

# 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 Canadian Utilities Limited 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; Canadian Utilities undertakes no obligation to update such information except as required by applicable law. Canadian Utilities remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.



**CANADIAN UTILITIES LIMITED**

An **ATCO** Company



CANADIAN UTILITIES LIMITED  
**MANAGEMENT PROXY CIRCULAR**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHARE OWNERS  
TO BE HELD ON MAY 4, 2022

MARCH 9, 2022





**CANADIAN UTILITIES LIMITED**

An **ATCO** Company

# NOTICE OF ANNUAL AND SPECIAL MEETING OF SHARE OWNERS

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<b>When</b>	<b>Wednesday, May 4, 2022 10:00 a.m.</b>	<b>Where</b> <b>The Empire Ballroom Fairmont Hotel Macdonald 10065 - 100 Street Edmonton, Alberta</b>	<b>And Virtual Meeting via Live Webcast at: <a href="https://web.lumiagm.com/475704431">https:// web.lumiagm.com/ 475704431</a></b>
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## **Business of the Meeting**

The meeting's purpose is to:

1. Receive the consolidated financial statements for the year ended December 31, 2021, including the auditor's report on the statements
2. Elect the directors
3. Appoint the auditor
4. Approve the replenishment of the number of Class A non-voting shares reserved for issuance under the Stock Option Plan
5. Transact other business that may properly come before the meeting.

Holders of Class B common shares registered at the close of business on March 23, 2022 are entitled to vote at the meeting. The management proxy circular dated March 9, 2022 includes important information about what the meeting will cover and how to vote.

Due to evolving concerns associated with COVID-19, our ability to hold the meeting as planned could be compromised. If we are required to alter plans and change the format of the meeting from hybrid to virtual-only, the details of any such change will be communicated promptly by way of press release, a copy of which will be available on SEDAR at [www.sedar.com](http://www.sedar.com) and our website at [www.canadianutilities.com](http://www.canadianutilities.com).

By order of the Board of Directors,

*[Signed by K.M. Brunner]*

K.M. Brunner  
Vice President, Corporate Secretary

Calgary, Alberta  
March 9, 2022



March 9, 2022

Dear Share Owner:

On behalf of our Board of Directors, executive leadership team and employees, it is my sincere pleasure to invite all holders of Class A non-voting shares and Class B common shares of Canadian Utilities Limited (Canadian Utilities) to attend the 95th annual and special meeting of Canadian Utilities Limited share owners. The meeting will be held virtually and in person at the Empire Ballroom at the Fairmont Hotel Macdonald, 10065 - 100 Street, Edmonton, Alberta on Wednesday, May 4, 2022 at 10:00 a.m. local time. The health and safety of you and your family is of paramount importance to us. If we are required to alter our plans and change the format of the meeting from hybrid to virtual-only, we will communicate such change promptly with a news release.

Holders of Class B common shares are entitled to vote on the items of business at the meeting. If you are unable to attend the meeting, you may vote by various methods as described starting on Page 4 in the accompanying management proxy circular.

In addition to the formal business of the meeting, you will hear management's review of Canadian Utilities' 2021 operational and financial performance. You will have the opportunity to ask questions and to meet with management, your directors and fellow share owners.

#### *Our Performance*

Over the past 95 years, Canadian Utilities has witnessed, weathered, and grown through periods of extraordinary change—and the past year was no different. Throughout the pandemic, we have remained steadfastly focused on sustainable growth through the delivery of reliable, cleaner and affordable energy for our customers and our communities.

Noteworthy achievements from the prior year include:

- a. We advanced numerous projects aligned with our strategic focus on the energy transition, including the acquisition of three utility-scale solar projects, the construction of our first commercial renewable natural gas production facility, receiving notification of conditional grant funding of AUS\$29 million from the Australian Renewable Energy Agency for ATCO's proposed Clean Energy Innovation Park, and our partnership with Suncor Energy to collaborate on early stage design and engineering for a potential world-scale clean hydrogen project.
- b. On June 1, 2021, LUMA Energy, LLC commenced its 15-year contract to modernize and operate Puerto Rico's electricity transmission and distribution system. Since assuming operation of the system, LUMA has made significant progress across multiple areas, including infrastructure upgrades, improving customer service, enabling renewables, growing the LUMA team, and improving employee safety.

- c. On June 3, 2021, we launched Rūmi, a solutions provider for home and business owners, offering lifestyle products, professional advice, and installations, repair and maintenance services in Alberta.
- d. On August 31, 2021, CU Inc. issued \$460M in 30-year debentures, with a coupon interest rate of 3.174%. This interest rate, and the offering being significantly oversubscribed, demonstrate the continued strong access to capital markets that we maintain; even in the face of increased market turbulence driven by the COVID-19 pandemic.

Our performance is due in no small part to the expertise and operational excellence of our executive leadership team. Compensation for our executives is linked to achieving goals that create sustainable share owner value, and that are aligned with our long-term strategic plan.

We invite you to read more about our approach to executive compensation, as well as Canadian Utilities' 2021 performance and awards, on Page 46 in the accompanying management proxy circular.

### *Changes within our Executive Leadership Team and Board of Directors*

Over the course of the year, we experienced noteworthy changes within our Board of Directors and executive leadership team, including the sudden passing of a dear friend and colleague.

After 38 years of exemplary commitment to our company and share owners, Siegfried Kiefer, Canadian Utilities' President & Chief Executive Officer, retired effective July 1, 2021. Siegfried's decision to retire was part of a planned succession arrangement that saw him continue to provide counsel to Canadian Utilities and ATCO in a role as Honorary Director, Office of the Chair, ATCO Ltd. until February 28, 2022. With the support of the Board of Directors, I re-assumed the role of Chief Executive Officer, and continue to serve as Chair of the Board.

On August 18, 2021, we announced the passing of Dennis DeChamplain, who held the role of Executive Vice President & Chief Financial Officer of both ATCO and Canadian Utilities Limited. Throughout his almost 30 years at ATCO, Dennis was an energetic, principled leader and a steadfast champion for our employees, customers, and share owners. His expertise in finance, accounting, and sustainability has left an indelible mark on our organization and helped position us for success in a rapidly evolving world—he is deeply missed.

Drawing on the considerable depth of expertise possessed by ATCO's executive leadership team, the Board of Directors appointed Brian Shkrobot as Interim Senior Vice President & Chief Financial Officer and on October 1, 2021, the Board of Directors appointed Brian as Executive Vice President & Chief Financial Officer of Canadian Utilities. Brian joined ATCO in 2000 and has held progressively senior financial, regulatory, and business planning positions. Most recently, he served as Senior Vice President, Finance & Regulatory, overseeing all financial and regulatory matters for ATCO's Natural Gas and Electric utilities divisions in Alberta and Canada's North.

We also welcomed Robert Hanf, Q.C. to Canadian Utilities' Board of Directors on September 1, 2021. Mr. Hanf served as an executive within Emera Inc. and Nova Scotia Power Inc. during which time he held a broad range of leadership roles, including responsibility for stakeholder, regulatory, communications and government relations. His broad and comprehensive experience across Canada's evolving energy landscape will provide significant value to your company.

Finally, we would like to acknowledge Charles W. Wilson, who is stepping down from the Board this year. Since joining the Board in 2000, his knowledge, advice and integrity have contributed significantly to the Board, and he has shown a true commitment to Canadian Utilities Limited and the ATCO Group of Companies. We are grateful for his wise judgement, dedication and years of distinguished service.

We greatly look forward to the opportunity to see you all once again. A webcast of the meeting will be available at [www.canadianutilities.com](http://www.canadianutilities.com) shortly after the meeting, and our 2021 Annual Report is available online. Please visit our website during the year for information about your company.

Sincerely,

*[Signed by N.C. Southern]*

N.C. Southern  
Chair & Chief Executive Officer

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# FREQUENTLY USED TERMS

<b>Board</b>	Board of Directors of Canadian Utilities Limited
<b>CD&amp;A</b>	Compensation Discussion & Analysis
<b>CEO</b>	Chief Executive Officer
<b>Circular</b>	Canadian Utilities' Management Proxy Circular dated March 9, 2022
<b>Class A shares</b>	Class A non-voting shares of Canadian Utilities
<b>Class B shares</b>	Class B common shares of Canadian Utilities
<b>Code</b>	Code of Ethics
<b>DAD</b>	Designated Audit Director
<b>GOCOM</b>	Corporate Governance - Nomination, Compensation & Succession Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>MTIP</b>	Mid-term Incentive Plan
<b>Non-Registered Share Owner</b>	Your shares are held in the name of a nominee (usually a bank, broker or trust company)
<b>proxy form</b>	Form of Proxy
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Registered Share Owner</b>	Your name appears on your share certificate
<b>SAR</b>	Share Appreciation Right
<b>SEDAR</b>	System for Electronic Document Analysis and Retrieval
<b>Sentgraf</b>	Sentgraf Enterprises Ltd.
<b>TSX Trust</b>	TSX Trust Company
<b>VIF</b>	Voting Instruction Form

All information in this management proxy circular is as of March 9, 2022, unless otherwise indicated.

This management proxy circular is provided to enable Canadian Utilities' management team to solicit proxies for use at the annual share owners' meeting for items described in the accompanying notice of this meeting. The cost of management's solicitation is borne by Canadian Utilities.

Throughout this Circular, *you* and *your* refers to Canadian Utilities Limited share owners.

*We, us, our, Company, Canadian Utilities* and *CU* refer to Canadian Utilities Limited and its subsidiaries, where applicable.

*ATCO* means ATCO Ltd.



# ABOUT THE MEETING

## HYBRID MEETING

This year, to mitigate the risks to the health and safety of our share owners, employees, communities, and other stakeholders, we are holding our meeting in a hybrid format whereby share owners may attend and participate in the meeting in person or via live webcast. Share owners will have equal opportunity to participate in the meeting online regardless of their geographic location.

In person attendance restrictions may be imposed based on the changing nature of the public health advisories related to COVID-19 or as the Company may deem necessary in order to mitigate health and safety risks to its share owners, employees, communities and other stakeholders. In the event of any changes to the meeting due to concerns associated with COVID-19, including possibly changing the format of the meeting from hybrid to virtual-only, the details of any such change will be communicated promptly by way of press release, a copy of which will be available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## Holders of Class B Common Shares

- If you are a Registered Share Owner, please refer to the "Registered Share Owner Voting Instructions" on Page 4.
- If you are a Non-Registered Share Owner, please refer to "Non-Registered Share Owner Voting Instructions" on Page 8.

## Holders of Class A Non-Voting Shares

All holders of Class A shares may join the meeting as guests. Guests will be able to listen to the meeting and ask questions but will not be able to vote. To join the meeting:

- **Attend in person:** We recommend that you arrive at least 30 minutes before the meeting starts; or,
- **Attend online:** Log in at <https://web.lumiagm.com/475704431>. We recommend that you log in at least 30 minutes before the meeting starts. Select "Non Voting Share Owners / Guest" and then complete the online form.

## Conference Call Information

If you are unable to listen to the webcast through your computer and would like to listen to the meeting by telephone, please call one of the following numbers at least 15 minutes before the meeting starts:

Within Canada and the US:	1 (888) 204-4368
Outside Canada and the US:	1 (647) 794-4605

When prompted, you will be asked to provide the following information:

- Confirm you are joining the **Canadian Utilities Limited Annual and Special Meeting**
- Your first and last name
- Whether you are joining the call as a share owner or a guest. You will not be able to vote or ask questions using the conference call line.

## WHO CAN VOTE

Canadian Utilities has two classes of common shares – Class A non-voting shares (Class A shares) and Class B common shares (Class B shares). The Class B shares are the only shares that can be voted at the meeting. Each Class B share you own at the close of business on March 23, 2022 entitles you to one vote. The holders of Class A shares are entitled to attend and participate in discussions at share owner meetings but are not entitled to vote.

## SHARE OWNERSHIP RIGHTS

If a person other than a controlling share owner makes a take-over bid to all holders of Class B shares for more than 50 per cent of the Class B shares, then the holders of Class A shares have the right, for the duration of the bid, to exchange their Class A shares for Class B shares. However, if the take-over bid is not completed, then any person who exercised the right to exchange will be required to take back the certificates representing the Class A shares tendered by that person and the right to exchange shall be deemed never to have existed. In addition, the holders of Class A shares have the right to exchange their shares for Class B shares if ATCO Ltd., the present controlling share owner of the Company, ceases to own or control, directly or indirectly, more than 10,000,000 of the Class B shares. In either case, each Class A share is exchangeable for one Class B share, subject to changes in the exchange ratio for certain events such as a stock split or a rights offering.

## MAJORITY SHARE OWNER

	Number of Class B Shares Owned or Controlled	Percentage of Outstanding Class B Shares Owned or Controlled
Majority Share Owner	66,598,846	92.0%

On March 9, 2022, there were 72,373,274 Class B shares outstanding. To the knowledge of the directors and officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class B shares is ATCO Ltd. ATCO owns 66,309,246 Class B shares representing 91.6 per cent of the outstanding Class B shares. ATCO is controlled by Sentgraf Enterprises Ltd. (Sentgraf) which in turn is controlled by the Sentgraf Spousal Trust (the Spousal Trust). Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. ATCO, Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner.

## VOTING PROCESS Q&A

### Q. Am I entitled to vote?

- A. You are entitled to vote if you were a holder of Class B shares at the close of business on March 23, 2022. Each Class B share entitles its holder to one vote.

### Q. What will I be voting on?

- A. You are voting on the following matters:
- The election of 11 directors to Canadian Utilities' Board of Directors
  - The appointment of the auditor
  - The replenishment of the number of Class A shares reserved for issuance under the Stock Option Plan.

### Q. How will a decision be made at the meeting?




- A. A simple majority of the votes cast, during the meeting or by proxy, will constitute approval of each matter to be voted on.

**Q. How do I vote my shares?**

- A.** You can vote by proxy or by completing a ballot at the meeting. Voting by proxy means you are giving someone else the authority to attend the meeting and vote on your behalf. Please refer to "Registered Share Owner Voting Instructions" and "Non-Registered Share Owner Voting Instructions" below.

**Q. If I submit my proxy form or VIF prior to the meeting, how will my shares be voted?**

- A.** Your shares will be voted as you instruct on the proxy form or Voting Instruction Form (VIF). Follow the instructions provided on your proxy form or VIF in order to ensure it is properly completed. Once completed, submit your proxy form or VIF using one of the methods shown in the next section. If you properly complete and return your proxy form or VIF your proxyholder will vote, or withhold from voting, in accordance with your directions. If you do not specify how you wish the votes to be cast, your shares will be voted as your proxyholder sees fit. If neither you nor your proxyholder gives specific instructions, your shares will be voted as follows:

	<b>FOR the election as directors of those nominees set out in this Circular</b>
	<b>FOR the appointment of PricewaterhouseCoopers LLP as Canadian Utilities' auditor</b>
	<b>FOR the approval of the replenishment of the number of Class A shares reserved for issuance under the Stock Option Plan</b>

**Q. What if amendments are made to the matters to be decided at the meeting or if other matters are brought before the meeting?**

- A.** The person or persons named in the proxy form or VIF as your proxyholder will have discretionary authority to vote on amendments or variations to matters identified in the notice of the meeting and on other matters which may properly come before the meeting.

As of the date of this Circular, management is not aware of any amendments or other matters expected to come before the meeting.

## REGISTERED SHARE OWNER VOTING INSTRUCTIONS

### Q. How do I know if I am a Registered Share Owner?

- A.** You are a Registered Share Owner if your name appears on your share certificate. If your name is on your certificate, **you have the right to appoint a person or company to represent you as proxyholder and vote your shares at the meeting.**

### Q. Can I attend and vote during the meeting?

- A.** Registered Share owners may attend and vote at the meeting in person or online via the live webcast.

If you plan to attend the meeting and vote your shares in person, you do not need to complete and return the proxy form. Please register with the transfer agent, TSX Trust, when you arrive at the meeting.

Registered Share Owners who participate in the meeting online will be able to listen to the meeting, ask questions and vote. You may vote at the meeting by completing a ballot online during the meeting. To join the meeting online:

- **Log in at <https://web.lumiagm.com/475704431>. We recommend that you log in at least 30 minutes before the meeting starts.**
- **Select "Voting Share Owner" and then enter your Control Number and Password "CU2022" (case sensitive).**

The Control Number is located on your proxy form.

### Q. How do I appoint someone else as my proxyholder?

#### A. Step 1 - Complete the proxy form:

Follow the instructions provided on your proxy form in order to ensure it is properly completed. **If you want to appoint a person or company other than the persons named in the enclosed proxy form, strike out the printed names appearing on the proxy form and insert the name of your chosen proxyholder in the space provided. Your proxyholder need not be a Canadian Utilities share owner.**

**Complete your voting instructions, date and sign the proxy form and return it to our registrar and transfer agent, TSX Trust, using one of the methods shown on Page 6.**

If the shares are registered in more than one name, all persons in whose names the shares are registered must sign the proxy form.

#### Step 2 - Register the proxy form:

If you appoint a person or company other than the persons named in the enclosed proxy form, in order for your proxyholder to attend the meeting online you must register your proxyholder as an additional step. To register a proxyholder, call TSX Trust or go to their website by May 2, 2022 before 5:00 p.m. Eastern Daylight Time as set out below:

Within Canada and the US:	1 (866) 751-6315
Outside Canada and the US:	1 (212) 235-5754
TSX Trust website:	<a href="https://www.tsxtrust.com/control-number-request">https://www.tsxtrust.com/control-number-request</a>

Provide TSX Trust with the required contact information for your proxyholder so that TSX Trust may provide the proxyholder with a Control Number via email. **Without a Control Number, proxyholders will not be able to vote at the meeting online.**

### **Step 3 - Attend the meeting in person or online:**

It is important for you to ensure that any person you appoint as your proxyholder will attend the meeting. That person should be aware that his or her appointment has been made to vote your shares. If your appointed proxyholder does not attend the meeting, your shares will not be voted. If attending the meeting in person, upon arrival, proxyholders should register with a representative of TSX Trust.

If your proxyholder is attending the meeting online, your proxyholder should:

- **Log in at <https://web.lumiagm.com/475704431>. We recommend that he/she logs in at least 30 minutes before the meeting starts.**
- **Select "Voting Share Owner" and then enter his/her Control Number and Password "CU2022" (case sensitive).**

### **Q. Who votes my shares if I sign a proxy form?**

- A.** If you sign the enclosed proxy form and do not insert the name of a proxyholder in the space provided, you are authorizing Ms. Nancy C. Southern, Chair & Chief Executive Officer, or Mr. Kyle M. Brunner, Vice President, Corporate Secretary to vote, or withhold from voting, your shares at the meeting in accordance with your instructions.

