-looking information within the meaning of applicable Canadian securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable as at the date hereof or as at such date specified in the documents incorporated by reference herein, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. The Corporation's actual results could differ materially from those anticipated in these forward-looking information due to, among other factors, regulatory decisions, competitive factors in the industries in which the Corporation operates, prevailing economic conditions (including as may be affected by the COVID-19 pandemic), the factors detailed under "Risk Factors" in this prospectus as well as in the Corporation's filings with securities regulators, including its annual and interim management's discussion and analysis and annual and interim financial statements and the notes thereto, and other factors, many of which are beyond the control of the Corporation. This is not an exhaustive list of the factors that may affect any of the Corporation's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on the Corporation's forward-looking information.

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

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with securities commissions and similar regulatory authorities in Canada. The following documents of the Corporation have been filed with the securities commissions or similar regulatory authorities in each of the provinces in Canada and are incorporated or deemed to be incorporated by reference into this prospectus:

- (a) the annual information form for the year ended December 31, 2020 dated February 24, 2021 (the "AIF");
- (b) the management proxy circular dated March 8, 2021 relating to the annual meeting of shareholders held on May 5, 2021;
- (c) the audited comparative consolidated financial statements, together with the notes thereto and the accompanying report of the auditor, for the year ended December 31, 2020;
- (d) the management's discussion and analysis for the year ended December 31, 2020 dated February 24, 2021 and the earnings coverage ratio filed as an exhibit thereto;
- (e) the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2021;
- (f) the management's discussion and analysis for the three and nine months ended September 30, 2021 dated October 27, 2021 and the earnings coverage ratio filed as an exhibit thereto; and
- (g) the template version (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101")) of the term sheet for the offering of Series HH Preferred Shares dated November 23, 2021 (the "Term Sheet");

provided that these documents are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference in this prospectus.

Any documents of the type described in section 11.1 of Form 44-101F1 - *Short Form Prospectus*, if filed by the Corporation with securities regulatory authorities in Canada after the date of this prospectus and before the Closing Date, are deemed to be incorporated by reference in this prospectus for purposes of the Offering. These documents will be available electronically on SEDAR at www.sedar.com.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein for purposes of the Offering shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

MARKETING MATERIALS

The template version of the Term Sheet does not form part of this prospectus to the extent that the contents thereof have been modified or superseded by a statement contained in this prospectus. In addition, any template version of any other marketing materials (as such term is defined in NI 41-101) filed with the securities commission or similar authority in each of the provinces of Canada in connection with the Offering after the date hereof but prior to the Closing Date is deemed to be incorporated by reference herein.

CANADIAN UTILITIES LIMITED

Canadian Utilities Limited was incorporated under the laws of Canada on May 18, 1927, and was continued under the *Canada Business Corporations Act* on August 15, 1979. Canadian Utilities Limited, an ATCO company with approximately 4,500 employees and assets of \$21 billion, is a diversified global energy infrastructure corporation offering comprehensive solutions and operational excellence in Utilities (electricity and natural gas transmission and distribution, and international operations); Energy Infrastructure (renewable energy generation, hydrogen, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). For additional information relating to the Corporation's business and operations, please see the Corporation's AIF, which is available electronically on SEDAR at sedar.com.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the Corporation on a consolidated basis since September 30, 2021.

TRADING PRICE AND VOLUME

The Corporation's Class A non-voting shares ("Class A Shares"), Class B common shares ("Class B Shares"), Cumulative Redeemable Second Preferred Shares Series Y, Cumulative Redeemable Second Preferred Shares Series AA, Cumulative Redeemable Second Preferred Shares Series BB, Cumulative Redeemable Second Preferred Shares Series CC, Cumulative Redeemable Second Preferred Shares Series DD, Cumulative Redeemable Second Preferred Shares Series EE and Cumulative Redeemable Second Preferred Shares Series FF are listed on the TSX. The following table sets forth the high and low prices and volumes of the Corporation's shares traded on the TSX during the periods indicated.

	Class A Shares			Class B Shares		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
2020						
November	33.00	30.39	13,433,336	33.25	30.50	32,399
December	32.81	30.59	9,455,354	32.36	29.76	17,629
2021						
January	32.68	30.58	13,321,809	33.23	30.27	231,930
February	32.85	29.98	18,228,368	33.24	30.50	27,944
March	34.28	29.96	17,620,611	34.10	30.13	14,075
April	35.24	33.49	12,794,335	35.00	32.80	8,856
May	35.63	34.20	12,271,078	35.30	33.75	12,308
June	36.21	34.25	8,648,119	36.90	34.32	10,683
July	37.00	34.08	9,700,823	36.14	34.19	9,668
August	36.74	35.07	11,475,125	36.18	35.08	3,235
September	35.81	33.94	7,008,216	35.63	33.99	14,953
October	36.34	33.86	9,956,606	36.23	34.00	10,336
November	36.36	34.26	14,072,136	35.82	34.39	7,388
December 1-3	34.99	34.12	1,167,733	34.84	34.35	827

	Cumulative Redeemable Second Preferred Shares								
	Series Y			Series AA			Series BB		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
2020									
November	17.60	16.69	43,973	24.91	24.50	27,216	24.87	24.50	37,528
December	18.96	17.50	183,416	25.39	24.29	66,827	25.23	24.75	81,219
2021									
January	18.95	18.30	386,360	25.12	24.88	21,090	25.15	24.75	59,390
February	20.40	18.67	218,442	25.20	24.78	39,115	25.17	24.75	75,554
March	20.97	20.07	628,582	25.05	24.57	102,119	25.12	24.57	194,273
April	22.37	20.28	546,676	25.49	24.93	211,952	25.36	24.72	33,147
May	23.19	21.40	336,843	25.30	25.00	70,814	25.56	25.00	70,557
June	22.45	21.69	292,539	25.55	25.25	23,500	25.53	25.14	67,166
July	22.40	21.66	553,641	25.75	25.34	19,728	25.55	25.04	29,922
August	22.57	21.65	143,828	25.64	25.35	17,323	25.53	25.00	39,523
September	23.49	22.25	158,980	25.75	25.35	39,185	25.82	25.23	60,117
October	23.72	22.48	88,621	25.80	25.23	35,292	25.75	25.13	278,181
November	23.70	23.04	102,434	25.38	25.11	75,885	25.33	25.11	52,550
December 1-3	23.00	22.35	7,803	25.25	25.15	16,145	25.24	25.01	4,818

	Cumulative Redeemable Second Preferred Shares					
	Series CC			Series DD		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
2020						
November	24.20	23.51	34,328	23.97	23.02	53,409
December	24.67	23.57	55,816	24.47	23.10	55,489
2021						
January	24.16	23.62	62,137	23.90	23.58	100,232
February	24.50	23.52	297,487	24.35	23.66	394,469
March	23.89	23.00	198,944	23.99	23.03	131,687
April	24.38	23.68	174,841	24.24	23.70	58,281
May	24.83	24.16	38,656	24.53	24.00	84,215
June	25.03	24.58	70,106	25.02	24.55	236,364
July	25.45	24.13	37,419	25.25	24.57	110,637
August	25.49	25.16	34,937	25.36	25.10	85,800
September	25.79	25.24	679,555	25.75	25.23	595,356
October	25.70	24.70	61,817	25.80	24.75	65,451
November	24.75	24.23	127,153	24.81	24.16	103,624
December 1 – 3	24.26	23.98	5,405	24.25	23.96	2,407

Cumulative Redeemable Second Preferred Shares						
	Series EE			Series FF		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
2020						
November	25.66	25.29	92,850	25.61	25.05	155,590
December	25.75	25.55	46,097	25.88	25.40	133,749
2021						
January	25.95	25.52	32,111	26.48	25.69	64,374
February	26.18	25.72	177,780	26.15	25.60	71,160
March	26.09	25.05	26,426	26.37	25.63	123,323
April	26.80	25.63	26,715	26.26	25.81	122,694
May	26.15	25.59	41,534	26.99	25.70	114,227
June	26.19	25.82	37,569	27.76	26.20	63,196
July	26.13	25.80	182,451	27.66	26.41	62,134
August	26.21	25.77	69,427	27.66	26.51	45,101
September	26.58	26.25	49,604	27.59	26.59	113,117
October	26.35	25.81	40,831	26.98	26.38	77,116
November	26.22	25.66	32,034	26.97	26.22	52,988
December 1 - 3	25.89	25.70	3,873	26.29	25.35	5,944

DETAILS OF THE OFFERING

The Series HH Preferred Shares will have attached thereto the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares of the Corporation ("Series Second Preferred Shares") as a class and the principal rights, privileges, restrictions and conditions summarized below. Such provisions will be available electronically on SEDAR at www.sedar.com.