### **Q. How do I vote shares registered in the name of an entity or in a name other than my own?**









- A.** If your shares are registered in the name of an entity or any name other than your own, that entity or other name is the Registered Share Owner. If this is the case, you need to provide documentation proving that you are authorized to sign the proxy form on behalf of that entity or name. If you have any questions on what supporting documentation is required, contact TSX Trust before submitting your proxy form. Shares that are held in a name other than your own may not be voted by telephone or smartphone.

## REGISTERED SHARE OWNER VOTING METHODS AND PROXY DEADLINE DATE (May 2, 2022)

**Important Note: Regardless of which voting method you use, your vote must be received by TSX Trust before 5:00 p.m. Eastern Daylight Time on the proxy deadline date.**

### Q. How do I vote?

A. You may select an option from the table below:

	<b>Attend the meeting in person</b> If you plan to attend the meeting and vote your shares in person, you do not need to complete and return the proxy form. Please register with the transfer agent, TSX Trust, when you arrive at the meeting. Your vote will be recorded and counted at the meeting.
	<b>Attend the meeting online</b> If you or your proxyholder plans to attend the meeting online, please follow the instructions starting on Page 4, "Can I attend and vote during the meeting?"
	<b>By telephone in advance</b> <b>1 (888) 489-5760</b> Canadian and US share owners can vote by telephone. Dial the toll free number and follow the voice prompts. You will need to enter the 13-digit Control Number located on the enclosed proxy form to enter your voting instructions. If you vote by telephone, you cannot appoint anyone other than the persons named on your proxy form as your proxyholder.
	<b>By email</b> <b><a href="mailto:proxyvote@tmx.com">proxyvote@tmx.com</a></b> Sign, scan and email your completed proxy form to TSX Trust. You may appoint anyone as a proxyholder using this voting method.
	<b>By smartphone</b> Scan the QR Code that appears on the reverse side of your proxy form. You will need to enter the 13-digit Control Number located on the enclosed proxy form to enter your voting instructions. You may appoint anyone as a proxyholder using this voting method.
	<b>Online in advance</b> <b><a href="http://www.tsxtrust.com/vote-proxy">www.tsxtrust.com/vote-proxy</a></b> Follow the instructions provided on the proxy voting website. You will need to enter the 13-digit Control Number located on the enclosed proxy form to enter your voting instructions. You may appoint anyone as a proxyholder using this voting method.
	<b>By mail</b> Return your completed proxy form in the postage paid envelope provided or mail it to TSX Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1. You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.
	<b>By fax</b> Fax your completed proxy form to TSX Trust:  Within Canada and the US: <b>1 (866) 781-3111</b> Outside Canada and the US: <b>1 (416) 368-2502</b>  You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.

**Q. Can I change my mind once I have submitted my proxy form?**

- A.** Yes. You can complete another proxy form in the manner and time specified on the proxy form. The later-dated proxy form will replace the one submitted earlier. You can also revoke your proxy form by preparing a written statement to this effect. The statement must be signed by you or your duly authorized attorney as authorized in writing. If the share owner is a corporation, the statement must be signed by a duly authorized officer or attorney of that corporation. This statement should be delivered to either of the following:

1.	Canadian Utilities' Vice President, Corporate Secretary at any time up to and including the last business day preceding the day of the meeting or any adjournment of the relevant meeting at:  TSX Trust Company Attention: Proxy Department P.O. Box 721 Agincourt, Ontario M1S 0A1  or  Canadian Utilities Limited Attention: Vice President, Corporate Secretary 4th Floor, West Building 5302 Forand Street S.W. Calgary, Alberta T3E 8B4  or
2.	If you have followed the process for attending and voting at the meeting, voting at the meeting will revoke a previously submitted proxy form.

**Q. How do I contact the transfer agent if I have general questions?**

- A.** Questions may be directed to TSX Trust at <http://www.tsxtrust.com> or [shareholderinquiries@tmx.com](mailto:shareholderinquiries@tmx.com) or by telephone:

Within Canada and the US:	1 (800) 360-4519
Outside Canada and the US:	1 (416) 682-3860

## NON-REGISTERED SHARE OWNER VOTING INSTRUCTIONS

### Q. Am I a Non-Registered Share Owner?

- A.** You are a Non-Registered Share Owner when your shares are held in the name of a nominee (usually a bank, broker, or trust company). According to the notice-and-access process (see Delivery of Meeting Materials below), you should have received a Voting Instruction Form (VIF) accompanied by a notice that explains how to access and review the Circular. To ensure that you have all the necessary information about the matters to be voted on at the meeting, you should review the Circular before you vote. If you have provided your nominee with a standing instruction (or if you have provided current instructions for 2022) that you prefer to receive a paper copy of the Circular, your VIF will be included in that package.

### Q. Can I attend and vote during the meeting?

- A.** Non-Registered Share Owners may attend and vote at the meeting in person or online via the live webcast.

Attending the meeting online enables Non-Registered Share Owners and duly appointed proxyholders, to participate at the meeting and ask questions. Duly appointed proxyholders can vote at the appropriate times during the meeting.

### Step 1 - Complete the VIF:

If you are a Non-Registered Share Owner and wish to vote at the meeting, you must appoint yourself as proxyholder by inserting your name in the space provided on the VIF sent by your intermediary and follow the applicable instructions.

### Step 2 - Register as a proxyholder:

You must call TSX Trust or go to their website by May 2, 2022 before 5:00 p.m. Eastern Daylight Time as set out below:

Within Canada and the US:	1 (866) 751-6315
Outside Canada and the US:	1 (212) 235-5754
TSX Trust website:	<a href="https://www.tsxtrust.com/control-number-request">https://www.tsxtrust.com/control-number-request</a>

Provide TSX Trust with the required contact information so that TSX Trust may provide you with a Control Number via email. **Without a Control Number, you will not be able to vote online at the meeting.**

### Step 3 - Attend the meeting in person or online:

If you wish to vote in person at the meeting, you must return your completed VIF with your own name in the space provided and follow the instructions provided on the VIF. When you arrive at the meeting, please register with the transfer agent, TSX Trust.

#### If you wish to attend and vote at the meeting online:

- **Log in at <https://web.lumiagm.com/475704431>. We recommend that you log in at least 30 minutes before the meeting starts.**
- **Select "Voting Share Owner" and then enter your Control Number and Password "CU2022" (case sensitive).**



**Q. Can I appoint someone else as my proxyholder?**

- A.** If you wish to appoint someone other than yourself as your proxyholder, please insert your proxyholder's name on the VIF and follow the steps as outlined above.

**Q. What if I want to change my voting instructions?**

- A.** If you are a Non-Registered Share Owner, you should contact your nominee for instructions on how to change your voting instructions.

**DELIVERY OF MEETING MATERIALS**

Meeting materials for registered share owners will be mailed on April 1, 2022.

For Non-Registered Share Owners, the material delivery process is achieved by using the notice-and-access process (Notice-and-Access). Notice-and-Access is an environmentally-friendly and cost-effective way for Canadian Utilities to distribute the Circular.

Notice-and-Access requires us to post the Circular online for our Non-Registered Share Owners to access electronically. Non-Registered Share Owners will receive a package in the mail containing a notice that explains how to access and review the Circular, as well as how to request a paper copy at no charge. If you own Class B shares, you will also receive a VIF. Share owners are reminded to review the Circular prior to voting.

The Circular is available on the System for Electronic Document Analysis and Retrieval (SEDAR) website ([www.sedar.com](http://www.sedar.com)) and on TSX Trust's website ([www.meetingdocuments.com/TSXT/cu](http://www.meetingdocuments.com/TSXT/cu)).

As a Non-Registered Share Owner, you will only receive a paper copy of the Circular if you have already provided instructions to your nominee. If you would like to receive a paper copy of the Circular, please follow the instructions provided in your meeting material package. You may request a copy of the Circular, at no charge, until April 1, 2023.

If you have any questions about Notice-and-Access, you can call TSX Trust:

Within Canada and the US:	1 (888) 433-6443
Outside Canada and the US:	1 (416) 682-3801

## BUSINESS OF THE MEETING

**If you do not specify on your proxy form or VIF how you want to vote your share(s), the persons named in the proxy form or VIF will vote FOR each matter to be decided upon at the meeting.**

### Review of the Financial Statements

Canadian Utilities' consolidated financial statements for the year ended December 31, 2021, together with the auditor's report, have been filed with the Canadian securities regulatory authorities and sent to Registered Share Owners and to Non-Registered Share Owners who requested them. The statements are also available on our website at [www.canadianutilities.com](http://www.canadianutilities.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The consolidated financial statements will be received at the annual meeting and you will have the opportunity to discuss the results with management.



### Election of the Directors

The 11 nominees proposed for election as directors of Canadian Utilities are listed on Pages 12-22.

The Board recommends that share owners vote **FOR** the election of these 11 nominees. The term of office for each director will expire at the close of the next annual meeting of share owners.



### Appointment of the Auditor

The Board, on the recommendation of the Audit & Risk Committee, proposes that PwC be appointed as auditor to hold office until the next annual meeting of share owners. PwC, including its predecessor firm, Price Waterhouse LLP, has been Canadian Utilities' auditor for 41 years.

Representatives of PwC plan to attend the meeting and will be available to answer your questions.

The Board recommends that share owners vote **FOR** the appointment of PwC as auditor.



### Stock Option Plan Reserve Replenishment

Since its inception in 1994, the Stock Option Plan has required the maintenance of a reserve of Class A shares to cover the options granted to participants. This reserve must be replenished from time to time so that the Company has a sufficient number of Class A shares to cover new option grants. The Stock Option Plan was last approved by share owners in May 2007, when share owners approved general amendment provisions for the Stock Option Plan. Prior to that, the Stock Option Plan was approved by share owners in May 2000, at which time the number of Class A shares approved for issuance under the Stock Option Plan was 3,200,000. The Company subsequently completed two stock splits, which resulted in the current fixed maximum of 12,800,000 Class A shares reserved for issuance under the Stock Option Plan (representing 4.8 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular). As at March 9, 2022, 8,372,850 Class A shares have been issued pursuant to options granted under the Stock Option Plan and options to acquire 1,509,250 Class A shares are currently outstanding (representing 0.6 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular), leaving 2,917,900 available for future grants (representing 1.1 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular).

The Company's use of stock options to acquire Class A shares is an important component of its incentive compensation arrangements for officers and key employees of the Company and its subsidiaries. We believe that this practice achieves alignment between executives' and share owners' interests and assists in attracting and retaining qualified and motivated senior executives and employees. The Board has determined that it would be appropriate to maintain a fixed maximum of 12,800,000 Class A shares reserved for issuance under the Stock Option Plan. We are proposing to replenish the share reserve by 8,372,850 Class A shares (representing 3.1 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular), which will result in the reservation of the maximum number of Class A shares authorized for issuance, being 12,800,000, and will provide the Company with an effective means to utilize stock option awards for many years to come. The replenishment of the Class A shares reserved for issuance under the Stock Option Plan was approved by the Board on February 22, 2022 and has been conditionally approved by the TSX, subject to share owner approval.

Accordingly, at the meeting, share owners will be asked to consider and, if thought advisable, to approve the following ordinary resolution, which must be approved by a majority (more than 50 per cent) of the votes cast by Class B share owners at the meeting:

BE IT RESOLVED, as an ordinary resolution of the share owners of the Company, that:

1. the number of Class A shares reserved for issuance under the Stock Option Plan be replenished by 8,372,850 Class A shares, such that following the replenishment, there will be the fixed maximum of 12,800,000 Class A shares reserved for issuance under the Stock Option Plan;
2. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution; and
3. notwithstanding that this resolution has been duly passed by the share owners of the Company, the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the share owners of the Company, at any time, if such revocation is considered necessary or desirable by the directors.

**The persons named in the form of proxy which accompanies this Circular intend to vote FOR the approval of the replenishment of Class A shares reserved for issuance under the Stock Option Plan, unless it has been specified in the form of proxy that the shares represented by such form of proxy are to be voted against such replenishment of shares reserved for issuance under the Stock Option Plan.**

A summary of the material terms of the Stock Option Plan is set out in Schedule B.

## DIRECTOR NOMINEES

All the nominees are currently directors and have been for the periods indicated.

The Chair, together with the Board, and after review by the Corporate Governance – Nomination, Compensation and Succession Committee (GOCOM), identifies potential candidates for nomination to the Board. The recommendation of potential Board members is undertaken to ensure overall diversity of experience, background, skills and geographic representation of Board members.

GOCOM receives advice from the Board on individuals best suited to serve as directors, and maintains its own standing list of appropriate candidates for directorships. GOCOM has reviewed each of the nominees and determined they have the necessary skills and experience to satisfy the Board's composition requirements.

The nominees' biographies, starting on Page 12, highlight their respective experience and attributes.

Additional information on directors, including skills and experience, independence, attendance, share ownership, as well as compensation, is also provided.

Information on director share ownership guidelines can be found on Page 44.

## BIOGRAPHIES



### MATTHIAS F. BICHSEL, PhD

Primary residence	Luzern, Switzerland
Director since	2014
Age	67
Independent	

Dr. Bichsel is an energy and technology consultant and corporate director. From 2009 until his retirement in 2014, he was a member of the Executive Management Board of Royal Dutch Shell plc and ran one of its four global businesses, where his responsibilities included upstream and downstream capital projects, technology and R&D, engineering, supply chain management and procurement as well as drilling. Dr. Bichsel was also accountable for the safety and environmental performance of Shell. He was further responsible for sustainable development including climate change, emissions, pollution, societal shifts and stakeholder interests.

Dr. Bichsel has a PhD in Geology from the University of Basel, Switzerland, and is an Honorary Professor at the Chinese University of Petroleum, Beijing, China.

Skills and Experience		
Primary Industry Background	Functional Experience	
Energy Industrials Science and Technology	CEO Experience Governance Human Resources/Compensation Government/Regulatory International Business Operations	Risk Management Safety and Health Climate Change and Environment Corporate Social Responsibility IT/Technology

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,120,905	99.9%
Other public company boards and committee memberships	Company	Since		Position		
	Sulzer Management Ltd.	2014		Director, and Chairman of the Strategy and Sustainability Committee		
	Petrofac Limited	2015		Senior Independent Director, Chairman of the Remuneration Committee, and member of the Compliance and Ethics Committee, Audit Committee, and Nomination Committee		
Shares held	Canadian Utilities					
	Class A non-voting	21,156				
	Class B common	—				
Total compensation in 2021:		\$220,000				



## LORAIN M. CHARLTON

Primary residence	Calgary, Alberta, Canada
Director since	2006
Age	65
Independent	

Ms. Charlton is currently Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company with interests across Western Canada, and has over three decades of experience in the oil and gas industry. During her career, Ms. Charlton has held various positions involving responsibility for directing overall management, including financial reporting, banking, debt and treasury management, investor relations, risk management, human resources, operations and strategy.

Ms. Charlton graduated from the University of Calgary with a Bachelor of Commerce degree in Finance, and holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors.

Skills and Experience	Functional Experience	
Primary Industry Background		
Energy	Governance Human Resources/ Compensation Accounting/Finance/Economics	Operations Risk Management Corporate Social Responsibility

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,126,172	99.9%
	Audit & Risk	4 of 4	100%			
	GOCOM	5 of 5	100%			
Other public company boards and committee memberships	Company	Since		Position		
	AKITA Drilling Ltd.	2006		Director, Chair of the Audit Committee and a member of the Corporate Governance – Nomination, Compensation and Succession Committee		
	CU Inc.*	2008		Director and Chair of the Audit Committee		
Shares held	Canadian Utilities					
	Class A non-voting	44,654				
	Class B common	1,050				
Total compensation in 2021:**		\$262,700				

\*CU Inc. is controlled by Canadian Utilities.

\*\*Consists of fees earned as a director of Canadian Utilities and CU Inc.



## ROBERT HANF, Q.C.

Primary residence	Calgary, Alberta, Canada
Director since	2021
Age	59
Independent	

Mr. Hanf served as an executive leader within Emera Inc. and its group of companies for almost 20 years. Until his retirement in 2020, he was Executive Vice President, Stakeholder Relations and Regulatory Affairs responsible for strategy and alignment of stakeholder and regulatory relations, communications, and government relations. During his career, he held positions as President and Chief Executive Officer of Nova Scotia Power Inc., Chief Legal Officer of Emera Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and COO of Bangor Hydro Electric Company. Previously he worked in Western Canada's construction and energy sectors for over a decade and was a partner in the Calgary office of McCarthy Tétrault LLP.

Mr. Hanf is currently a director of Mancal Corporation, Chair of the Board of Governors of Dalhousie University and is a former director of the Canadian Electricity Association and the Energy Council of Canada.

Mr. Hanf has a LL.B. from Dalhousie University and has held an ICD.D certification from the Institute of Corporate Directors since 2008.

Skills and Experience	
Primary Industry Background	Functional Experience
Energy Utilities Legal	<div>CEO Experience</div> <div>Governance</div> <div>Human Resources/Compensation</div> <div>Government/Regulatory</div> <div>International Business</div> <div>Accounting/Finance/Economics</div> <div>Operations</div> <div>Risk Management</div> <div>Safety and Health</div> <div>Climate Change and Environment</div> <div>Corporate Social Responsibility</div>

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board*	2 of 2	100%	Votes For:	N/A	N/A
Other public company boards and committee memberships	Company	Since		Position		
	N/A	N/A		N/A		
Shares held	Canadian Utilities					
	Class A non-voting	9,174				
	Class B common	—				
Total compensation in 2021:		\$73,333				

\*Mr. Hanf joined the Board on September 1, 2021 and his attendance has been pro-rated to this date.



## ROBERT J. NORMAND

Primary residence	Edmonton, Alberta, Canada
Director since	2008
Age	75
Independent	

Mr. Normand retired in 2015 as Chair of the Workers Compensation Board of Alberta, the agency which administers workplace insurance for the workers and employers of the Province of Alberta. In 2008, he retired from the position of President and Chief Executive Officer of Alberta Treasury Branches (ATB). Prior to joining ATB as Executive Vice-President Sales in 1996, he was employed by the Bank of Montreal for 26 years and held line and credit executive positions in Quebec, Ontario and Alberta.

Through his experience in the financial services sector, he has developed extensive knowledge and expertise in the areas of finance, regulatory matters and risk management.

Mr. Normand is a Fellow of the Institute of Canadian Bankers and holds a B.A. (Econ.) from Sir George Williams University and an MBA from Concordia University.

Skills and Experience	
Primary Industry Background	Functional Experience
Industrials Financial Services	CEO Experience Governance Government/Regulatory Accounting/Finance/Economics Risk Management

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,124,122	99.9%
	Audit & Risk (Chair)	4 of 4	100%			
	Pension Fund (Chair)	3 of 3	100%			
Other public company boards and committee memberships	Company	Since		Position		
	CU Inc.*	2020		Director and member of the Audit Committee		
Shares held	Canadian Utilities					
	Class A non-voting	26,928				
	Class B common	—				
Total compensation in 2021:**		\$275,200				

\*CU Inc. is controlled by Canadian Utilities.