Dividends

The holders of the Series HH Preferred Shares will be entitled to receive, as and when declared by the Board of Directors, fixed cumulative preferential cash dividends of \$1.1875 per Series HH Preferred Share per annum, to accrue from the date of original issue, payable quarterly on a cumulative basis on the first day of March, June, September and December of each year. Assuming an issue date of December 9, 2021 the initial dividend, if declared, will be payable on March 1, 2022 and will be \$0.26678 per Series HH Preferred Share.

Redemption

The Series HH Preferred Shares will not be redeemable prior to March 1, 2027. On or after March 1, 2027, the Corporation may, on not less than 30 nor more than 60 days' notice, redeem the Series HH Preferred Shares in whole or in part, at the Corporation's option, by the payment in cash of \$26.00 per Series HH Preferred Share if redeemed on or after March 1, 2027 and prior to March 1, 2028, at \$25.75 per Series HH Preferred Share if redeemed on or after March 1, 2028 and prior to March 1, 2029, at \$25.50 per Series HH Preferred Share if redeemed on or after March 1, 2029 and prior to March 1, 2030, at \$25.25 per Series HH Preferred Share if redeemed on or after March 1, 2030 and prior to March 1, 2031 and at \$25.00 per Series HH Preferred Share if redeemed on or after March 1, 2031, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

Purchase for Cancellation

Subject to the provisions described under "Restrictions on Dividends and Retirement of Shares", the Corporation may at any time or times purchase for cancellation all or any part of the Series HH Preferred Shares on the open market, by private agreement or otherwise at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Creation or Issue of Additional Shares

So long as any Series HH Preferred Shares are outstanding the Corporation shall not, without the prior approval of the holders of the Series HH Preferred Shares given in the specified manner, create or issue any shares ranking prior to or on a parity with the Series HH Preferred Shares with respect to repayment of capital or payment of dividends or

increase the number of Series HH Preferred Shares, provided that the Corporation may create additional series of Series Second Preferred Shares without such approval, and, if all dividends then payable on the Series HH Preferred Shares shall have been paid or set apart for payment, the Corporation may issue additional series of Series Second Preferred Shares without such approval.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series HH Preferred Shares are outstanding, the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series HH Preferred Shares) on the Class A Shares or Class B Shares or any other shares of the Corporation ranking junior to the Series HH Preferred Shares with respect to payment of dividends,
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series HH Preferred Shares with respect to repayment of capital or with respect to payment of dividends, or
- (c) call for redemption, purchase or reduce or otherwise pay off less than all the Series HH Preferred Shares, all other series of the Series Second Preferred Shares and all other preferred shares ranking prior to or on a parity with the Series HH Preferred Shares then outstanding with respect to payment of dividends

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Series HH Preferred Shares, on all other series of the Series Second Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series HH Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment.

Rights on Liquidation

The Series HH Preferred Shares will rank junior to the Series Preferred Shares (none of which are outstanding) and in priority to the Class A Shares and the Class B Shares of the Corporation and on a parity with all other series of Series Second Preferred Shares with respect to the payment of any dividends and the distribution of assets upon the liquidation, dissolution or winding-up of the Corporation. The Series HH Preferred Shares will be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon up to, but excluding, the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), in the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Tax Election

The Series HH Preferred Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series HH Preferred Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that certain corporate holders of Series HH Preferred Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series HH Preferred Shares. See "Certain Canadian Federal Income Tax Considerations – Dividends".

Voting Rights

The holders of the Series HH Preferred Shares are not entitled to any voting rights or to receive notice of or to attend shareholders' meetings unless dividends on the Series Second 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, holders of Series HH Preferred Shares will be entitled to receive notice of and to attend all shareholders' meetings at which directors are to be elected (other than separate meetings of holders of another class or series of shares) and to one vote in respect of each Series HH Preferred Share held.