\*\*Consists of fees earned as a director of Canadian Utilities and CU Inc.



## ALEXANDER J. POURBAIX

Primary residence	Calgary, Alberta, Canada
Director since	2019
Age	56
Independent	

As the President & Chief Executive Officer of Cenovus Energy Inc., Mr. Pourbaix is responsible for establishing the strategic direction for the company and delivering strong financial and operational performance. Mr. Pourbaix took on the company's leadership role in 2017 and is also a member of the Board of Directors of Cenovus Energy Inc.

Prior to Cenovus, Mr. Pourbaix spent 27 years with TC Energy and its affiliates in a broad range of leadership roles, including Chief Operating Officer, where he was responsible for the company's commercial activity and overseeing major energy infrastructure projects and operations. He also has experience in corporate strategy, business development, mergers, acquisitions and divestitures, as well as stakeholder relations. He is currently a director of the Business Council of Canada, Board Chair at Mount Royal University and is a member of the Business Council of Alberta. As of January 1, 2022, Mr. Pourbaix stepped down as Chair of the Board of Governors at the Canadian Association of Petroleum Producers (CAPP).

Mr. Pourbaix earned both LL.B. and B.A. degrees from the University of Alberta.

Skills and Experience	Functional Experience	
<b>Primary Industry Background</b>		
Energy Utilities	CEO Experience Governance Human Resources/Compensation Government/Regulatory International Business Accounting/Finance/Economics	Marketing/Sales Operations Risk Management Safety and Health Climate Change and Environment Corporate Social Responsibility

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,120,730	99.9%
Other public company boards and committee memberships	Company	Since		Position		
	Cenovus Energy Inc.	2017		Director, President & Chief Executive Officer		
Shares held	Canadian Utilities					
	Class A non-voting	12,734				
	Class B common	—				
Total compensation in 2021:		\$220,000				





## HECTOR A. RANGEL

Primary residence	Mexico City, Mexico
Director since	2014
Age	74
Independent	

Mr. Rangel is the President of BCP Securities Mexico, a joint venture with BCP Securities LLC, a US investment bank specializing in emerging markets. Prior to this role, he was the Chief Executive Officer of Nacional Financiera S.N.C. and Banco Nacional de Comercio Exterior and a member of Mexico's cabinet under former President Felipe Calderon. Mr. Rangel has extensive corporate and investment banking expertise having held various executive positions with the Grupo Financiero Bancomer from 1991 until 2008, including a tenure as Chairman of the Board. Mr. Rangel has also been President of the Mexico Bankers Association and President of the Mexican Business Council.

Mr. Rangel is presently a director of LUMA Energy, LLC, GNP Profuturo Afore, GNP Seguros, and Fresnillo PLC, and has been director of a number of major public companies in Mexico.

Mr. Rangel has an Industrial Engineering degree from Purdue University and a Master's Degree in Business Administration from Stanford University.

Skills and Experience	
Primary Industry Background	Functional Experience
Energy Financial Services	<div>CEO Experience</div> <div>Governance</div> <div>Human Resources/Compensation</div> <div>Government/Regulatory</div> <div>International Business</div> <div>Accounting/Finance/Economics Operations</div> <div>Risk Management</div> <div>Corporate Social Responsibility</div>

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,120,230	99.9%
	Pension Fund	3 of 3	100%			
Other public company boards and committee memberships	Company		Since	Position		
	GNP Seguros		2014	Director		
	Fresnillo PLC		2021	Director and member of the Audit Committee		
Shares held	Canadian Utilities					
	Class A non-voting		23,610			
	Class B common		—			
Total compensation in 2021:*				\$337,318		

\*Consists of fees earned as a director of Canadian Utilities and LUMA Energy, LLC.



## LAURA A. REED

Primary residence	Wynn Vale, Australia
Director since	2014
Age	60
Independent	

Ms. Reed is the Chair of Epic Energy South Australia Pty Ltd., which owns the Moomba to Adelaide gas transmission pipeline in South Australia, as well as a director of ATCO Australia Pty Ltd. In 2018, Ms. Reed was appointed to the board of the Clean Energy Finance Corporation, the federal government corporation (Australia) which assists with the funding of clean energy projects.

In December 2021, Ms. Reed was appointed to the role of Chair of the Spark Infrastructure Group and also joined the boards of Victoria Power Networks PTY and SA Power Networks Partnership and their wholly owned subsidiaries. From 2016 until 2019, Ms. Reed was Chair of ERIC Alpha Holdings Pty Ltd and its subsidiaries, which owns 49 per cent of Ausgrid, an electricity distribution business in Australia. She was a director of Ausgrid from 2013 until 2019. She was the Chief Executive Officer/Managing Director of Spark Infrastructure from 2008 to 2012. During this time Spark Infrastructure owned 49 per cent of two electricity distribution businesses in Australia. Before joining Spark Infrastructure, she spent nine years at Envestra Limited, a gas distribution company, in a number of senior financial roles including Chief Financial Officer.

Ms. Reed holds an MBA from Deakin University and a Bachelor of Business (Accounting) and is a fellow of Certified Practicing Accountants Australia.

Skills and Experience	Functional Experience	
<b>Primary Industry Background</b>		
Energy Utilities	CEO Experience Governance Government/Regulatory International Business	Accounting/Finance/Economics Operations Climate Change and Environment

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,126,580	99.9%
Other public company boards and committee memberships	Company	Since		Position		
	N/A	N/A		N/A		
Shares held	Canadian Utilities					
	Class A non-voting		15,982			
	Class B common		—			
Total compensation in 2021:*		\$286,613				

\*Consists of fees earned as a director of Canadian Utilities and ATCO Australia Pty Ltd.



## NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1990
Age	65
Not Independent	As Chair & Chief Executive Officer, Ms. Southern is not independent because she has a material relationship with CU.

Nancy Southern is Chair & Chief Executive Officer of Canadian Utilities Limited, as well as Chair & Chief Executive Officer of ATCO Ltd. Reporting to the Boards of Directors, she is accountable for the strategic direction, vision and governance for both companies, and has full responsibility for their ongoing operations.

After joining the Canadian Utilities Board of Directors in 1990, Ms. Southern served as Co-Chair prior to being appointed Chair in December 2012. Ms. Southern was President from 2003 until 2015, and Chief Executive Officer from 2003 until 2019 and resumed the role in July 2021. Ms. Southern also serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business.

Ms. Southern is a member of The U.S. Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is a member of the Business Council of Canada and the University of Calgary School of Public Policy Advisory Council. In 2020, Ms. Southern joined the Premier's Economic Recovery Council with other policy and industry experts providing insight and strategies to accelerate diversification of Alberta's economy. That same year, Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.

Skills and Experience	
Primary Industry Background	Functional Experience
Energy Utilities Industrials	<div>CEO Experience</div> <div>Governance</div> <div>Human Resources/ Compensation</div> <div>Government/Regulatory</div> <div>International Business</div> <div>Accounting/Finance/Economics</div> <div>Marketing/Sales</div> <div>Operations</div> <div>Risk Management</div> <div>Safety and Health</div> <div>Climate Change and Environment</div> <div>Corporate Social Responsibility</div>

CU Board/ Committee memberships in 2021		Attendance		2021 AGM Voting Results		
	Board (Chair)	6 of 6	100%	Votes For:	68,116,133	99.9%
Other public company boards and committee memberships	Company	Since		Position		
	AKITA Drilling Ltd.	1992		Deputy Chair and Director		
	ATCO Ltd.*	1989		Chair, Director and Chief Executive Officer		
	CU Inc.*	1999		Chair, Director and Chief Executive Officer		
Shares held	Canadian Utilities**					
	Class A non-voting	234,237				
	Class B common	—				
<b>Total compensation in 2021:</b> Ms. Southern does not receive any compensation as a director of CU because she is an employee. See Page 66 for information on Ms. Southern's compensation.						

\*CU Inc. is controlled by Canadian Utilities, which is controlled by ATCO.

\*\*Shares held by the Majority Share Owner are excluded. Ms. Southern is one of three trustees of the Spousal Trust. See Majority Share Owner on Page 2.



## LINDA A. SOUTHERN-HEATHCOTT

Primary residence Calgary, Alberta, Canada

Director since 2000

Age 59

Not Independent

Ms. Southern-Heathcott is not independent because she has a material relationship with CU. She is an immediate family member of the Chair & Chief Executive Officer.

Ms. Southern-Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. She is also a founding director and serves as Chair and Chief Executive Officer of AKITA Drilling Ltd., an oil and gas drilling contractor with drilling operations throughout North America. Ms. Southern-Heathcott brings significant management and business experience to the Board and was appointed Vice Chair of the Board of Directors of Canadian Utilities and CU Inc. in 2017 and of ATCO in 2016.

Ms. Southern-Heathcott is also Chair of Travel Alberta and serves on the Boards of ATCO Structures & Logistics Ltd., Sentgraf Enterprises Ltd. and TELUS Calgary Community Board.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2018, Ms. Southern-Heathcott was named an Honorary Lieutenant Colonel of the King's Own Calgary Regiment. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.

Skills and Experience	Functional Experience	
<b>Primary Industry Background</b>		
Energy Utilities Industrials	CEO Experience Governance Human Resources/Compensation International Business	Marketing/Sales Operations Risk Management Corporate Social Responsibility

CU Board/ Committee memberships in 2021	Attendance		2021 AGM Voting Results	
	Board (Vice Chair)	6 of 6	100%	Votes For: 68,125,628 99.9%
	Pension Fund	3 of 3	100%	
Other public company boards and committee memberships	Company	Since		Position
	AKITA Drilling Ltd.	1992		Chair, Director, and Chief Executive Officer
	ATCO Ltd.*	2012		Vice Chair and Director
	CU Inc.*	2017		Vice Chair and Director
Shares held	Canadian Utilities**			
	Class A non-voting	19,003		
	Class B common	4,159		
<b>Total compensation in 2021:<sup>†</sup></b>		<b>\$228,000</b>		

\*CU Inc. is controlled by Canadian Utilities, which is controlled by ATCO.

\*\*Shares held by the Majority Share Owner are excluded. Ms. Southern-Heathcott is one of three trustees of the Spousal Trust. See Majority Share Owner on Page 2.

<sup>†</sup>Consists of fees earned as a director of Canadian Utilities and CU Inc.



## ROGER J. URWIN, PhD, C.B.E.

Primary residence London, England

Director since 2020

Age 76

Independent

Dr. Urwin is the Lead Director of Canadian Utilities, a director of ATCO Ltd., Chair of the Board of Directors of ATCO Australia Pty Ltd. and Vice Chair of LUMA Energy, LLC. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the U.S., creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He was non-executive Chairman of Utilico Investments Limited until October 2015 and has been a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008.

Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, U.K.

Skills and Experience	
Primary Industry Background	Functional Experience
Energy Utilities Telecommunications	<div>CEO Experience</div> <div>Governance</div> <div>Human Resources/Compensation</div> <div>Government/Regulatory</div> <div>International Business</div> <div>Operations</div> <div>Risk Management</div> <div>Safety and Health</div>

CU Board/ Committee memberships in 2021	Attendance			2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,123,038	99.9%
	Audit & Risk	4 of 4	100%			
	GOCOM	4 of 5	80%			
Other public company boards and committee memberships	Company	Since		Position		
	ATCO Ltd.*	2014		Director and member of the Audit & Risk Committee		
Shares held	Canadian Utilities					
	Class A non-voting	20,661				
	Class B common	—				
Total compensation in 2021:**		\$568,100				

\*Canadian Utilities is controlled by ATCO.

\*\*Consists of fees earned as a director of Canadian Utilities, ATCO Australia Pty Ltd., and LUMA Energy, LLC.



## WAYNE G. WOUTERS, PC, OC

Primary residence	Vancouver, British Columbia, Canada
Director since	2019
Age	70
Independent	

Mr. Wouters is Strategic and Policy Advisor to the Canadian law firm McCarthy Tétrault LLP. Prior to joining the private sector, Mr. Wouters had a distinguished 37-year career in the federal public service, including five years serving as the Clerk of the Privy Council of Canada. As Clerk, he held the roles of Deputy Minister to the Prime Minister, Secretary to the Cabinet and Head of Public Service. During his career, he has held the positions of Secretary of the Treasury Board, Deputy Minister of Human Resources and Skills Development, and Deputy Minister of Fisheries and Oceans.

Mr. Wouters has industry expertise in the oil and gas and natural resources, transportation, technology, telecommunications, and security sectors. He was inducted by the Prime Minister as a Member of the Privy Council in 2014 and appointed an Officer of the Order of Canada in 2017.

Mr. Wouters graduated in Commerce (Honours) from the University of Saskatchewan and holds a M.A. in Economics from Queen's University. He holds several honorary degrees.

Skills and Experience	Functional Experience	
<b>Primary Industry Background</b>		
Energy Industrials Science and Technology	CEO Experience Governance Human Resources/Compensation Government/Regulatory International Business Accounting/Finance/Economics	Operations Risk Management Climate Change and Environment Corporate Social Responsibility IT/Technology

CU Board/ Committee memberships in 2021		Attendance		2021 AGM Voting Results		
	Board	6 of 6	100%	Votes For:	68,120,730	99.9%
Other public company boards and committee memberships	Company		Since	Position		
	Blackberry Ltd.		2015	Director and a member of the Audit and Risk Committee		
	Champion Iron Ltd.		2016	Director		
	Foran Mining Corporation		2021	Director		
Shares held	Canadian Utilities					
	Class A non-voting		9,189			
	Class B common		—			
Total compensation in 2021:		\$220,000				

## SKILLS MATRIX

GOCOM ensures that the Board includes members with a broad range of experience and expertise so that it is able to effectively carry out its mandate. The matrix below shows the experience and expertise that each director nominee brings to the Board.

	Matthias F. Bichsel	Loraine M. Charlton	Robert Hanf	Robert J. Normand	Alexander J. Pourbaix	Hector A. Rangel	Laura A. Reed	Nancy C. Southern	Linda A. Southern-Heathcott	Roger J. Urwin	Wayne G. Wouters
<b>Primary Industry Background</b>											
<b>Energy</b>	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
<b>Financial Services</b>				✓		✓					
<b>Industrials</b>	✓			✓				✓	✓		✓
<b>Legal</b>			✓								
<b>Science and Technology</b>	✓										✓
<b>Telecommunications</b>										✓	
<b>Utilities</b>			✓		✓		✓	✓	✓	✓	
<b>Functional Experience</b>											
<b>CEO Experience</b> Experience as a CEO for a publicly listed company or for a major organization with international operations or similar complexity. Possesses leadership qualities and the ability to identify and develop those qualities in others. Demonstrates a practical understanding of strategy and risk management and know how to drive change and growth.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Governance</b> Significant experience overseeing governance practices, may have been gained through significant work on a corporate governance committee or through experience serving as a senior executive of a public company.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Human Resources/Compensation</b> Significant experience overseeing human resources and compensation design for a large organization. Understands the various components of executive compensation structure and how they inter-relate when attracting, motivating and retaining top candidates.	✓	✓	✓		✓	✓		✓	✓	✓	✓
<b>Government/Regulatory</b> Significant experience working with local, provincial, national or international governments or gained public relations or government experience as a senior executive. Strong understanding of regulatory and non-governmental organizations that affect the Company's business.	✓		✓	✓	✓	✓	✓	✓		✓	✓

	Matthias F. Bichsel	Loraine M. Charlton	Robert Hanf	Robert J. Normand	Alexander J. Pourbaix	Hector A. Rangel	Laura A. Reed	Nancy C. Southern	Linda A. Southern-Heathcott	Roger J. Urwin	Wayne G. Wouters
<b>Functional Experience</b>											
<b>International Business</b> Significant experience managing a global enterprise across multiple jurisdictions with exposure to a range of political, cultural and business environments.	✓		✓		✓	✓	✓	✓	✓	✓	✓
<b>Accounting/Finance/Economics</b> Significant financial experience as a senior officer responsible for an organization or experience working as a senior officer in financial accounting, reporting and corporate finance with knowledge of internal controls.		✓	✓	✓	✓	✓	✓	✓			✓
<b>Marketing/Sales</b> Significant experience overseeing marketing and sales as a senior executive.					✓			✓	✓		
<b>Operations</b> Significant experience overseeing operations as a senior executive with a practical understanding of operating plans and business strategy.	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
<b>Risk Management</b> Significant experience as a senior executive overseeing the various risks facing an organization with oversight of appropriate policies and procedures to effectively manage risk.	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
<b>Safety and Health</b> Significant experience in the areas of health and safety, including knowledge of industry regulations and a commitment to best practices for workplace safety.	✓		✓		✓			✓		✓	
<b>Climate Change and Environment</b> Significant experience with regulations, best practices and strategic business initiatives related to environmental issues.	✓		✓		✓		✓	✓			✓
<b>Corporate Social Responsibility</b> Significant experience in the areas of corporate social responsibility and community relations. Experience building partnerships and positive relationships with Indigenous groups to enhance economic and social development.	✓	✓	✓		✓	✓		✓	✓		✓
<b>IT/Technology</b> Significant experience overseeing technology as a senior executive at a public company or other major organization. Significant experience overseeing enterprise wide IT strategy, policy and standards which direct and protect existing and future investment in information and technology.	✓										✓



## INDEPENDENCE

GOCOM and the Board annually review the status of each director to determine whether he or she is independent based on the criteria of the Canadian Securities Administrators as set out in National Instrument 52-110 – *Audit Committees*. A majority of CU directors are independent.

Under CU's current leadership structure, the office of Chair is held by Ms. Southern. The Board continues to ensure that it can function independently and objectively from management with the appointment of Dr. Urwin as the independent Lead Director.

The following table summarizes the independence status of each director and, where applicable, the reasons for the Board's determination that a particular individual is not independent.

Director	Independent	Not independent	Reason for non-independent status
Matthias F. Bichsel	✓		
Loraine M. Charlton	✓		
Robert Hanf	✓		
Robert J. Normand	✓		
Alexander J. Pourbaix	✓		
Hector A. Rangel	✓		
Laura A. Reed	✓		
Nancy C. Southern		✓	As Chair & Chief Executive Officer, has a material relationship with CU.
Linda A. Southern-Heathcott		✓	As an immediate family member of the Chair & Chief Executive Officer, has a material relationship with CU.
Roger J. Urwin	✓		
Charles W. Wilson*	✓		
Wayne G. Wouters	✓		

\* Mr. Wilson is not standing for re-election.

In determining the independence of the directors, the following criteria are assessed:

- Employment by, or other relationship with, CU or its internal or external auditor within the preceding three year period
- Immediate family member relationships with CU or its internal or external auditor
- Any payment of fees by CU, other than directors' fees disclosed in this Circular, of more than \$75,000 to the director or to a member of his or her immediate family during any 12-month period within the last three years
- Other direct or indirect material relationships with CU or other factors which could interfere with the exercise of independent judgment

## IN CAMERA SESSIONS

The Board further ensures its independence by providing the opportunity for in camera sessions of only the independent directors, without management present, at regularly-scheduled meetings of the Board, Audit & Risk Committee and GOCOM. In camera sessions are chaired by the Lead Director or the committee chair. Additional in camera meetings may be requested through the Lead Director at any time. These sessions encourage the candid analysis of issues among independent directors on the Board and its committees.

## ATTENDANCE

The following table sets out the attendance of the directors at Board meetings and at meetings of the committees of which they were members during 2021. As an employee, the Chair & Chief Executive Officer is not a member of any committee but attends committee meetings as required. At the discretion of the committee chair, directors may attend meetings of committees of which they are not members.

All directors are expected to attend and participate in meetings of the Board and the committees on which they serve. Attendance of directors at meetings of the Board and committees is not necessarily indicative of the contribution made by each director, and absence from a meeting may have resulted from a variety of extenuating circumstances, including family bereavement or health issues. When a director's contribution is deemed to be unsatisfactory, interviews with such director are conducted by both the Chair and the Lead Director. A clear understanding of the Company's expectations is formally communicated to ensure improvement is achieved in subsequent periods.

Director	Board of Directors		Audit & Risk Committee		GOCOM		Pension Fund Committee		Total
Matthias F. Bichsel	6 of 6	100%							100%
Loraine M. Charlton	6 of 6	100%	4 of 4	100%	5 of 5	100%			100%
Robert Hanf <sup>1</sup>	2 of 2	100%							100%
Robert J. Normand	6 of 6	100%	4 of 4	100%			3 of 3	100%	100%
Alexander J. Pourbaix	6 of 6	100%							100%
Hector A. Rangel	6 of 6	100%					3 of 3	100%	100%
Laura A. Reed	6 of 6	100%							100%
Nancy C. Southern	6 of 6	100%							100%
Linda A. Southern-Heathcott	6 of 6	100%					3 of 3	100%	100%
Roger J. Urwin	6 of 6	100%	4 of 4	100%	4 of 5	80%			93%
Charles W. Wilson <sup>2</sup>	6 of 6	100%			5 of 5	100%			100%
Wayne G. Wouters	6 of 6	100%							100%

<sup>1</sup> Mr. Hanf joined the Board on September 1, 2021.

<sup>2</sup> Mr. Wilson is not standing for re-election.

## SERVING ON AFFILIATED PUBLIC COMPANY BOARDS

The following lists the directors who serve on boards of publicly-traded companies that are affiliated with Canadian Utilities. ATCO is the controlling share owner of Canadian Utilities. CU Inc. is a public company controlled by Canadian Utilities. Sentgraf is the parent company of ATCO and AKITA Drilling Ltd., both of which are public companies. None of the directors serve together on the boards of other public companies, except as disclosed below.

Director	ATCO Ltd.	CU Inc.	AKITA Drilling Ltd.
Loraine M. Charlton		Director	Director
Robert J. Normand		Director	
Nancy C. Southern	Chair	Chair	Deputy Chair
Linda A. Southern-Heathcott	Vice Chair	Vice Chair	Chair
Roger J. Urwin	Director		
Charles W. Wilson*	Director		Director

\* Mr. Wilson is not standing for re-election

Dr. Bichsel, Mr. Pourbaix, Mr. Rangel and Mr. Wouters serve on the boards and committees of other public companies as referenced in their biographies. The Chair and GOCOM recognize the time and diligence that these individuals devote to their duties and responsibilities as well as their extensive qualifications and related experience. Both the Chair and GOCOM have determined that these individuals' other board memberships do not negatively affect their commitments or contributions to Canadian Utilities' Board.

## CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as otherwise disclosed below, no proposed nominee for election as a director of the Company is, as at the date of this Circular, or has been, within the past 10 years before the date hereof, a director or executive officer of any other issuer that, while that person was acting in that capacity:

- was the subject of a cease trade 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; or
- 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 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; 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.

# GOVERNANCE

## OVERVIEW

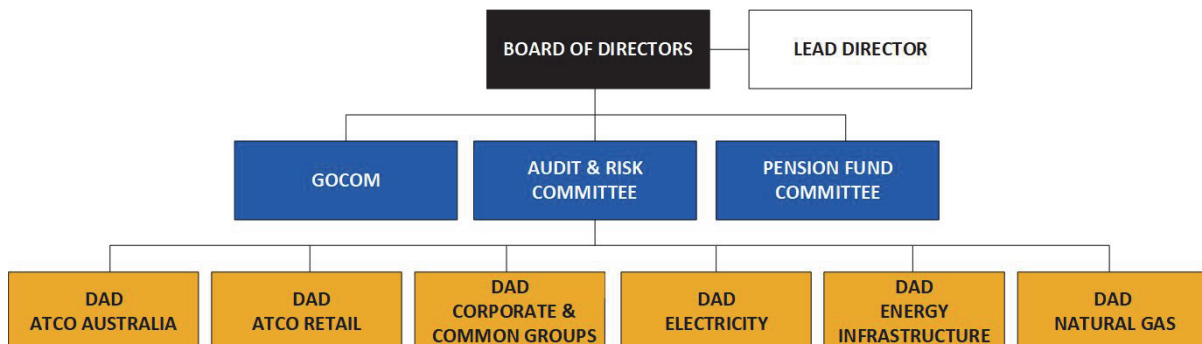
Effective corporate governance provides the foundation for Canadian Utilities' continued success. The Board is committed to good governance, always striving to ensure our corporate governance practices serve the interests of our share owners and other stakeholders, including our employees, Indigenous and community partners, and customers. We regularly evaluate our governance practices to ensure they are in keeping with the highest standards. Although Canadian Utilities does not believe in a "one size fits all" approach to governance, we comply with applicable securities laws. We have implemented a unique and effective system of corporate governance recognizing the need to provide autonomy and flexibility to our different businesses while accommodating the needs of both our regulated and non-regulated businesses. Members of the Southern family have continually maintained a controlling interest in Canadian Utilities since ATCO acquired Canadian Utilities in 1980. We are of the firm belief that the existence of a long-standing majority share owner is of fundamental importance to our governance and operations, and ensures that there is a high degree of alignment among share owners. The Company has had a consistently high-performing Board and senior management team that creates long-term value for our share owners.

## MAJORITY CONTROLLED COMPANY

Canadian Utilities is a majority controlled company as defined in the TSX Company Manual. As such, there is no requirement for, and we do not have, a majority voting policy. The Majority Share Owner (see Page 2) has control over 66,598,846 Class B shares which represents 92.0 per cent of the voting rights. Due to the level of control exercised by the Majority Share Owner, we are of the view that the introduction of a majority voting policy would introduce unnecessary complexity into the director selection process while having no impact on the outcome.

## THE BOARD AND ITS COMMITTEES

The role of the Board has evolved to provide oversight to an organization with diverse and distinct Business Units. Effective oversight and diligence is provided by the Board, the Lead Director, the Audit & Risk Committee, the Pension Fund Committee and GOCOM. Although not required by securities laws, some of Canadian Utilities' governance tools, such as the use of Designated Audit Directors (DADs) and the risk review program, have been implemented, in part, as a result of the influence of the Majority Share Owner as a means of ensuring long term value.



## Roles and Responsibilities of the Board

### *Board of Directors*

The Board is responsible for ensuring effective leadership and providing oversight for strategy, risk management, sustainability, diversity, succession planning, and corporate governance. In 2021, the Board held five regularly-scheduled meetings and one additional meeting. The frequency and length of meetings and the agenda items depended on the circumstances. Meetings were highly detailed and well attended. They were conducted in an atmosphere that encouraged participation and independence. The independent directors had the opportunity to hold in camera sessions, without management present, at all regularly-scheduled meetings of the Board, Audit & Risk Committee, Pension Fund Committee and GOCOM. Additional in camera meetings may be requested through the Lead Director at any time.

### *Lead Director*

In 1995, Canadian Utilities was among the first public companies in Canada to introduce the concept of a lead director. Dr. Urwin is the current Lead Director for the Company and was appointed to this position on May 6, 2020. The Lead Director provides the Board with the leadership necessary to ensure independent oversight of management. The Lead Director is an independent director and must be a member of GOCOM.

### *Corporate Governance - Nomination, Compensation & Succession Committee (GOCOM)*

The GOCOM Committee oversees our corporate governance practices. It is comprised of some of our most senior and experienced directors. In addition to assessing individual and combined directors' performance, GOCOM oversees succession planning and evaluates senior executive officers' compensation and performance. GOCOM also reviews the size and composition of the Board and considers candidates as director nominees for approval by the Board and election by the share owners.

### *Audit & Risk Committee*

The Audit & Risk Committee oversees accounting and financial reporting as well as risk management and control practices. The committee is chaired by an experienced independent director. Each committee member is an independent director and financially literate as defined in National Instrument 52-110 – *Audit Committees*. More information on the financial literacy of Audit & Risk Committee members and the mandate of the Audit & Risk Committee can be found in Canadian Utilities' annual information form which is available on our website ([www.canadianutilities.com](http://www.canadianutilities.com)) and SEDAR ([www.sedar.com](http://www.sedar.com)).

The committee also reviews risks and opportunities that could materially affect the Company's ability to achieve strategic and operational objectives and is responsible for ensuring that management addresses risks by implementing appropriate mitigation measures. The committee satisfies itself that each Business Unit has adequate systems to monitor and comply with applicable human capital and environmental legislation. The committee receives information regarding risks and significant trends and reviews the summary of our safety, environmental and Code of Ethics compliance, through Stewardship Reports which are presented on a bi-annual basis. The committee receives regular reports from Canadian Utilities' senior management who provide expertise and support for their specific areas of responsibility. Canadian Utilities' Chief Executive Officer provides regular reports to the Audit & Risk Committee.

### *Pension Fund Committee*

The primary responsibilities of the Pension Fund Committee are to oversee the governance structure and risk management of the pension plans (defined benefit and defined contribution); approve policy decisions for benefit design and liability management, and funding and investment of the plans; and to select and monitor the investment managers and investment options for the plans. The committee is responsible for approving the appointment, termination or replacement of the plans' actuary, investment managers, auditors, trustees, custodians and performance measurement services provider.

### *Designated Audit Directors*

Designated Audit Directors (DADs) are directors of either ATCO or Canadian Utilities. Each DAD is assigned to one of our Business Units to provide oversight based on their strengths and experience in various industry sectors. DADs perform both audit and risk functions. DADs meet quarterly with senior management of their respective Business Unit, and annually with internal and external auditors. DADs review the financial statements and operating results quarterly, review risks twice yearly, and report on both operating results and risks to the Audit & Risk Committee. The Audit & Risk Committee annually reviews the mandate of the DADs.

## STRATEGIC PLANNING

The Board is responsible for ensuring there are long-term goals and a strategic planning process in place, as well as approving a strategic plan for the Company on an annual basis. At the heart of our strategy is the desire to be a unified provider of essential services for our customers, allowing them to avoid the challenges of utilizing a fragmented network of providers. Our strategic plan is focused on diversifying our mix of portfolio investments into new markets and business lines and prudently deploying capital to deliver value to share owners through earnings and dividend growth. Through the strategic planning process, senior management and our directors ensure our long-term strategy aligns to our five core strategic pillars of innovation, growth, financial strength, operational excellence, and community involvement. A comprehensive three to four-day strategy session is held each year for this purpose where directors discuss the Company's long-term plans with senior management.

The health and safety of people is the first consideration in everything we do. Additionally, our Company has been a champion of diversity and inclusion for many years. Energy innovation is central to ATCO's strategy and includes the deployment and use of cleaner fuels, renewable energy growth, energy infrastructure and storage expansion, energy efficiency and the capture of carbon. This strategy, paired with our existing footprint, assets and expertise, uniquely positions our Company to enable our customers to affordably achieve their own emissions and energy goals.

Throughout the year, the Board monitors management's progress toward achieving the strategic priorities. Updates are provided to the Board regarding the capital resources required to implement our strategy including relevant regulatory, and environmental, social and governance (ESG) issues that may impact our strategy. As a principally controlled organization focused on long-term prosperity, sustainability continues to be a strategic imperative for our Company.

## RISK MANAGEMENT

The Board is responsible for understanding the principal risks of the business and achieving an appropriate balance between the risks incurred and the potential return to share owners. We have an established enterprise risk management process that allows us to identify and evaluate risks by both severity of impact and probability of occurrence. The Board's responsibilities include confirming there are systems in place that effectively monitor and manage these different risks with a view to the long-term viability of the Company. The high level of engagement of Board members, as well as their extensive experience, contributes to the effectiveness of the Board's risk oversight program. The Audit & Risk Committee and Designated Audit Directors (as described above) support the Board in meeting these objectives.

## Environmental, Social and Governance

As a provider of essential services in diverse communities around the world, Canadian Utilities has always had a long-term approach to managing and minimizing our environmental impacts. We also recognize that our success depends upon people and respectful and meaningful relationships. ESG and related issues are integrated within our enterprise risk management process. Good governance underpins our ability to effectively manage risks and create long-term value for our share owners and long-term benefits for other stakeholders including our employees, Indigenous and community partners, business partners, and customers. We regularly evaluate our practices to ensure they are aligned with international standards for assessing sustainability and climate-related issues.

Our risk management evaluation includes human capital related risks and climate-related risks relating to transitional (policy/regulatory, market, technology and reputational) and physical factors. We also consider climate-related opportunities such as resource efficiency, cleaner energy sources, innovative products and services, access to markets, and climate change resilience and adaptation. The Board's responsibilities for ESG oversight include verifying that the Company sets appropriate sustainability standards in its operations and is in compliance with laws and regulations. The Audit & Risk Committee, comprised of independent directors, has the greatest oversight of our sustainability reporting. Our business groups prepare Stewardship Reports, which are presented to the Audit & Risk Committee on a bi-annual basis, and include topics such as safety, environment and Code of Ethics compliance.

At Canadian Utilities, the sustainability team reports through the Senior Vice President, Finance, Treasury, Risk & Sustainability to the Chief Financial Officer. Members of senior management also oversee and

contribute their expertise due to the cross-functional nature of many sustainability initiatives. Sustainability is managed collaboratively across numerous groups, including Human Resources, Government Relations, Indigenous Relations, Health and Safety, Environment, Marketing and Communications, Business Development, Corporate Governance and Secretarial, Internal Audit, and Risk Management, among others. These groups monitor best practices, develop and implement policies and standards and support our various divisions. In 2021, a Sustainability and ESG Reporting Council was formed to increase collaboration and coordination for enterprise-wide sustainability initiatives and ESG reporting. Our executive leadership team is kept informed through quarterly internal dashboards that report key performance indicators, including data regarding environmental, safety and Indigenous relations metrics.

## Cybersecurity

As our Company's reliance on technology to support business objectives and drive efficiencies grows, we have continued to increase our focus on cybersecurity. Our cybersecurity policies and strategies apply to our information technology and operational technology assets. Our risk management process includes a comprehensive cybersecurity strategy which is based upon the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We maintain a cybersecurity insurance policy and our technology service providers submit Service Organization Control 2 Type 2 reports for the infrastructure and procedures they operate on our behalf. All new employees are required to complete our cybersecurity training program with follow-up training required on an annual basis thereafter. We engage external consultants on an annual basis to measure the effectiveness and maturity of the cybersecurity program against the NIST Cybersecurity Framework. A cybersecurity update is presented at least annually to the Audit & Risk Committee and cybersecurity metrics and issues are reviewed quarterly with the DADs.

Our Management's Discussion and Analysis includes more information about the risks applicable to Canadian Utilities. The 2021 Management's Discussion and Analysis is available on SEDAR at [www.sedar.com](http://www.sedar.com) and our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Within our group of companies, we balance the short and long-term economic, environmental and social considerations of our businesses while creating value for our customers, employees, share owners, and Indigenous and community partners. As a provider of essential services in diverse communities around the world, we operate in an inclusive manner to meet the needs of society today and for generations to come while consistently delivering safe, reliable and affordable services.

Our 2021 Sustainability Report, which will be published in May 2022, will focus on the following material topics:

- Energy Transition - energy transition and innovation, and energy access and affordability;
- Climate Change and Environmental Stewardship - climate change and greenhouse gas emissions, and environmental stewardship;
- Operational Reliability and Resilience - system reliability and availability, emergency preparedness and response, and supply chain resilience and responsibility;
- People - diversity, equity and inclusion, occupational health and safety, public health and safety; and
- Community and Indigenous Relations - Indigenous engagement, economic opportunity and reconciliation, and community engagement and investment.

In January 2022, ATCO released a commitment to achieve net zero greenhouse gas emissions by 2050 and released an initial set of 2030 ESG targets. Canadian Utilities' Board recognizes and fully supports the achievement of these targets which align with Canadian Utilities' strategic direction. More detailed information and progress towards these targets can be found in the 2021 Sustainability Report which will be published in May 2022.

The Sustainability Report is based upon the internationally recognized Global Reporting Initiative (GRI) Standards. Our reporting is also guided by the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. The 2020 Sustainability Report, Sustainability Framework Reference Document, additional governance



details, our materiality assessment, and other disclosures are available on our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## **Climate Change and Energy Transition**

To contribute to a net zero future, we continue to pursue initiatives to integrate cleaner fuels, renewable energy and energy storage. This includes looking at ways to modernize our energy infrastructure to accommodate new and innovative sources of energy as well as ways to further use energy more efficiently. We are decarbonizing our operations and enabling our customers to transition to lower emitting sources of energy, while maintaining safety, reliability and affordability. More information about our recent projects can be found in Canadian Utilities Management's Discussion & Analysis available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## **DIVERSITY, EQUITY AND INCLUSION**

Canadian Utilities supports a diverse and inclusive working environment that values and encourages a variety of perspectives. Our Code of Ethics (the Code) sets out our values which guide the conduct of all employees, officers and directors, and is supported by our Inclusive and Respectful Workplace policy. This policy encourages diversity and ensures our people have the opportunity to participate in work-related activities in an environment that is inclusive, respectful and safe. We value our individual differences, our unique perspectives and backgrounds, and the variety of contributions each of us brings to work. Aligning with these values, it is our policy to select people from the most qualified pool of talent and consider candidates based on merit. Our approach enables us to make important decisions regarding the composition of our Board and senior management team based on the best interests of the Company and its share owners. In 2021, we formed a Diversity, Equity & Inclusion Council to bring together people across our business groups to amplify the existing diversity, equity and inclusion work happening across the Company. The Company is committed to maintaining a minimum of 30 per cent female representation on the Board and senior leadership levels, and achieving and maintaining a minimum of 25 per cent minority representation within the workforce.