Modification

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

Business Day

If any day on which any dividend on the Series HH Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

DEPOSITORY SERVICES

Except as otherwise provided herein, the Series HH Preferred Shares will be issued in "book-entry only" form and must be purchased, transferred, or redeemed through participants (collectively, "Participants" and individually, a "Participant") in the depository service of CDS or its nominee. Each of the Underwriters is a Participant. On the closing of the Offering, the Corporation will cause a global certificate or certificates representing the Series HH Preferred Shares to be delivered to, and registered in the name of, CDS or its nominee (the "**Global Security**"). Ownership of beneficial interests in the Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in the Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the CDS or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in the Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by Participants or persons that hold beneficial interests through Participants.

Except as described below, no purchaser of Series HH Preferred Shares will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. The ability of the holder to pledge the Series HH Preferred Shares or otherwise take action with respect to such holder's interest in a Series HH Preferred Share (other than through a Participant) may be limited due to the lack of physical certificate. The Corporation understands that each purchaser of Series HH Preferred Shares will receive a customer confirmation of purchase from the registered dealer from or through which the Series HH Preferred Shares are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Series HH Preferred Shares. Reference in this prospectus to a holder of Series HH Preferred Shares means, unless the context otherwise requires, the owner of the beneficial interest in the Series HH Preferred Shares.

If the Corporation determines, or CDS notifies the Corporation in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series HH Preferred Shares and the Corporation is unable to locate a qualified successor, or if the Corporation at its option elects, or is required by law, to terminate the book-entry system, then Series HH Preferred Shares will be issued in fully registered and certificated form to the owners of the beneficial interests in such Series HH Preferred Shares or their nominees.

RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity and willingness of an issuer to meet its financial commitment on a security in accordance with the terms of the security.

The Series HH Preferred Shares of the Corporation are rated Pfd-2 (high) with a stable trend by DBRS Morningstar ("DBRS") and P-2 by Standard & Poor Global Ratings, a division of The McGraw-Hill Companies, Inc. ("S&P").

DBRS's ratings for preferred shares range from Pfd-1 to D, which represents the range from highest to lowest quality of such securities rated. A Pfd-2 rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated Pfd-2 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 higher 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.

S&P's credit ratings for Canadian preferred shares range from P-1 to D, which represents the range from highest to lowest quality of such securities rated. A P-2 rating by S&P is the second highest of eight categories S&P uses in its Canadian preferred share rating scale. A security rated P-2 exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the issuer to meet its financial commitment on the security. A "high" or "low" designation shows relative standing within a rating category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

A security rating is not a recommendation to buy, sell or hold securities and does not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by the rating organization in the future, if, in its judgment, circumstances so warrant.

The Corporation will make payments to DBRS and S&P in connection with the assignment of the ratings to the Series HH Preferred Shares. In addition, the Corporation has made payments in respect of certain other services provided to the Corporation by each of DBRS and S&P during the last two years.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally, but not jointly, agreed to purchase on the Closing Date, subject to the terms and conditions stated therein, all but not less than all of the Series HH Preferred Shares at a price of \$25.00 per Series HH Preferred Share payable in cash to the Corporation against delivery of such Series HH Preferred Shares. The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events set forth therein.

The offering price of the Series HH Preferred Shares was determined by negotiation between the Corporation and the Underwriters. The Underwriters have agreed not to offer, sell or deliver any Series HH Preferred Shares outside Canada, including in the United States.

The Corporation has granted the Underwriters the Over-Allotment Option, exercisable, in whole or in part, at any time until and including 30 days following the Closing Date, to purchase, at the offering price, an additional 1,050,000 Series HH Preferred Shares to cover over-allotments, if any. To the extent that the Over-Allotment Option is exercised, the additional Series HH Preferred Shares to be issued pursuant to the exercise of the Over-Allotment Option will be purchased by the Underwriters at a price of \$25.00 per Series HH Preferred Share. This prospectus qualifies the distribution of the Series HH Preferred Shares issuable upon exercise of the Over-Allotment Option.

The Underwriters may not, throughout the period of distribution, bid for or purchase Series HH Preferred Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Series HH Preferred Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Corporation has been advised that, in connection with the Offering and subject to the foregoing, the Underwriters may, subject to applicable securities laws, over-allot or effect transactions which stabilize or maintain the market price of the Series HH Preferred Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Series HH Preferred Shares initially at the initial public offering price specified on the cover page of this prospectus. After a reasonable effort has been made to sell all of the Series HH Preferred Shares at the initial public offering price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Series HH Preferred Shares are offered to an amount not greater than \$25.00 per Series HH Preferred Shares. Should such a price reduction occur, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series HH Preferred Shares is less than

the gross proceeds paid by the Underwriters to the Corporation. Notwithstanding any such reduction by the Underwriters, the proceeds received by the Corporation will not be affected.

Five of the Underwriters, being BMO, RBC, TD, Scotiabank, and CIBC, are subsidiaries of Canadian chartered banks, which have extended credit facilities to the Corporation and certain of its affiliates. Accordingly, under certain circumstances, the Corporation may be considered a "connected issuer" of the Underwriters under applicable Canadian securities legislation. The aggregate amount of such credit facilities available to the Corporation and its affiliates is approximately \$2.67 billion, of which approximately \$454 million was drawn as of September 30, 2021. These facilities include term facilities, demand facilities and overdraft facilities made available to the Corporation and its affiliates. The Corporation and its affiliates are in compliance with the terms of these credit facilities as of the date hereof. Since September 30, 2021 there have been no material changes to the amounts owing under these facilities. The decision of each Underwriter to participate in the Offering was made independently of its bank parent. The net proceeds from the Offering may be used to repay amounts outstanding under the credit facilities of the Corporation. See "Use of Proceeds".

The Corporation has applied to list the Series HH Preferred Shares on the TSX. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, subject to the provisions of any particular plan, provided that the Series HH Preferred Shares are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX) or the Corporation is otherwise a "public corporation" (other than a "mortgage investment corporation") within the meaning of the Tax Act at the particular time, the Series HH Preferred Shares offered hereby, if issued on the date hereof, generally would be qualified investments for purposes of the Tax Act for a trust governed by a registered retirement savings plan (an "RRSP"), a registered retirement income fund (an "RRIF"), a registered education savings plan (an "RESP"), a registered disability savings plan (an "RDSP"), a deferred profit sharing plan ("DPSP"), or a tax-free savings account (a "TFSA", and together with RRSPs, RRIFs, RESPs, RDSPs and DPSPs, each a "Registered Plan"), each as defined in the Tax Act.

Notwithstanding that the Series HH Preferred Shares may be qualified investments for a Registered Plan, an annuitant under an RRSP, RRIF or DPSP, a holder of an RDSP or a TFSA, or a subscriber of an RESP, as the case may be, may be subject to a penalty tax if such Series HH Preferred Shares are "prohibited investments" (as defined in the Tax Act) for the applicable Registered Plan. A Series HH Preferred Share will generally not be a "prohibited investment" for a Registered Plan provided that the annuitant, holder, or subscriber, as the case may be, deals at arm's length with the Corporation for purposes of the Tax Act and does not have a "significant interest" (within the meaning of the Tax Act) in the Corporation. In addition, the Series HH Preferred Shares will not be a prohibited investment for a Registered Plan if the Series HH Preferred Shares are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for such Registered Plan.

Holders, annuitants and subscribers, as the case may be, of a Registered Plan who intend to hold Series HH Preferred Shares in a Registered Plan should consult their own tax advisors to ensure that such shares would not be a prohibited investment having regard to their particular circumstances.

USE OF PROCEEDS

The estimated net proceeds (after deducting the Underwriters' Fee and the estimated expenses of the Offering) to be received by the Corporation from the sale of the Series HH Preferred Shares are expected to be \$169,040,000 if the Over-Allotment Option is not exercised or \$194,502,500 if the Over-Allotment Option is exercised in full, in each case assuming that no Series HH Preferred Shares are sold to certain institutions. In the face of uncertain future capital market conditions, the Corporation intends to use one hundred percent of the net proceeds of the Offering to increase the Corporation's cash position, thereby allowing for additional flexibility both from an operational standpoint and in response to the ongoing effects of the COVID-19 pandemic.

While the Corporation anticipates that it will allocate the funds available as set forth above, there may be circumstances where, for business reasons, a reallocation of the net proceeds may be necessary, depending on future operations or

unforeseen events. As such, a portion of the net proceeds from this Offering may be in the future also be used to repay indebtedness and bolster liquidity. Any reallocation of the net proceeds of the Offering, will depend on a number of factors, including market conditions, competitive factors, candidates for investment and other factors, as they evolve over time.

The use of the net proceeds as set forth above is consistent with the Corporation's stated business objectives under the headings "Business Description" and "Canadian Utilities Strategies" in the Corporation's AIF. There is no particular significant event or milestone that must occur for the Corporation's business objectives to be accomplished.