## Board of Directors

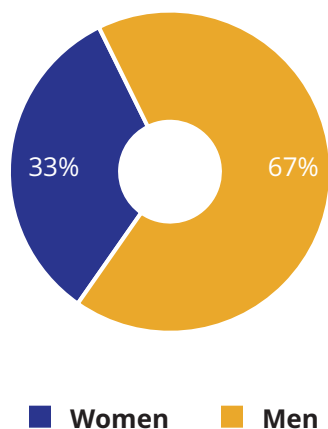
We believe that an effectively functioning board is critical to the success of the Company, and that the Board must have the flexibility to adopt director election and composition practices that suit its unique needs and circumstances. We are focused on finding the most qualified individuals available with the skills, experience, and expertise that will complement the Board. Diversity, including gender diversity, is among the many factors taken into consideration when evaluating candidates as potential directors.

GOCOM reviews the size and composition of the Board from time to time and evaluates the need for change to Board and committee composition based on an analysis of the skills, expertise and industry experience that align with the Company's strategic objectives.

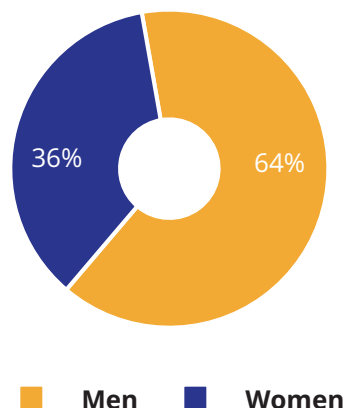
We have been a leader in the representation of women on our Board and have outperformed the Financial Post 500 (FP500) for many years. As at December 31, 2021, Canadian Utilities had four women on the Board, representing 33.3 per cent of the directors.

We respect the privacy of our directors and do not require them to self-identify. Of those that have chosen to self-disclose, the Board included no visible minorities, Indigenous peoples, or disabled persons.

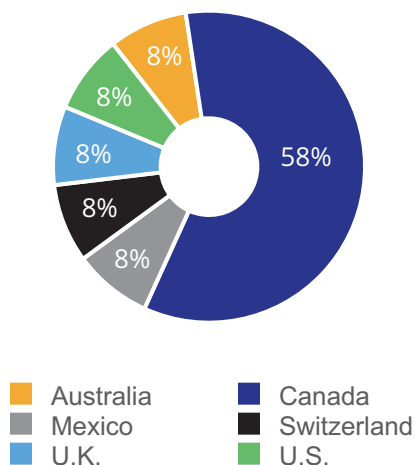
**Women on our Board**



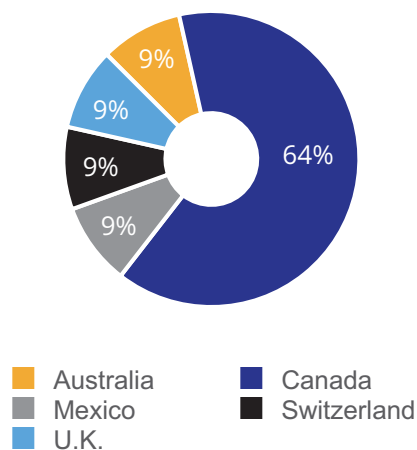
**Women on our Board  
2022 Director Nominees**



**Countries of Residence  
of our Board**



**Countries of Residence  
of our 2022 Director  
Nominees**



Along with our Chair, GOCOM considers potential candidates who have competencies believed to complement the Board or senior management. Several mechanisms have been adopted by GOCOM and the Board in order to promote an appropriate level of Board renewal, while attributing high value to relevant industry experience, continuity and a solid track record of service in potential Board members. GOCOM spends a significant amount of time reviewing Board succession and recruitment (see Performance Assessment and Director Retirement).

We have no set term limits for directors and have found that the effectiveness of our Board is not negatively impacted by having long-standing directors. Our approach contributes to strong boardroom dynamics that give rise to a consistently high-performing Board and high corporate performance.

## **Senior Management**

Appointments to the executive level are determined on the merit, performance, expertise and experience of the individual. Diversity, including gender diversity, is among many factors taken into consideration when determining senior management appointments. The Company targets maintaining a minimum of 30 per cent female representation at the senior leadership levels. We do not have written policies or set targets regarding the representation of visible minorities, Indigenous people, or people with disabilities for our senior management team. We voluntarily make public disclosure of information on gender diversity within the organization in ATCO's Sustainability Report, which is available on our website ([www.canadianutilities.com](http://www.canadianutilities.com)).

We respect the privacy of our employees and do not require our employees to self-identify. The following statistics reflect what our employees have chosen to self-disclose. Of those who have chosen to self-disclose, as of December 31, 2021, the Company's senior management team included 20 women (33.9 per cent), six visible minorities (10.2 per cent), two disabled persons (3.4 per cent) and three Indigenous persons (5.1 per cent).

## **Indigenous Initiatives**

Our Code of Ethics confirms our commitment to build and maintain positive and mutually beneficial relationships and partnerships with all the communities we serve. We recognize the importance of working cooperatively and collaboratively with all Indigenous groups including First Nations, Inuit and Métis communities. In 2021, ATCO formed an Indigenous Advisory Board comprised of senior management and members of Indigenous groups from across Canada. The mandate of the Indigenous Advisory Board includes providing advice on issues that have an impact on Indigenous communities as well as ATCO's Indigenous relations strategy. We voluntarily disclose information about our work with Indigenous communities in ATCO's Sustainability Report, which is available on our website ([www.canadianutilities.com](http://www.canadianutilities.com)).

## **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

All our new directors attend a briefing with the Chair, as well as several comprehensive meetings at which they receive briefings by senior management on all aspects of our business. Our new directors are also provided information about each of the business segments, the organizational structure, the by-laws, and the Board and committee mandates. Information is also provided to directors on corporate policies, including our Code of Ethics, Disclosure Practice, and Anti-Corruption Practice.

Directors, together with members of our senior management team, attend an annual strategy conference which has been held every year since 1981. This conference kicks off our annual business planning process. Strategies for operating and financial growth are discussed over three to four days consisting of presentations, plenary sessions and directors' recommendations.

Throughout each year, management makes presentations to our Board and its committees on key business decisions and topical issues, including reviews of annual business plans, significant contracts, strategic transactions, financing, and major capital expenditures. Presentations are also made by management in response to directors' requests. An online resource centre, which is updated with timely relevant information, is available to all directors. Our directors also attend and participate in seminars and other continuing education programs. Visits to various operating sites are also arranged for our directors from

time to time. Key information and education sessions hosted by the Company that were attended by our directors in 2021 are listed below:

Date	Event
March 29 - April 1	Strategy Conference
July 20	Sustainability Seminar
November 9 - 10	Business Planning

Prior to the implementation of restrictions due to the COVID-19 pandemic, the Board also held evening dinner sessions with most regularly scheduled Board meetings. These dinners provide an opportunity for directors to meet in a less formal atmosphere and get to know high-potential employees.

## PERFORMANCE ASSESSMENT

The performance of our Board, Board committees and individual directors is assessed at least annually. These assessments are facilitated by our Lead Director on behalf of our Chair. Performance evaluation questionnaires are distributed annually to each of our directors and Board committee members.

The performance evaluation questionnaires provide our directors with the opportunity to examine their collective effectiveness and identify areas for improvement. The questions address director skills and experience; preparation, attendance and availability for meetings; communication and interaction; as well as business, company, and industry knowledge. The questionnaires include an overall assessment and are reviewed by GOCOM. Each director receives a report on the Board questionnaire, with committee members receiving reports on the committee questionnaires.

Our directors are encouraged to expand their responses beyond the specific questions in the questionnaires and provide open-ended comments.

## DIRECTOR RETIREMENT

After directors turn 70 years of age, they may be asked to tender a letter of resignation to our Chair. Our Chair, together with GOCOM, evaluates whether and when to request and/or accept a resignation letter depending on the Company's needs. If a director's resignation is accepted, such resignation will generally be effective at the next annual meeting of share owners.

## ETHICAL BUSINESS CONDUCT

Our Board encourages a culture of ethical business conduct by expecting each director, officer and member of management to exemplify ethical business conduct. This expectation sets the tone for all employees of Canadian Utilities. Our Board has adopted a written Code of Ethics, which is subject to periodic review and revision to ensure it is in line with best practices.

A copy of the Code is provided to each new director, officer and employee of the Company, and everyone must acknowledge in writing that they have reviewed and will abide by the Code as a precondition of their engagement. Furthermore, on an annual basis, each of our directors, officers and employees must confirm that they have reviewed the Code.

Directors who have, or may be reasonably perceived to have, a personal interest in a potential or current transaction or agreement involving Canadian Utilities are required to declare this interest at the Board meeting at which such matter is considered. These directors are asked to leave the meeting during the discussion on the matter containing a personal interest and must abstain from voting on such matter.

We did not file any material change reports in 2021 relating to a director's or executive officer's departure from the Code. No waivers of the Code have ever been granted to any Canadian Utilities director, officer or employee.

We maintain a hotline that employees are free to use in order to express any concerns about inappropriate business conduct. Concerns may be reported confidentially and anonymously either online or by phone.

Non-employees may also submit complaints or concerns online or by phone as set out in the Integrity & Compliance section of our website ([www.canadianutilities.com](http://www.canadianutilities.com)) or to an Audit & Risk Committee member via our Vice President, Corporate Secretary at 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4.

A copy of the Code can be accessed on our website ([www.canadianutilities.com](http://www.canadianutilities.com)), on SEDAR ([www.sedar.com](http://www.sedar.com)) or by written request to our Vice President, Corporate Secretary.

## **DISCLOSURE PRACTICE**

We are committed to providing the public with accurate, timely and fair disclosure of corporate information. We comply with all laws and regulations and ensure that our public communications are disseminated according to applicable legal and regulatory requirements. Our Disclosure Practice applies to all our directors, officers and employees. It covers written and oral communications provided to the public, including the following:

- Financial and non-financial documents
- Annual reports
- Interim reports
- News releases
- Letters to share owners
- Presentations and speeches by senior management
- Corporate websites and other communications
- Documents filed with securities regulators and the Toronto Stock Exchange
- Oral statements made to financial analysts and the public
- Interviews with the media
- News conferences

## **BOARD COMMITTEES**

Our Board and its committees have each adopted a mandate outlining their principal responsibilities. Our Board and Board committees review the mandates each year to ensure they reflect current developments in corporate governance. Any changes that are made to the mandates are approved by the Board. Our Board has also approved written position descriptions for the Chair, the Lead Director, each Board committee chair, and the Chief Executive Officer. GOCOM reviews all of these position descriptions annually.

Our Board has three standing committees that meet statutory and policy requirements:

- Audit & Risk
- GOCOM
- Pension Fund

Each committee updates the Board regularly on its respective activities and a report is provided to our Board after each committee meeting. Our Board reviews the composition of its committees each year and makes adjustments as needed.

Our Board's mandate outlines its roles and responsibilities and is attached to this Circular as Schedule A. The Board and Board committee mandates are available on our website ([www.canadianutilities.com](http://www.canadianutilities.com)).

## COMMITTEE REPORTS

This section includes reports from each of our Board's standing committees as of December 31, 2021.

### Audit & Risk Committee

#### Members

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**R.J. Normand, Chair**  
Independent

**2021 Meeting Attendance**  
4 of 4 (100%)



**L.M. Charlton**  
Independent

**2021 Meeting Attendance**  
4 of 4 (100%)



**R. J. Urwin**  
Independent

**2021 Meeting Attendance**  
4 of 4 (100%)

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The Audit & Risk Committee consists of three independent directors of the Board, each of whom is financially literate and annually elected by the Board. The Committee is responsible for contributing to the effective stewardship of the Company by assisting the Board in fulfilling its oversight of:

- The integrity of our financial statements
- Compliance with applicable legal and regulatory requirements
- Independence, qualifications and appointment of our external auditor
- Performance of our internal auditor and external auditor
- Our accounting and financial reporting processes
- Audits of our financial statements
- Our risk management processes

The Committee has authority delegated by the Board to:

- Recommend the external auditor for appointment and oversee their work and compensation
- Pre-approve all audit and permitted non-audit services of the external auditor
- Conduct or authorize investigations regarding matters related to the Committee's responsibilities, including engaging independent counsel or other advisors as necessary
- Inspect the books and records of the Company and its subsidiaries and discuss such records relating to the financial position or risk related issues of the Company and its subsidiaries
- Meet with the Company's officers, external auditors or outside counsel, as necessary
- Delegate authority to one or more members of the Committee, as permitted by applicable law

The following highlights the actions taken by the Audit & Risk Committee in fulfilling its mandate in 2021:

#### Financial Reports

- Reviewed significant accounting and reporting issues to gain an understanding of how they impacted the financial statements
- Reviewed the analysis of the effects of new or revised International Financial Reporting Standards (IFRS) guidance on the financial statements and reviewed the Company's impact assessments and implementation project plans for the IFRS guidance that has been issued but is not yet in effect
- Reviewed and approved quarterly consolidated financial statements, management's discussion and analysis, and earnings press releases
- Reviewed and recommended for Board approval the annual consolidated financial statements, management's discussion and analysis, annual information form and earnings press release
- Received quarterly reports from the DADs and directors appointed to corporate entities including joint ventures and partnerships (which do not have an appointed DAD)

## Internal Controls

- Reviewed reports on the design and effectiveness of disclosure controls and procedures as well as internal control over financial reporting
- Reviewed procedures for financial information review and disclosure
- Reviewed and approved governance documents and committee mandates

## External Auditor

- Reviewed the external auditor's appointment and compensation and recommended to the Board for approval
- Reviewed and approved our external auditor's non-audit services
- Reviewed our external auditor's report on its internal quality control procedures
- Reviewed and assessed our external auditor's independence
- Received reports from our external auditor on quarterly and annual consolidated financial statements and management's discussion and analysis

The following table shows the fees billed for services provided to us by PwC for the past two years:

For the year ended December 31, 2021	2021 \$MM	2020 \$MM
Audit <sup>1</sup>	3.2	3.0
Audit related <sup>2</sup>	0.1	—
Tax <sup>3</sup>	1.2	0.7
All other fees <sup>4</sup>	0.2	—
<b>Total</b>	<b>4.7</b>	<b>3.7</b>

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.

3 Tax fees are the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.

4 All other fees include aggregate fees paid to the external auditor for consulting services related to the Company's finance and accounting function.

## Internal Audit

- Reviewed and approved our annual Audit Plan and the Internal Audit annual budget and resource plan
- Ensured that our internal audit function has been effectively carried out and the internal auditor has adequate resources
- Reviewed internal audit reports, including management's responses, as well as quarterly reports on management's action plans to implement audit recommendations
- Ensured we have appropriate procedures for the confidential and anonymous receipt, retention and treatment of complaints received, and reviewed any reports received on the investigations of complaints

## **Risk Management**

- Reviewed and considered our risk-taking philosophy
- Reviewed our risk inventory and related mitigation plans
- Received presentations, reports and other information regarding risks and significant trends
- Reviewed reports from the DADs and directors appointed to corporate entities including joint ventures and partnerships (which do not have an appointed DAD) regarding any significant risks identified by management
- Reviewed and discussed the summary of our safety and environmental performance
- Satisfied itself that management has appropriate processes in place to identify, assess, manage and monitor risk
- Reviewed our insurance programs for adequacy

The Audit & Risk Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2021.

## Corporate Governance – Nomination, Compensation and Succession Committee

### Members

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**C.W. Wilson, Chair**  
Independent

**2021 Meeting Attendance**  
5 of 5 (100%)



**L.M. Charlton**  
Independent

**2021 Meeting Attendance**  
5 of 5 (100%)



**R. J. Urwin**  
Independent

**2021 Meeting Attendance**  
4 of 5 (80%)

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GOCOM is responsible for contributing to the effective stewardship of the Company. The committee assists the Board in fulfilling its oversight of corporate governance, nomination, compensation and succession.

The following highlights the actions taken by GOCOM in fulfilling its mandate in 2021:

- Assessed our Chief Executive Officer's performance, base salary, annual incentive award and awards under the long-term incentive plan
- Reviewed and approved our Chief Executive Officer's report on senior executive officers' performances and recommendations for base salary, annual incentive awards and awards under the long-term incentive plan
- Reviewed and approved our Chief Executive Officer's goals, objectives and corporate targets
- Reviewed succession plans for our Chief Executive Officer and senior executive officers
- Reviewed and made recommendations to our Board on potential senior executive officer appointments
- Reviewed and approved our senior executive officers' supplemental pension plan and perquisites
- Reviewed our corporate governance disclosure
- Reviewed and approved governance documents and Board and Board committee mandates
- Reviewed the evaluation process of Board committees, the Board and each individual director
- Reviewed and approved directors' compensation
- Reviewed the size and composition of our Board and considered candidates as potential nominees as directors; recommending potential director nominees for approval by the Board and for election by our share owners
- Together with our Board, reviewed the status of each director to determine whether he or she is independent based on the Canadian Securities Administrators' criteria as set out in National Instrument 52-110 - *Audit Committees*
- Continued to spend a significant amount of time on recent developments in corporate governance and disclosure
- Considered risk implications and managed risks as they relate to our compensation policies and practices

GOCOM is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2021.



## Pension Fund Committee

### Members

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**R.J. Normand, Chair**  
Independent

**2021 Meeting Attendance**  
3 of 3 (100%)



**H.A. Rangel**  
Independent

**2021 Meeting Attendance**  
3 of 3 (100%)



**L.A. Southern-Heathcott**  
Not Independent

**2021 Meeting Attendance**  
3 of 3 (100%)

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Our Pension Fund Committee is responsible for the oversight of the administration and the operation of The Retirement Plan for Employees of Canadian Utilities and Participating Companies Plan 1 in accordance with the Pension Governance Standards of the Company.

The following highlights the actions taken by the Pension Fund Committee in fulfilling its mandate in 2021:

- Reviewed the plan's compliance with applicable laws, regulations and corporate policies and procedures
- Reviewed the appropriateness of the plan's investment options and investment managers' performance
- Reviewed the status of liabilities under the plan
- Reviewed funding valuations for the defined benefit plan
- Reviewed administration and investment management costs
- Reviewed audited financial statements for the plan
- Approved and implemented any changes to investment fund options for the defined contribution plan
- Reviewed and approved governance documents and committee mandates
- Received regular reports and recommendations from the Company's Management Pension Committee
- Held one in camera session during the year at which the performance of the Management Pension Committee was reviewed and assessed

The Pension Fund Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2021.

# DIRECTOR COMPENSATION

GOCOM assesses the compensation of the directors and makes recommendations to our Board. GOCOM annually reviews director compensation using information from other corporations and published data. From time to time, GOCOM retains independent compensation consultants to make market comparisons and provide advice on developing appropriate compensation programs. Director compensation is reviewed to determine whether it is appropriate for the responsibilities, time commitment, and risks assumed by our directors.

## REMUNERATION

The table below shows the retainers paid to our directors in 2021.

Retainers	(\$)
Board <sup>1</sup>	195,000
Board Meetings	25,000
Lead Director	75,000
Audit & Risk Committee Chair	33,000
Audit & Risk Committee Member	15,500
GOCOM Chair	13,000
GOCOM Committee Member	4,500
Pension Fund Committee Chair	13,000
Pension Fund Committee Member	4,500

<sup>1</sup> The Company has an agreement with Dr. Urwin that his retainer will be paid in the Canadian dollar equivalent of \$195,000 U.S.

Directors are reimbursed for travel and other expenses they incur for attendance at Board and committee meetings. Directors who are full-time salaried employees of Canadian Utilities receive no remuneration for serving as a director.

From time to time, our Board forms ad hoc committees to undertake special initiatives. The chairs and members of ad hoc committees may receive fees that are determined when the committees are formed.

## REMUNERATION SUMMARY

The table below provides a breakdown of the fees paid, on a quarterly basis, in the form of annual retainers to our non-employee directors for the year ended December 31, 2021. Other fees include retainers paid to those directors who also serve on the boards and committees of subsidiaries, as well as retainers related to serving as DADs for the Business Units. No other forms of compensation were provided to the directors for the year ended December 31, 2021.

Ms. Southern is an employee of Canadian Utilities and did not receive compensation as a director. Ms. Southern's compensation is shown on Page 66 of this Circular.

Name	Director retainer <sup>1</sup> (\$)	Board Meeting retainer <sup>2</sup> (\$)	Committee Chair retainer <sup>2</sup> (\$)	Committee Member retainer <sup>2</sup> (\$)	Other fees <sup>3,4,5</sup> (\$)	Total fees earned (\$)
Matthias F. Bichsel	195,000	25,000	—	—	—	220,000
Loraine M. Charlton	195,000	25,000	—	16,000	26,700	262,700
Robert Hanf	65,000	8,333	—	—	—	73,333
Robert J. Normand	195,000	25,000	44,500	—	10,700	275,200
Alexander J. Pourbaix	195,000	25,000	—	—	—	220,000
Hector A. Rangel	195,000	25,000	—	4,500	112,818	337,318
Laura A. Reed	195,000	25,000	—	—	66,613	286,613
Linda A. Southern-Heathcott	195,000	22,000	—	4,500	6,500	228,000
Roger J. Urwin	317,079	22,000	—	17,000	212,021	568,100
Charles W. Wilson	195,000	22,000	10,750	—	113,070	340,820
Wayne G. Wouters	195,000	25,000	—	—	—	220,000
<b>Total</b>	<b>2,137,079</b>	<b>249,333</b>	<b>55,250</b>	<b>42,000</b>	<b>548,422</b>	<b>3,032,084</b>

<sup>1</sup> **Director retainer:** The Company has an agreement with Dr. Urwin that his retainer will be paid in the Canadian dollar equivalent of \$195,000 U.S. Mr. Hanf was appointed to the Board on September 1, 2021 and his retainers have been pro-rated.

<sup>2</sup> **Reduced retainers:** Directors may have their retainers reduced if they act as a director, committee chair or committee member for more than one ATCO company.

<sup>3</sup> **Other fees:** Includes fees for CU's subsidiaries, including DAD retainers.

<sup>4</sup> **Other fees:** Ms. Charlton, Mr. Normand, and Ms. Southern-Heathcott received retainers as directors of CU Inc.

<sup>5</sup> **Other fees:** Ms. Reed, Dr. Urwin and Mr. Wilson received fees and superannuation contributions as directors of ATCO Australia Pty Ltd. Mr. Rangel and Dr. Urwin received fees for acting as directors of LUMA Energy, LLC; this also includes fees for a pro-rated period in 2020.

## DIRECTOR SHARE OWNERSHIP

All non-employee directors are required to directly or indirectly own Class A shares and/or Class B shares together having an aggregate market value of at least 3.0 times the value of the annual board retainer within five years of being appointed to the Board, or within five years of any change to the required market value holdings. A minimum of \$30,000 of the annual board retainer is paid in Class A shares. Until the minimum share ownership requirement is met, directors are required to receive a minimum of \$50,000 of their annual board retainer in Class A shares. A director may, with the approval of the chair of GOCOM, have this minimum contribution amount reduced if he or she makes alternative arrangements to meet the minimum share ownership requirement within the five year timeframe.

All of our directors are in compliance with the share ownership requirement. Directors have the option of receiving up to 60 per cent of their annual board retainer in Class A shares and/or in Class I Non-Voting Shares of ATCO.

The following table sets out each director's ownership of Class B shares and Class A shares in Canadian Utilities as at March 9, 2022, and change in the ownership interest since the previous proxy circular dated March 8, 2021.

	Equity Ownership as at March 8, 2021		Equity Ownership as at March 9, 2022		Net Change in Ownership		Equity at risk <sup>1</sup>	
Name	Class B shares	Class A shares	Class B shares	Class A shares	Class B shares	Class A shares	Value (\$)	Multiple of 2021 annual director retainer
Matthias F. Bichsel	—	17,710	—	21,156	—	3,446	763,097	3.9
Loraine M. Charlton	1,050	42,535	1,050	44,654	—	2,119	1,648,974	8.5
Robert Hanf	n/a	n/a	—	9,174	—	9,174	330,906	1.7
Robert J. Normand	—	24,312	—	26,928	—	2,616	971,293	5.0
Alexander J. Pourbaix	—	9,082	—	12,734	—	3,652	459,315	2.4
Hector A. Rangel	—	19,300	—	23,610	—	4,310	851,613	4.4
Laura A. Reed	—	13,182	—	15,982	—	2,800	576,471	3.0
Nancy C. Southern <sup>2,3</sup>	—	232,652	—	234,237	—	1,585	8,448,929	n/a
Linda A. Southern- Heathcott <sup>3</sup>	4,159	16,928	4,159	19,003	—	2,075	837,158	4.3
Roger J. Urwin	—	19,757	—	20,661	—	904	745,242	3.8
Charles W. Wilson	—	86,945	—	89,061	—	2,116	3,212,430	16.5
Wayne G. Wouters	—	5,466	—	9,189	—	3,723	331,447	1.7
<b>Total</b>	<b>5,209</b>	<b>487,869</b>	<b>5,209</b>	<b>526,389</b>	<b>—</b>	<b>38,520</b>	<b>19,176,875</b>	

<sup>1</sup> Equity at risk is shown as at March 9, 2022, and is the market value determined by reference to the closing price of Class A shares (\$36.07) and Class B shares (\$36.48) on the Toronto Stock Exchange. Preferred shares are excluded.

<sup>2</sup> The requirement to own shares having a value exceeding a multiple of the annual board retainer applies only to non-employee directors. Ms. Southern is an employee and does not receive a retainer as a director. Her shareholdings and values are provided for information purposes only.

<sup>3</sup> The shares owned and controlled by the Majority Share Owner are not included in this table. Please refer to the Majority Share Owner on Page 2.

## OUTSTANDING OPTIONS

Effective August 1, 2008, our non-employee directors are no longer eligible to receive options. There were no outstanding options held by any of our non-employee directors as at December 31, 2021.

# COMMUNICATING WITH THE BOARD

We understand the importance of meaningful engagement and maintaining communication with share owners. Share owners can attend the annual meeting which provides a valuable opportunity to hear from management about the results of our business and our strategic plans. Share Owners can learn more about our company through webcasts of our quarterly earnings conference calls with the investment community where financial and operating results are reviewed. Investor days, attendance at industry conferences, and executive presentations and meetings are also held periodically to provide updates on the Company's strategy, outlook and operations. Webcasts and investor presentations are made available at [www.canadianutilities.com](http://www.canadianutilities.com) in the investors section under Events & Presentations.

**You may communicate directly with the Board through the Chair & Chief Executive Officer by writing to:**



Chair & Chief Executive Officer  
c/o Vice President, Corporate Secretary  
ATCO Ltd.  
4th Floor, West Building  
5302 Forand Street S.W.  
Calgary, Alberta, Canada  
T3E 8B4

**For more general investor inquiries and information, please contact Investor Relations:**



Email: [investorrelations@ATCO.com](mailto:investorrelations@ATCO.com)



Telephone: (403) 292-7500



Mailing address:  
Investor Relations, c/o ATCO  
3rd Floor, West Building  
5302 Forand Street S.W.  
Calgary, Alberta, Canada  
T3E 8B4

# COMPENSATION DISCUSSION & ANALYSIS

## OVERVIEW

This CD&A discusses Canadian Utilities' executive compensation program, and how it is structured, governed and designed to support the corporate business objectives.

It discloses compensation of the Chief Executive Officers, Chief Financial Officers and the next three executives that received the highest pay as of December 31, 2021 (our named executives):

- Nancy C. Southern, Chair & Chief Executive Officer
- Siegfried W. Kiefer, Honorary Director, Office of the Chair, ATCO
- Brian P. Shkrobot, Executive Vice President & Chief Financial Officer
- Robert (Bob) J. Myles, Executive Vice President, Corporate Development
- Marshall F. Wilmot, President ATCO Energy Ltd. & Chief Digital Officer
- Rebecca (Becky) A. Penrice, Executive Vice President, Corporate Services
- Dennis A. DeChamplain, Executive Vice President & Chief Financial Officer

Nancy C. Southern was reappointed to the Chief Executive Officer position for Canadian Utilities effective July 1, 2021. Ms. Southern continues to serve as Chair of the Board of Canadian Utilities.

Siegfried W. Kiefer held the position of President & Chief Executive Officer, Canadian Utilities until June 30, 2021. Mr. Kiefer transitioned into the role of Honorary Director, Office of the Chair, ATCO until his retirement on February 28, 2022.

Dennis A. DeChamplain held the position of Executive Vice President & Chief Financial Officer, ATCO and Canadian Utilities until his passing on August 15, 2021. Brian P. Shkrobot was named the Interim Chief Financial Officer for ATCO and Canadian Utilities between August 16, 2021 and September 30, 2021. Effective October 1, 2021, Mr. Shkrobot was appointed the Executive Vice President & Chief Financial Officer, Canadian Utilities. Mr. Shkrobot's previous role was Senior Vice President, Finance & Regulatory, Utilities.

In 2021, all of the named executives had a dual role for Canadian Utilities and for ATCO, our parent company. The compensation we report here is the compensation the named executives receive from Canadian Utilities.

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

Throughout this CD&A, when we refer to *senior executives*, we mean the CEO and her direct reports (only some of whom are named executives).

The table below shows how Canadian Utilities and ATCO have shared the compensation expense of executives with dual roles over the past three years:

	Amount paid and reported by Canadian Utilities	Amount paid by ATCO	Combined total reported by ATCO
2021	89.0 %	11.0 %	100 %
2020	90.0 %	10.0 %	100 %
2019	89.9 %	10.1 %	100 %

## GOVERNANCE

Executive compensation at Canadian Utilities and our subsidiaries is the overall responsibility of GOCOM.

GOCOM has three members, all of whom have experience in compensation and business:

<b>Charles W. Wilson (Chair)</b> <b>Independent</b>	<ul style="list-style-type: none"> <li>• Held senior executive positions with a large international energy corporation including being CEO for seven years</li> <li>• Substantial experience recommending total executive compensation and dealing with other compensation issues</li> <li>• Considerable experience on public boards and compensation committees</li> </ul>
<b>Loraine M. Charlton</b> <b>Independent</b>	<ul style="list-style-type: none"> <li>• 30 years' experience in the oil and gas industry and currently serves as Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company</li> <li>• Sits on the boards of CU Inc. and Akita Drilling Ltd.</li> <li>• B. Comm. (Finance), Corporate Director Designation (ICD.D)</li> </ul>
<b>Roger J. Urwin</b> <b>Independent</b>	<ul style="list-style-type: none"> <li>• Worked in gas, electric and telecom utilities including being CEO of a number of large international corporations for more than 15 years</li> <li>• Extensive experience recommending total executive compensation and dealing with other compensation issues</li> <li>• Over 30 years serving on public boards and compensation committees</li> </ul>

GOCOM has the following mandate related to executive compensation and succession planning:

## COMPENSATION

- Annually review and determine executive compensation packages for senior executives (salary, short and long-term incentives, pension and benefits, perquisites and other compensation)
- Determine the administration, interpretation, operation and risk of the incentive plans, subject to the provisions of such plans and the rules of any applicable stock exchange
- Prepare and review, as required, public or regulatory disclosure about compensation and how performance is measured

## Succession Planning for Executives

- Review and approve potential successors to the CEO and other senior executive positions
- Review and assist with succession and professional development plans

See Page 40 for more information about the committee and a summary of its activities in 2021.

GOCOM is also responsible for compensation of the directors on Canadian Utilities' Board. You can read about its approach starting on Page 42.

## Compensation Approach

Our compensation philosophy is to provide “competitive pay for competitive performance”. This approach ensures that the interests of executives are closely aligned with those of our share owners and supports the Company's continued success.

The approach includes three principles:

- Pay competitively
- Pay for performance
- Manage risk

## Pay Competitively

GOCOM believes that competitive compensation is essential to attract and retain talented executives in a highly competitive business environment.

Compensation is targeted at the median of our comparator peer group of companies. The peer group, developed in consultation with Mercer, consisted of Canadian companies in the utilities, midstream/pipeline, E&P/fully integrated, materials and industrials sectors given that these are the most comparable. The companies fell within 1/3 to 3x of ATCO on key size metrics such as revenue, assets, market capitalization and enterprise value.

<b>2021 comparator companies</b>	Algonquin Power & Utilities Corp. AltaGas Ltd. Canadian Natural Resources Limited Canadian Pacific Railway Limited Capital Power Corporation Cenovus Energy Inc. Crescent Point Energy Corp. Emera Incorporated Enbridge Inc. ENMAX Corporation EPCOR Utilities Inc. Fortis Inc. Gibson Energy Inc.	Hydro One Limited Imperial Oil Limited Inter Pipeline Ltd. Keyera Corp. MEG Energy Corp. Northland Power Inc. Nutrien Ltd. Ovintiv Inc. Pembina Pipeline Corporation Stantec Inc. Suncor Energy Inc. TC Energy Corporation TransAlta Corporation
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## Pay for Performance

Executive compensation is linked to achieving goals that create sustainable share owner value:

- Each senior executive's individual goals and objectives are aligned with our strategic plan
- A portion of every senior executive's compensation is variable, based on his or her ability to influence business outcomes and financial performance
- Variable pay is linked to corporate, individual and Business Unit performance, and paid when performance criteria and objectives are met or exceeded, at the discretion of GOCOM
- Long-term incentives are linked to sustainable profitable growth

## Manage Risk

GOCOM considers the implications of the risks associated with the Company's compensation policies and practices, and oversees risk management in the context of the Company's compensation programs. GOCOM manages risk in the following ways:

The incentive pool for the short-term incentive ties total compensation to corporate financial performance. This policy ensures that any bonuses paid reflect overall company financial performance during the year, as well as individual and Business Unit performance.

Total potential payout is tested to ensure it is not a significant part of the Company's earnings.

GOCOM has the discretion to adjust the size of the incentive pool, or the amount of a senior executive's compensation to ensure total compensation is appropriate and balanced between fixed and variable compensation.

Long-term incentives focus senior executives on achieving sustainable, profitable growth over the medium and long-term, so they are not encouraged to take excessive risks for short-term gain.

GOCOM has the discretion to not award incentive compensation.

Executives have a significant stake in the Company's share price performance:

- The CEO holds more than 8 times her salary in Canadian Utilities shares
- While senior executives are not required to hold Canadian Utilities shares, a portion of their total compensation is in equity-based compensation

Senior executives and directors are not allowed to use personal hedges to offset the value of their equity compensation and other Canadian Utilities securities held directly or indirectly.

GOCOM is satisfied that:

- Canadian Utilities' compensation policies and practices do not encourage any executive to take inappropriate or excessive risks that could have a materially adverse effect on the Company
- Canadian Utilities has the proper practices in place to effectively identify and mitigate potential risk

## Operate Independently

When making executive compensation decisions and director nominations, GOCOM operates independently from management. All of the members of the committee are independent.

GOCOM ensures independence from management by holding in camera sessions (without management present) at each committee meeting. This strategy allows GOCOM to have candid discussions about executive compensation and director nomination.

## Independent Advice

GOCOM hires independent consultants for advice on:

- The structure of our executive compensation program
- Legal matters related to executive compensation

Each year, GOCOM pre-approves fees and services the consultants will provide during the year.

## Executive Compensation Advisory Services in 2021

GOCOM approved the use of two independent consultants in 2021 for information and advice on compensation.

Willis Towers Watson provided compensation and benefits consulting services, as well as published surveys and studies. The Company has worked with Willis Towers Watson for more than 15 years.

Mercer was first engaged in 1984 and provided the following services in 2021:

- Reviewing total compensation of executive positions to comparable roles in the marketplace
- Gathering information and recommending a competitive approach on executive compensation practices
- Providing actuarial consulting services for pension and benefits
- Performing consulting services for regulatory hearings
- Providing surveys and studies

	<b>Fees in 2021</b> ( <b>\$</b> )	<b>Fees in 2020</b> ( <b>\$</b> )
<b>Willis Towers Watson</b>		
Executive compensation-related fees	–	198,145
All other fees	78,336	162,449
<b>Mercer</b>		
Executive compensation-related fees	179,998	–
All other fees	476,616	569,510

## DECISION-MAKING PROCESS

Compensation decisions are made using a five-step process that ensures executive compensation is appropriate, effective and does not encourage excessive risk taking.

1	<b>Review Compensation Plan</b>	<p>At the beginning of every year, GOCOM analyzes the previous year's compensation plan against management proxy circular data from other companies and compensation data provided by outside advisors.</p> <p>It also reviews a tally sheet, prepared by management for the CEO and her direct reports, that includes a three-year history of salary, incentive plan payments, discretionary payments, perquisites, share plan ownership and grants, pension and benefits, and the expected value of long-term incentives.</p> <p>GOCOM makes any changes it believes are necessary to ensure the compensation plan:</p> <ul style="list-style-type: none"> <li>• Rewards these executives based on corporate, individual and Business Unit performance</li> <li>• Includes the appropriate variable components to align the interests of these executives with those of share owners</li> <li>• Focuses these executives on sustainable, profitable growth without encouraging excessive risk-taking</li> </ul>
2	<b>Set incentive plan targets and performance criteria</b>	<p>GOCOM reviews and approves the performance measures for the short-term incentive pool based on corporate and Business Unit financial targets.</p>
3	<b>Set individual and operational goals and objectives</b>	<p>GOCOM sets goals and objectives for the CEO based on Canadian Utilities' business strategy. The CEO establishes individual and operational goals and objectives for her direct reports, which support the business strategy and the CEO's goals, and presents them to GOCOM.</p>
4	<b>Assess corporate and Business Unit performance</b>	<p>GOCOM assesses Canadian Utilities and individual Business Unit performance against specified targets and, taking into consideration peer performance, market conditions and other factors, approves overall short-term incentive pool funding.</p>
5	<b>Determine individual awards</b>	<p>GOCOM assesses the CEO's performance. The CEO completes performance assessments for her direct reports, which include:</p> <ul style="list-style-type: none"> <li>• An analysis of performance against his or her goals and objectives, commenting on demonstrated delivery of results, alignment to Canadian Utilities' values and business objectives, and the executive's ability to develop and mentor high-potential employees</li> <li>• Recommendations for each senior executive's salary</li> <li>• Recommendations for short and long-term incentives for each senior executive</li> </ul> <p>GOCOM reviews this information, along with market data provided by independent advisors, and approves each senior executive's compensation.</p>

## COMPONENTS

Our executive compensation program includes direct and indirect compensation. Direct compensation consists of two components:

- Fixed (base salary)
- Variable (short and long-term incentives)

Indirect compensation includes a pension plan and other benefits, which are described starting on Page 56.