EARNINGS COVERAGE RATIO

The earnings coverage ratios for the 12 month periods ended December 31, 2020 and September 30, 2021 have been prepared and included in this prospectus in accordance with applicable securities laws and have been calculated based on information contained within the Corporation's financial statements for the related periods which were prepared in accordance with Canadian generally accepted accounting principles, which is within the framework of International Financial Reporting Standards. The earnings coverage ratios set out below do not purport to be indicative of earnings coverage ratios for any future periods. The earnings coverage ratios are equal to net earnings before borrowing costs on all financial liabilities ("borrowing costs") and income taxes divided by borrowing costs (including capitalized interest) and the Corporation's aggregate dividend requirements.

The Corporation's dividend requirements on all of its preferred shares, after giving effect to the issue of the Series HH Preferred Shares (without giving effect to the exercise of the Over-Allotment Option) and adjusted to a before-tax equivalent using an effective income tax rate of 25.9%, amounted to \$111 million for the 12 months ended December 31, 2020. The Corporation's borrowing cost requirements (including capitalized interest) amounted to \$414 million for the 12 months ended December 31, 2020. The Corporation's earnings before borrowing costs and income taxes for the 12 months ended December 31, 2020, were \$987 million, which was 1.9 times Corporation's aggregate dividend and borrowing cost requirements (including capitalized interest), after giving effect to the issue of the Series HH Preferred Shares (without giving effect to the exercise of the Over-Allotment Option).

The Corporation's dividend requirements on all of its preferred shares, after giving effect to the issue of the Series HH Preferred Shares (without giving effect to the exercise of the Over-Allotment Option) and adjusted to a before-tax equivalent using an effective income tax rate of 23.5%, amounted to \$106 million for the 12 months ended September 30, 2021. The Corporation's borrowing cost requirements (including capitalized interest) amounted to \$412 million for the 12 months ended September 30, 2021. The Corporation's earnings before borrowing costs and income taxes for the 12 months ended September 30, 2021, were \$829 million, which was 1.6 times Corporation's aggregate dividend and borrowing cost requirements (including capitalized interest), after giving effect to the issue of the Series HH Preferred Shares (without giving effect to the exercise of the Over-Allotment Option).

RISK FACTORS

A prospective purchaser of Series HH Preferred Shares should carefully consider the following investment considerations before making a decision to purchase Series HH Preferred Shares, as well as the other information contained in this prospectus and the documents incorporated by reference herein, including, in particular, the information described under the heading "Business Risks and Risk Management" in the Corporation's management's discussion and analysis for the year ended December 31, 2020.

There is no market through which the Series HH Preferred Shares may be sold and purchasers may not be able to resell Series HH Preferred Shares purchased under this prospectus. This may affect the pricing of the Series HH Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series HH Preferred Shares and the extent of issuer regulation.

Prospective purchasers of Series HH Preferred Shares who are resident in or otherwise subject to taxation in jurisdictions other than Canada should be aware that the acquisition, holding, and disposition of Series HH Preferred Shares may have tax consequences in Canada and in such other jurisdictions. The discussion herein describes only certain Canadian federal income tax considerations to purchasers who are residents of Canada, and non-Canadian tax

considerations are not discussed herein. Prospective purchasers should be aware that the acquisition, holding and disposition of Series HH Preferred Shares may have tax consequences which are not described in this prospectus. See the sections entitled "Details of the Offering – Tax Election", "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" for additional tax discussion. Prospective purchasers should consult their own tax advisors about the tax consequences to them of acquiring, holding and disposing of the Series HH Preferred Shares in their own circumstances.

Prevailing yields on similar securities will affect the market values of the Series HH Preferred Shares. Assuming all other factors remain unchanged, the market value of the Series HH Preferred Shares will decline as prevailing yields for similar securities rise and will increase as prevailing yields for similar securities decline. Real or anticipated changes in credit ratings on the Series HH Preferred Shares may affect the market value of the Series HH Preferred Shares.

The Series HH Preferred Shares are equity capital of the Corporation which rank equally with other series second preferred shares of the Corporation in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or is wound up, the Corporation's assets must be used to pay liabilities and other debt before payments may be made on the Series HH Preferred Shares and other series second preferred shares.

Dividends on the Series HH Preferred Shares are payable at the discretion of the Board of Directors. The Corporation may not declare or pay a dividend if there are reasonable grounds for believing that (a) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares.

The Series HH Preferred Shares may be redeemed by the Corporation in certain circumstances without the holders' consent. The Series HH Preferred Shares do not have a fixed redemption date, nor are such shares retractable at the option of the holders thereof.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, (collectively "Counsel") the following summary, as of the date hereof, describes the principal Canadian federal income tax considerations generally applicable under the provisions of the Tax Act to a purchaser who acquires Series HH Preferred Shares pursuant to this prospectus and who, for purposes of the Tax Act and at all relevant times, (i) is or is deemed to be resident in Canada, (ii) deals at arm's length with the Corporation and the Underwriters, (iii) is not affiliated with the Corporation or the Underwriters, and (iv) holds the Series HH Preferred Shares as capital property (each, a "Holder"). Generally, the Series HH Preferred Shares will be considered to be capital property to a Holder provided the Holder does not acquire or hold those Series HH Preferred Shares in the course of carrying on a business or as part of an adventure or concern in the nature of a trade. Certain Holders who are resident in Canada, whose Series HH Preferred Shares might not otherwise be considered to be held as capital property, may in certain circumstances be entitled to have such shares and every other "Canadian security", as defined in the Tax Act, treated as capital property by making an irrevocable election permitted by subsection 39(4) of the Tax Act. Holders who are considering making a subsection 39(4) election should consult their own tax advisors. This summary assumes that the Series HH Preferred Shares will be listed on a designated stock exchange in Canada under the Tax Act (which currently includes the TSX) at all relevant times.

This summary is not applicable to a Holder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules; (ii) an interest in which is a "tax shelter investment"; (iii) that is a "specified financial institution"; (iv) that makes or has made a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency; (v) that is a partnership; (vi) that is exempt from tax under the Tax Act; (vii) that has entered into or will enter into, in respect of the Series HH Preferred Shares, a "derivative forward agreement" or "synthetic disposition arrangement"; or (viii) that receives dividends on the Series HH Preferred Shares under or as part of a "dividend rental arrangement" of the Holder, each as defined or within the meaning of the Tax Act. Any such Holder should consult its own tax advisors with respect to the consequences of an investment in the Series HH Preferred Shares.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation, and is, or becomes, or does not deal at arm's length with a corporation resident in Canada that is, or becomes, as part of a transaction or

event or series of transactions or events that includes the acquisition of the Series HH Preferred Shares, controlled by a non-resident person (or a group of such persons that do not deal with each other at arm's length) for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of an investment in the Series HH Preferred Shares.

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposals"), existing case law and Counsels' understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary assumes the Proposals will be enacted in the form proposed; however, no assurance can be given that the Proposals will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser of Series HH Preferred Shares. The tax consequences of acquiring, holding and disposing of the Series HH Preferred Shares will vary according to the status and circumstances of the particular purchaser or Holder. No representations are made with respect to the income tax or other consequences to any particular Holder. Prospective purchasers should be aware that the acquisition, holding and disposition of Series HH Preferred Shares may have tax consequences which are not described in this prospectus. Prospective purchasers should consult their own tax advisers with respect to their particular circumstances for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Series HH Preferred Shares including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Dividends

Dividends (including deemed dividends) received (or deemed to be received) on the Series HH Preferred Shares by a Holder who is an individual (other than certain trusts) will be included in such Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Corporation as "eligible dividends" in accordance with the provisions of the Tax Act. By notice in writing on the Corporation's website, the Corporation has designated that all taxable dividends paid on its shares on or after January 1, 2006 are designated "eligible dividends" within the meaning of the Tax Act unless otherwise indicated.

Dividends (including deemed dividends) received (or deemed to be received) on the Series HH Preferred Shares by a Holder that is a corporation will be included in such Holder's income and will generally be deductible in computing the Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act may treat all or part of the amount of a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain and not as a dividend. Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances. A Holder that is a "private corporation", as defined in the Tax Act, or any other corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received (or deemed to be received) on the Series HH Preferred Shares to the extent such dividends are deductible in computing its taxable income.

The Series HH Preferred Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series HH Preferred Shares require the Corporation to elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay tax at a rate such that corporate Holders of Series HH Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series HH Preferred Shares under Part IV.1 of the Tax Act.

Dispositions

A Holder who disposes of or is deemed to dispose of a Series HH Preferred Share (which includes on the redemption of such shares or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Series HH Preferred Share to the Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Corporation of a Series HH Preferred Share will generally not be included in the Holder's proceeds of disposition for purposes of computing the capital gain (or capital loss) arising on the disposition of such Series HH Preferred Shares. See "Redemption" below.

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year will be included in computing the Holder's income for such taxation year and, subject to and in accordance with the provisions of the Tax Act, one-half of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year is required to be deducted from net taxable capital gains realized by the Holder in such taxation year. Allowable capital losses in excess of taxable capital gains realized by a Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Holder in such taxation year, subject to and in accordance with the detailed rules contained in the Tax Act.

If the Holder is a corporation, the amount of any capital loss arising on a disposition of a Series HH Preferred Share may, in certain circumstances, be reduced by the amount of any dividends (including deemed dividends) which have been received (or deemed to be received) on the Series HH Preferred Share to the extent and in the manner provided for in the Tax Act. Similar rules may apply where a Series HH Preferred Share is owned, directly or indirectly, by a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Such Holders should consult their own advisors.

Redemption

If the Corporation redeems or otherwise acquires or cancels a Series HH Preferred Share (other than by a purchase by the Corporation of the share in the open market in the manner in which shares would normally be purchased by any member of the public in the open market), the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation in excess of the paid-up capital (as determined for purposes of the Tax Act) of such share at such time. Generally, the difference between the amount paid by the Corporation and the amount of the deemed dividend will be treated as proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share. See "Dispositions" above. In the case of a Holder that is a corporation, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

Additional Refundable Tax

A Holder that is throughout the taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, an additional tax, a portion of which may be refundable in certain circumstances, on "aggregate investment income", which is defined in the Tax Act to include an amount in respect of taxable capital gains and dividends received or deemed to be received that are not deductible in computing taxable income.

Alternative Minimum Tax

A capital gain realized, or a dividend received or deemed to be received, by a Holder that is an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax. Holders should consult their own tax advisors in this regard.

LEGAL MATTERS AND INTERESTS OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Bennett Jones LLP for the Corporation and by Blake, Cassels & Graydon LLP for the Underwriters. As at the date hereof, partners and associates of Bennett Jones LLP and of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of any

class of securities of the Corporation. R.T. Booth, a partner of Bennett Jones LLP, is a director of ATCO Ltd., which is a publicly traded affiliate of the Corporation. PricewaterhouseCoopers LLP has prepared the auditor's report with respect to the Corporation's annual financial statements. PricewaterhouseCoopers LLP is independent with respect to the Corporation in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

AGENT FOR SERVICE OF PROCESS IN CANADA

Matthias F. Bichsel, Hector A. Rangel, Laura A. Reed, Roger J. Urwin and Charles W. Wilson are directors of the Corporation who reside outside of Canada and have appointed the following agent as their agent for service of process:

<u>Name of Person</u>	<u>Name and Address of Agent</u>
Matthias F. Bichsel	Canadian Utilities Limited 4 th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4
Hector A. Rangel	Canadian Utilities Limited 4 th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4
Laura A. Reed	Canadian Utilities Limited 4 th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4
Roger J. Urwin	Canadian Utilities Limited 4 th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4
Charles W. Wilson	Canadian Utilities Limited 4 th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

TRANSFER AGENT AND REGISTRAR

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

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: December 6, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(signed) N. C. Southern
Chair &
Chief Executive Officer

(signed) B. P. Shkrobot
Executive Vice President
& Chief Financial Officer

On behalf of the Board of Directors

(signed) R.J. Urwin
Director

(signed) R. J. Normand
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 6, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

BMO NESBITT BURNS INC.

(signed) Greg Petit
Managing Director

RBC DOMINION SECURITIES INC.

(signed) David Dal Bello
Managing Director

TD SECURITIES INC.

(signed) Alec W. G. Clark
Head, Global Energy

SCOTIA CAPITAL INC.

(signed) Trevor Loose
Director

CIBC WORLD MARKETS INC.

(signed) Kelsen Vallee
Managing Director

NATIONAL BANK FINANCIAL INC.

(signed) Iain Watson
Managing Director

IA PRIVATE WEALTH INC.

(signed) David Beatty
Managing Director