### Direct Compensation

	Component	How it works	How it is paid	Performance period
Fixed	Salary	Fixed level of income based on the market value of the position	Cash	One year
Variable	Short-term incentive	Annual bonus based on the achievement of specific goals	Cash	One year
	Long-term incentive	Rewards sustainable, profitable growth	Equity Options to buy Canadian Utilities Class A shares	Eight-year term, with one-quarter vesting each year starting on the first anniversary of the grant

GOCOM and the CEO also have the discretion to award bonuses to senior executives for their contribution to particularly notable accomplishments or to not award annual bonuses.

Total direct compensation is targeted at the median (50th percentile) of the comparator group. Pay mix varies from year to year. The target ranges in the table below depend on the executive's responsibilities and ability to influence business results. The actual pay mix depends on corporate, Business Unit and individual performance, as well as GOCOM's discretion. This mix allows GOCOM to provide a competitive total direct compensation package while ensuring that a significant portion of each executive's compensation is performance-based, and therefore, pay at risk.

			CEO	Other senior executives
Fixed	Cash	Salary	20% to 35%	30% to 50%
Variable	Cash	Short-term incentive plan	35% to 60%	40% to 55%
	Equity	Long-term incentive plan	0% to 40%	0% to 15%
Total pay at risk			80% to 65%	70% to 50%
Total			100%	100%

### Fixed Compensation

Base salaries are targeted at the median (50th percentile) of the comparator group. GOCOM can decide to pay up to the 75th percentile to executives who consistently perform above the expectations of the role. It also has the discretion to adjust an executive's salary during the year if his or her responsibilities change.

### Variable Compensation

Variable compensation makes up a significant portion of each senior executive's total compensation. Awards and payouts are tied to corporate, Business Unit and individual performance, and in the case of equity awards, to the long-term sustainable growth of the Company.

### Corporate Performance

Corporate performance has a direct impact on short-term incentive pool funding.

### Business Unit Performance

Business Unit performance has a direct impact on the amount allocated from the short-term incentive pool to the Business Unit's incentive pool.

### Individual Performance

GOCOM reviews an individual performance rating for each senior executive that is:

- Used to determine his or her short-term incentive payout
- Considered by GOCOM when deciding whether to grant long-term incentives

Each senior executive's performance is measured against both individual and Business Unit objectives in four categories, as outlined below. Specific objectives are set for each category based on the executive's areas of responsibility.

1. Individual	2. Operational	3. People leadership	4. Long-term sustainable growth
Objectives are specific to each individual	Objectives normally include: <ul style="list-style-type: none"><li>• Health and safety</li><li>• Service quality</li><li>• Management controls</li><li>• Environmental stewardship</li></ul>	Objectives normally include: <ul style="list-style-type: none"><li>• Succession planning</li><li>• Leadership development</li><li>• Attraction and retention</li></ul>	Objectives normally include: <ul style="list-style-type: none"><li>• Long-term growth strategies at each Business Unit</li><li>• Strategic planning and integration of long-term growth across all Canadian Utilities businesses</li></ul>

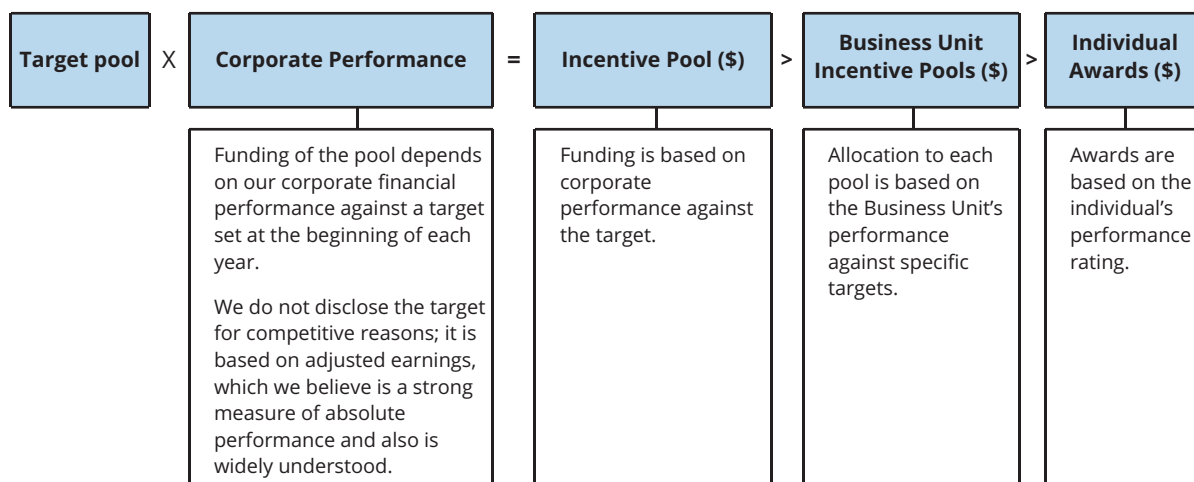
Performance against these objectives results in a performance rating ranging from Did Not Meet to Significantly Exceeding. A rating of Significantly Exceeding receives the maximum payout from the short-term incentive plan. A rating below Meets Expectations does not receive a payout (assuming it is not a new role).

GOCOM also has broad discretion to not make incentive payments.

## Short-Term Incentive

Funding of the short-term incentive pool depends on our performance against the corporate financial target set at the beginning of each year. Performance below the target reduces the size of the incentive pool, and performance above the target increases the size of the incentive pool.

The size of the individual award is determined by four factors: 1) the size of the overall incentive pool, 2) the amount allocated to the Business Unit from the incentive pool, 3) the executive's individual performance rating and 4) comparing the individual's total direct compensation relative to his or her peer group.



## Long-Term Incentive

GOCOM awards long-term incentives at its discretion, based on a senior executive's total direct compensation and individual performance. In previous years, long-term incentives had been granted in the form of stock options and/or share appreciation rights (SARs). In 2020, GOCOM approved the decision to grant long-term incentives only in the form of stock options.

While the Company no longer grants SARs under its share appreciation rights plans, SARs granted prior to 2020 remain outstanding. SARs have a ten year term, with one fifth vesting each year starting on the first anniversary of the grant. Vested SARs, when exercised, provide for a cash payment equal to any increase from the grant price to the market price at time of exercise.

## Equity Compensation Plan – Stock Option Plan

The Company's use of stock options to acquire Class A shares is an important component of its incentive compensation arrangements for officers and key employees of the Company and its subsidiaries. We believe that this practice achieves alignment between executives and share owner interests and assists in attracting and retaining qualified and motivated senior executives and employees.

Since its inception in 1994, the Stock Option Plan has required the maintenance of a reserve of Class A shares to cover the options granted to participants. This reserve must be replenished from time to time so that the Company has a sufficient number of Class A shares to cover new option grants. The Board has determined that it would be appropriate to maintain 12,800,000 Class A shares reserved for issuance under the Stock Option Plan.

As set out on Page 11 of the Circular, share owners are being asked to approve an ordinary resolution to replenish the share reserve by 8,372,850 Class A shares, which maintains the fixed maximum number of Class A shares authorized for issuance at 12,800,000 and will provide the Company with an effective means to utilize stock option awards for many years to come. The replenishment of the Class A shares reserved for issuance under the Stock Option Plan was approved by the Board on February 22, 2022 and has been conditionally approved by the TSX, subject to share owner approval.

A summary of the material terms of the Stock Option Plan is set out in Schedule B.

## **Indirect Compensation**

### **Perquisites**

Senior executives receive standard perquisites, including a company vehicle, parking, a club membership, financial advice and a medical health assessment.

### **Employee Share Purchase Plan**

Senior executives and employees can contribute up to 10 per cent of their base salary to the employee share purchase plan. The Company matches 25 per cent or 35 per cent of their contribution.

## Pension Plan

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

How the DB component works:

- Executives do not contribute to the plan
- Participants can retire with full pension 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
- Retiree pension benefit payments have historically been increased annually with inflation, to a maximum of 3 per cent

How we calculate the pension benefit:

$$\left[ 1.4\% \times \begin{array}{l} \text{average year's maximum} \\ \text{pensionable earnings} \\ (\$57,780 \text{ in } 2021) \end{array} + 2\% \times \begin{array}{l} \text{average salary (highest five consecutive} \\ \text{years of base salary, not including} \\ \text{short-term incentive) minus } \$57,780 \end{array} \right] \times \begin{array}{l} \text{Years of} \\ \text{service} \end{array}$$

Brian P. Shkrobot, Bob J. Myles, Marshall F. Wilmot and Becky A. Penrice participate in, and Dennis A. DeChamplain participated in, the DC component.

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 \$29,210 in 2021
- 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 Siegfried W. Kiefer as a supplemental pension. This supplemental pension is provided by Canadian Utilities and benefits are not prefunded; it is also inclusive of the benefit under the Canadian Utilities plan. Benefits are paid on the same terms as the plan, 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
- Service is limited to 35 years

Nancy C. Southern's supplemental pension benefit is part of her employment agreement (see Page 66). 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.

Siegfried W. Kiefer's supplemental pension benefit is part of his employment agreement (see Page 67). His benefits are calculated as the average of the highest consecutive five years of salary compensation. Mr. Kiefer's maximum service limit for the supplemental pension benefit is 40 years.



# 2021 PERFORMANCE AND AWARDS

STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>INNOVATION</b>		
<b>New and existing products and services</b>	<p>Explore and test new products and methods of energy delivery to meet customers' future needs.</p> <ul style="list-style-type: none"> <li>Continue to support communities and customers through the deployment of cleaner energy solutions.</li> <li>Explore further opportunities to invest in clean fuel initiatives such as hydrogen and renewable natural gas within the Utilities and Energy Infrastructure businesses.</li> </ul>	<p>The Vuntut Gwitchin First Nation and Canadian Utilities announced the completion of Canada's most northerly off-grid solar project, reducing diesel use by 189,000 litres annually in Old Crow, Yukon and providing a clean energy source for decades to come.</p> <hr/> <p>Utilities and Energy Infrastructure 2021 strategies focused on energy transition with a specific emphasis on renewable generation, hydrogen blending, clean fuels and energy storage. Through the calendar year we announced the following projects:</p> <ul style="list-style-type: none"> <li>Alberta Hub Natural Gas Storage Acquisition</li> <li>Two Hills RNG Facility</li> <li>Empress Solar Development Project</li> <li>Calgary Solar Development Projects</li> <li>Suncor Clean Hydrogen Project</li> <li>Clean Energy Innovation Park, Australia</li> <li>Central West Pumped Storage Hydro Project, Australia</li> <li>Fort Saskatchewan Hydrogen Blending</li> </ul>
<b>GROWTH</b>		
<b>Regulated and long-term contracted capital investment</b>	<p>Continue to strategically invest in Canadian Utilities' technology and the modernization of both the natural gas and electricity networks to enhance sustainability and flexibility while reducing the long term need for additional utility infrastructure, resulting in lower costs and an improved experience for customers.</p>	<p>Continued progression on the digitization of the grid:</p> <ul style="list-style-type: none"> <li>Continued deployment of Advanced Metering Infrastructure (AMI) across our service territory. The communities of Grande Prairie and Chipewyan Lake are now complete.</li> <li>Progressing on the Automated Distribution Management System (ADMS) that will orchestrate the delivery of electricity across a multi-directional flowing grid.</li> </ul> <p>Canadian Utilities announced the acquisition of the Pioneer Pipeline in 2020 and closed this transaction on June 30, 2021. The 131-km natural gas pipeline has been incorporated into the Nova Gas Transmission Ltd. (NGTL) and ATCO Alberta regulated natural gas transmission systems to provide reliable natural gas supply to TransAlta's power generating units at Sundance and Keephills, facilitating the conversion of these coal plants to cleaner-burning natural gas. Consistent with the geographic areas defined in the Integration Agreement, Canadian Utilities' Natural Gas Transmission will transfer to NGTL the 30-km segment of pipeline in 2022 that is located in the NGTL footprint. The pipeline transfer was approved by the Canada Energy Regulator on December 22, 2021.</p>

STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>Regulated and long-term contracted capital investment</b>	Continue to strategically invest in Canadian Utilities' technology and the modernization of both the natural gas and electricity networks to enhance sustainability and flexibility while reducing the long term need for additional utility infrastructure, resulting in lower costs and an improved experience for customers.	LUMA Energy began implementation of the System Remediation Plan and engaged with the Federal Emergency Management Agency (FEMA) and US Department of Housing and Urban Development (HUD) on capital rebuilding programs designed to lift electricity transmission and distribution operations to the standards of a world-class utility.
	Continue to advance replacement and improvement projects in Canadian Utilities to ensure that the safety and reliability of our gas and electricity systems are properly maintained and managed.	<p>The ongoing Urban Pipeline Replacement (UPR) Program in Alberta consists of the removal of the remaining high-pressure service pipe, installation of remaining stations, and clean-up efforts.</p> <p>The project is expected to be completed in 2022 and will have removed a total of 310-km upon completion.</p>
<b>Global expansion</b>	Continue expansion into select global markets including: North America, Australia, and Chile.	<p>Canadian Utilities along with its partner, Quanta Services, Inc., announced their joint ownership interest in LUMA Energy in 2020 and commenced a one-year transition period. In June 2021, one month in advance of its anticipated timeline, LUMA Energy commenced operations under a Supplemental Agreement to its 15-year contract to modernize and operate Puerto Rico's electricity transmission and distribution system.</p> <p>Canadian Utilities and its joint venture partner, Australian Gas Infrastructure Group, received notification of conditional grant funding from Australian Renewable Energy Agency (ARENA) of \$29 million AUD to contribute financing for the production of hydrogen through a large scale project at Canadian Utilities' proposed Clean Energy Innovation Park (CEIP) in Western Australia.</p> <p>Canadian Utilities acquired the rights to develop the 325-MW Central West Pumped Storage Hydro project, located approximately 175-km west of Sydney, Australia. The acquisition marks Canadian Utilities' first renewable energy investment on Australia's east coast. A final investment decision on project construction is expected in 2023.</p>
		<p>Continued to build upon Canadian Utilities' existing renewables generation platform in the Energy Infrastructure business.</p> <p>Acquired the rights to the Empress Solar project, a 39-MW solar facility under development near Empress, Alberta with commercial operations expected in 2022. The project will provide enough renewable electricity to power more than 11,000 homes.</p>

STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>Global expansion</b>	Continue to build upon Canadian Utilities' existing renewables generation platform in the Energy Infrastructure business.	Acquired the development rights to build two solar projects with a combined capacity of 64-MW in Calgary, Alberta with commercial operations expected in 2022. The Deerfoot and Barlow projects will provide enough renewable electricity to power more than 18,000 homes.
<b>FINANCIAL STRENGTH</b>		
<b>Credit rating</b>	Maintain investment grade credit rating.	Maintained 'A' long-term credit rating with a stable trend with DBRS Limited.  Maintained 'A-' long-term issuer credit rating with a negative outlook on Canadian Utilities with Standard & Poors.
<b>Access to capital markets</b>	Access capital at attractive rates.	In 2021, CU Inc. raised \$460 million in 30-year debentures at a rate of 3.174 per cent. The issue was oversold and completed at an attractive spread of 138 basis points above Government of Canada 30-year bond rates.  Canadian Utilities issued \$201 million of 4.75 per cent Cumulative Redeemable Second Preferred Shares Series HH by means of a short form prospectus. The proceeds of the issuance were used for capital expenditures, to repay indebtedness and for other general corporate purposes.
<b>Adjusted earnings</b>	Achieve adjusted earnings* as set by the Board of Directors.	Adjusted earnings of \$586 million for the year ended December 31, 2021 which was below the performance target set by the Board of Directors at the beginning of the year.  *Adjusted earnings as reported in the consolidated financial statements for the year ended December 31, 2021, are the earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. For additional information, please see the Non-GAAP and Other Financial Measures Advisory on Page 86.
<b>Internal controls</b>	Maintain and enhance management and financial processes and controls to ensure that no reportable weaknesses in control over financial reporting exist.	Testing conducted in 2021 revealed no reportable weaknesses in internal control over financial reporting.
<b>PEOPLE LEADERSHIP</b>		
<b>Labour relations</b>	Continue to improve labour relations by fostering a productive and collaborative environment with our employee associations and unions.	In 2021, we successfully negotiated three balanced collective agreements. The unions involved were the Natural Gas Employees' Association and Canadian Energy Workers Association.  In addition three companies were engaged in collective bargaining with Canadian Energy Workers Association and one company with the United Utility Workers' Association. Those proceedings continue to progress toward resolution.

STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>Employee well-being</b>	Move from designing a program to embed well-being into the DNA of ATCO to improve productivity, engagement, attraction, and retention.	<p>ATCO offered well-being peer global support to all employees through 250 wellness ambassadors.</p> <p>ATCO initiated Health &amp; Physical well-being challenges to all ATCO employees with over 50 per cent participation rate.</p> <p>ATCO offered Coaching &amp; Education sessions throughout the year for psychological safety and financial literacy.</p> <p>ATCO Group was awarded Canadian Finalist for best psychological and wellness programs.</p>
<b>Succession Planning &amp; Leadership Development</b>	Develop key metrics to gauge the effectiveness of succession planning, evolve talent development and mitigate risk.	<p>HR created a succession and talent development briefing report for the Audit &amp; Risk Committee.</p> <p>HR built a succession management dashboard &amp; platform which captured key metrics in the areas of critical roles, successors, top talent (mobility, internal movement, and development).</p> <p>HR and key stakeholders from each business designed a leadership development academy for all leaders at ATCO.</p>
<b>Human Capital Management (HCM)</b>	Continue expanding the HCM system to better enable our people to perform tasks effectively and efficiently across all parts of the business.	<p>HR continues to build out learning content in our newly launched learning management system. HR is continuing to define a skills taxonomy for ATCO future skills 2030.</p> <p>HR launched new engagement survey platform. ATCO overall results include an 82 per cent global response rate, 81 per cent manager effectiveness score and 79 per cent engagement score.</p>
<b>OPERATIONAL EXCELLENCE</b>		
<b>Lost-time and total recordable incident frequency: employees</b>	Compare favourably to safety benchmarks.	<p>Our lost-time incident frequency compares favourably to benchmarks such as Alberta Occupational Health and Safety, US private industry, and industry best practice rates. Our lost-time incident frequency in 2021 was 0.17/200,000 hours worked.</p> <p>Our total recordable incident frequency in 2021 compares favourably to benchmarks such as US private industry and industry best practice rates. Our total recordable incident frequency in 2021 was 1.48 incidents/200,000 hours worked.</p>
<b>Customer satisfaction</b>	Achieve high service for the customers and communities we serve. Results from customer satisfaction surveys should be consistent with or better than prior years.	<p>Within Electricity and Natural Gas Distribution, more than 97 per cent of customers agreed that Canadian Utilities provides good service. Within our energy retail operations, 75 per cent of customers who interact with call centres are "very satisfied". These results compare favourably to industry averages and are consistent with previous years.</p> <p>ATCO Gas Australia's Customer Satisfaction (CSAT) was 8.9 out of a possible 10, above a national industry benchmark of 8.5. ATCO Gas Australia consistently outperforms the broader energy industry in terms of both customer satisfaction and also a second measurement, the 'ease of implementation' of its services. ATCO Gas Australia has improved its CSAT score from 8.7 in 2020 to 8.9 in 2021.</p>

STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>Customer satisfaction</b>	Achieve high service for the customers and communities we serve. Results from customer satisfaction surveys should be consistent with or better than prior years.	LUMA Energy had a six per cent increase in overall customer satisfaction, and a 13 per cent increase in both in-person customer service and power quality and reliability as measured by J.D. Power CSAT score.
<b>Organizational transformation</b>	<p>Streamline and gain operational efficiencies.</p> <ul style="list-style-type: none"> <li>Continue to optimize enterprise resource planning, workforce and asset management, customer information systems and computerized maintenance management systems within Canadian Utilities.</li> </ul>	<p>Canadian Utilities continued implementation of a Workforce and Asset Management program for its electricity and natural gas businesses to advance digitalization and data analytics. This technology will help to optimize resources, and digitize information and processes thereby providing a means to track, manage, and dispatch work to field-based employees more efficiently. The natural gas business is expected to complete implementation by 2022, followed by the electricity business in 2023.</p> <p>ATCO Gas Australia commenced an upgrade of its billing and metering system to comply with Australian Energy Market Operator (AEMO) regulations. This project will provide stakeholders with added functionality and upgrade the software to the latest version. The upgrade is being run in two phases, with Phase 1 complete and Phase 2 due for completion in 2022.</p> <p>The Regulated Utilities implemented a Customer Information System (CIS) replacement program. CIS holds our metering asset information, collects meter reads, calculates billing, and applies rates and production tariff bills for retailers. The replacement for both Natural Gas and Electricity is well underway, and the projects are on-track to go-live in 2022.</p>

## COMMUNITY INVOLVEMENT

<b>Indigenous relations</b>	Continue to work together with Indigenous communities to contribute to economic and social development in their communities.	<p>Across our operations, we awarded contracts totaling more than \$100 million for Indigenous and Indigenous-affiliated contractors in 2021.</p> <p>\$64,500 was awarded to 52 students across Canada, including the territories, through the ATCO Indigenous Education Awards Program.</p> <p>A total of 5,280 employees participated in one of the many Indigenous training courses offered in 2021 through virtual classroom and training platforms.</p>
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STRATEGIC PRIORITIES	2021 TARGET	2021 PERFORMANCE
<b>Indigenous relations</b>	Continue to work together with Indigenous communities to contribute to economic and social development in their communities.	<p>ATCO Australia implemented its 'Innovate Reconciliation Action Plan (RAP)'. This plan strengthens our approach to driving reconciliation through business activities and community programs, and develops mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organizations. Recognizing the continuing connection to land, sea and culture, ATCO Australia have invited Elders to welcome our employees to their country through Cultural Smoking Ceremonies for events and projects.</p> <p>Canadian Utilities announced the completion of Canada's most northerly off-grid solar project in Old Crow, Yukon. The facility provides the Vuntut Gwitchin First Nations with a clean energy source for decades to come and fosters community ownership and self-sustaining economic development through job creation, investment in infrastructure, and revenue from the sale of renewable energy.</p>
<b>ATCO EPIC (Employees Participating in Communities)</b>	Continue to administer the employee-led campaign to give employees the opportunity to contribute to charitable organizations in the communities in which they work.	<p>With the combined efforts of our employees around the world, ATCO pledged more than \$2.97 million to support hundreds of community charities through our annual ATCO EPIC campaign, taking the program's cumulative fundraising total to nearly \$50 million since its inception in 2006.</p> <p>The ATCO Giving Gardens at Spruce Meadows was created in spring 2021 as a way to weave sustainability, volunteerism and generosity into one great initiative by providing fresh produce to Calgary's vulnerable seniors and veterans.</p> <p>ATCO provided 4,720 meals to seniors and veterans through our partnerships with the Calgary Seniors' Resource Society and the Homes For Heroes Foundation in Calgary. ATCO's Giving Gardens supplied the beets, potatoes, and squash towards these meals.</p>
<b>Community Investment</b>	Invest in the health and safety of LUMA Energy's people and communities by opening a state-of-the-art electricity and lineworkers college in Puerto Rico.	<p>In 2021, LUMA Energy obtained all permits and began construction on the LUMA College for Technical Training – a state-of-the-art lineworkers college within Puerto Rico aimed at training LUMA Energy's current and future employees. The College's 24-acre site in Canóvanas will include an outdoor skills training field, indoor learning laboratory, administrative and classroom operations building, and covered equipment and personnel parking structures. Collectively, this will create approximately 22,000 square feet of usable building space for the purpose of training, education and administration.</p> <p>During construction activities in 2021, the College innovated by using off-site locations in Puerto Rico to commence its training programs and graduated the first pre-apprentice class of 14 students in October.</p>

# 2021 COMPENSATION SUMMARY

## Compensation in 2021

The table below is a summary of total direct compensation awarded to the named executives in 2021.

Please see Page 73 for the summary compensation table, which shows total compensation for the past three years, and the assumptions used for the mid and long-term incentive values.

	Total cash compensation (\$)			Equity (\$)	Total direct compensation (\$)
	Salary	Short-term incentive	Mid-term incentive <sup>1</sup>	Long-term incentive	
Nancy C. Southern <sup>2</sup>	890,000	0	0	606,000	1,496,000
Siegfried W. Kiefer <sup>2</sup>	801,000	0	0	343,400	1,144,400
Brian P. Shkrobot	363,658	337,167	0	49,620	750,445
Bob J. Myles	411,625	489,500	0	80,800	981,925
Marshall F. Wilmot	425,250	472,500	8,796	8,080	914,626
Becky A. Penrice	401,613	445,000	0	12,120	858,733
Dennis A. DeChamplain <sup>3</sup>	367,764	0	0	303,000	670,764

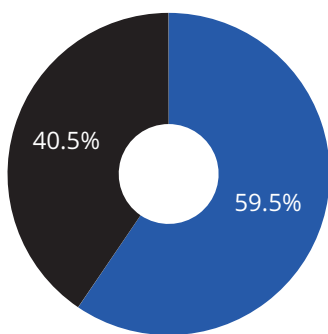
<sup>1</sup> Canadian Utilities no longer grants awards under its MTIP and no MTIP awards are currently outstanding for our named executives.

<sup>2</sup> Ms. Southern recommended and GOCOM approved withholding bonuses for Ms. Southern and Mr. Kiefer for 2021, despite strong corporate and individual performance. Process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. Ms. Southern and Mr. Kiefer had no direct involvement, but Ms. Southern and GOCOM felt it appropriate that CEO compensation should be impacted. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken.

<sup>3</sup> GOCOM applied discretion and determined that no annual bonus would be paid to Mr. DeChamplain for 2021 because the situation that is described in footnote (2) arose while he was CFO.

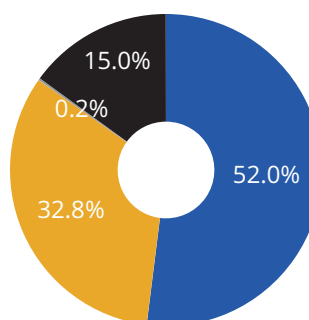
## 2021 Pay Mix

### CEO



■ Base Salary  
■ Short-term Incentive  
■ Mid-term Incentive  
■ Long-term Incentive

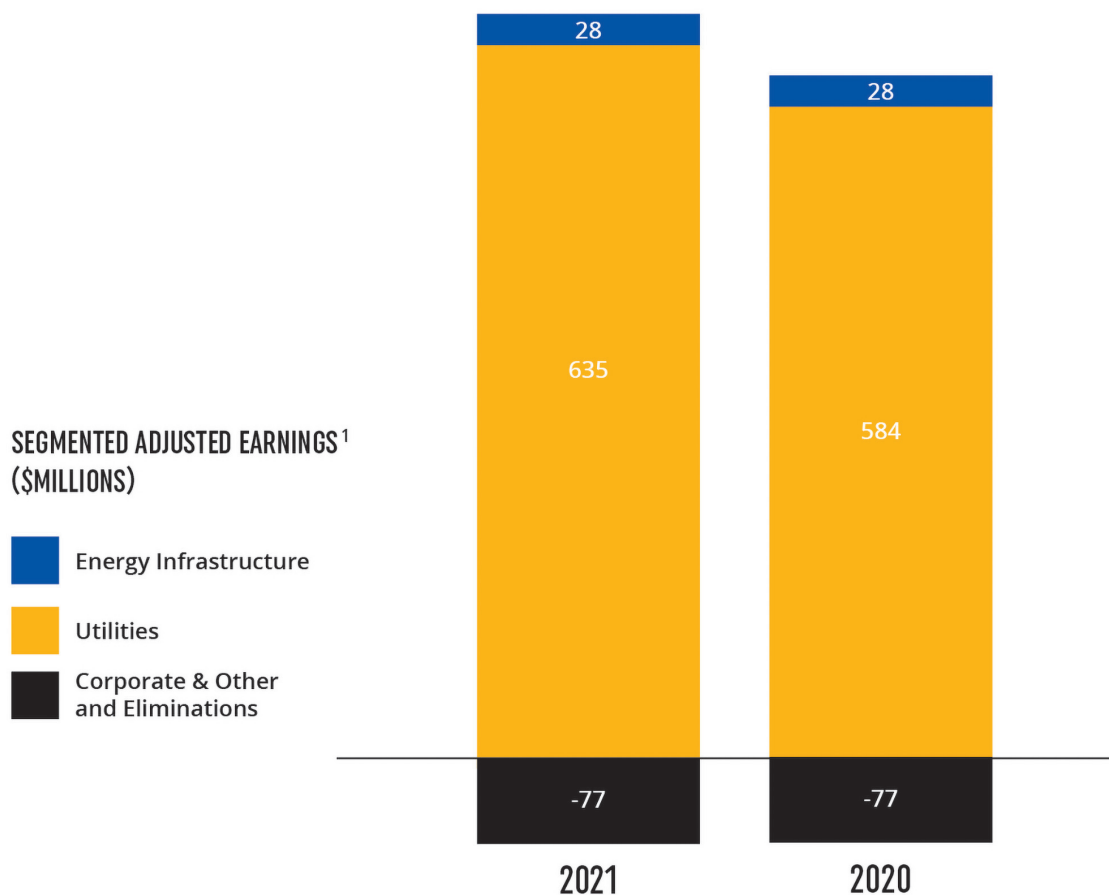
### Other Named Executives



■ Base Salary  
■ Short-term Incentive  
■ Mid-term Incentive  
■ Long-term Incentive

## Compensation Linked To Financial Performance

The graph below shows adjusted earnings for each of the past two years (total and by Business Unit), compared with total direct compensation paid to the named executives in each year.



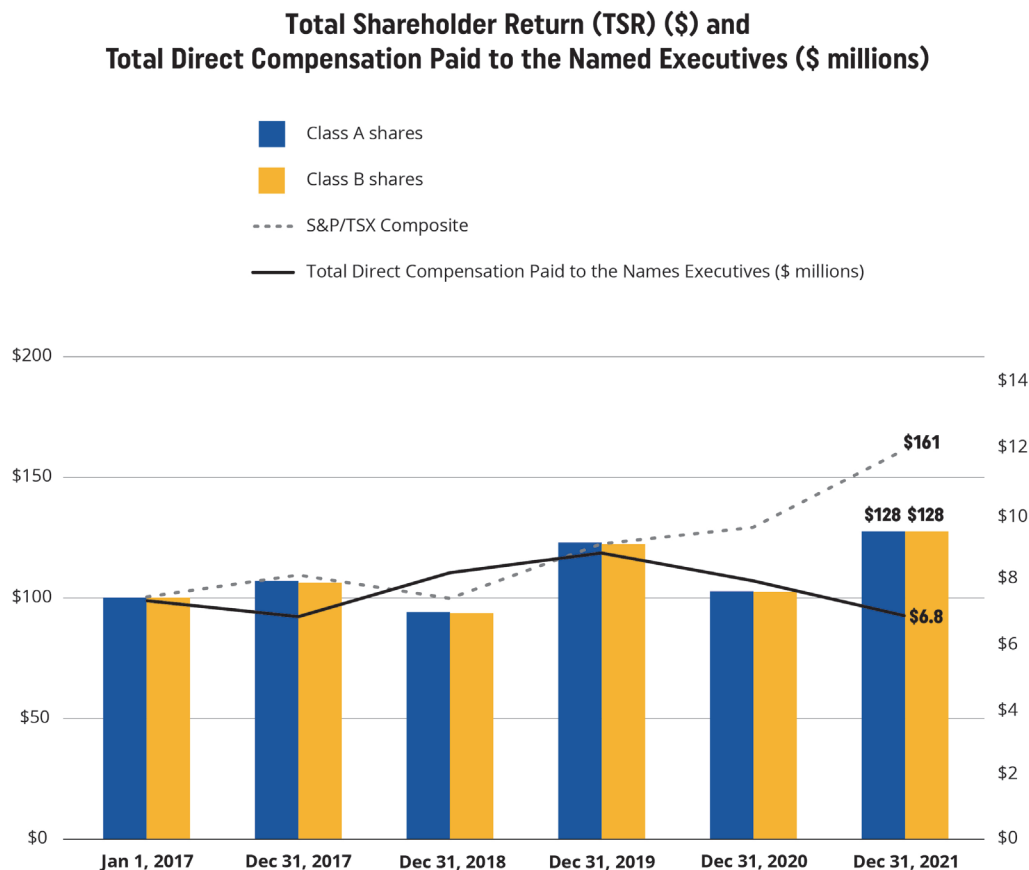
(\$millions)	2021	2020
Adjusted earnings <sup>1</sup>	586	535
Total direct compensation paid to the named executives	6.8	8.0
As a % of adjusted earnings	1.2%	1.5%

<sup>1</sup> For additional information, please see the Non-GAAP and Other Financial Measures Advisory on Page 86.



## Compensation Linked to Share Owner Return

The graph below compares the cumulative value of \$100 invested in Class A shares or Class B shares (assuming reinvestment of dividends) on January 1, 2017, with the cumulative value of \$100 invested in the S&P/TSX Composite Index over the same period. The chart also shows the total direct compensation paid to the named executives in each of the past five years.



Total direct compensation includes:

- Base salary
- Short-term incentive
- Grant date value of mid-term incentives plus dividends earned during calendar year
- Grant date value of long-term incentives

The above performance graph shows how an investment of \$100 on January 1, 2017 in Class A shares at the closing price of \$36.19 or Class B shares at the closing price of \$36.25 would equate to \$128 in both instances on December 31, 2021, whereas the same \$100 investment in the S&P/Composite Index over the same period would equate to \$161. Our compensation program ensures that the compensation we pay to our executive officers is related to factors that influence share owner value. There is a strong correlation between the share price trend line shown in the performance graph above and the target and realized compensation levels our NEOs received during the same period. Share price performance, however, is not the only predictor or outcome of the success of our executive team. It is one of many considerations that influence our NEO compensation decisions.



## NANCY C. SOUTHERN

Chair & Chief Executive Officer

Calgary, Canada

Years of Service 32

Age 65

Ms. Southern is Chair & Chief Executive Officer of Canadian Utilities and ATCO. She has full responsibility for Canadian Utilities' strategic direction and operations. Ms. Southern reports to the Board of Directors and has been a director of Canadian Utilities since 1990. Under Ms. Southern's guidance, adjusted earnings have increased from \$471 million in 2011 to \$586 million in 2021 (an increase of greater than 24 per cent). Canadian Utilities' total assets have grown from approximately \$12 billion in 2011 to \$21 billion in 2021. For additional information regarding adjusted earnings, please see the Non-GAAP and Other Financial Measures Advisory on Page 86.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	890,000	637,500	899,000
Short-term incentive <sup>1</sup>	0	1,440,000	1,258,600
<b>Total cash compensation</b>	<b>890,000</b>	<b>2,077,500</b>	<b>2,157,600</b>
<b>Equity</b>			
Mid-term incentive	0	56,602	409,886
Long-term incentive			
Stock options	606,000	359,961	217,842
Share appreciation rights	N/A	N/A	217,842
<b>Total equity</b>	<b>606,000</b>	<b>416,563</b>	<b>845,570</b>
<b>Total direct compensation</b>	<b>1,496,000</b>	<b>2,494,063</b>	<b>3,003,170</b>

<sup>1</sup> Ms. Southern recommended and GOCOM approved withholding bonuses for Ms. Southern and Mr. Kiefer for 2021, despite strong corporate and individual performance. Process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. Ms. Southern and Mr. Kiefer had no direct involvement, but Ms. Southern and GOCOM felt it appropriate that CEO compensation should be impacted. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken.

### EMPLOYMENT AGREEMENT

Ms. Southern has an employment agreement with Canadian Utilities that is reviewed and approved regularly. It is currently extended to February 28, 2024. The agreement includes insurance benefits if Ms. Southern dies or becomes disabled before she retires or employment is terminated. The amount is based on her salary, using formulas that take into account the amounts payable to her under Canadian Utilities' group life insurance policies and disability income programs. It also includes supplemental pension benefits, which are described on Page 56. A certain portion of Ms. Southern's supplemental pension benefits are payable to her surviving spouse in the event of her death.

Additionally, Ms. Southern's employment agreement addresses the use and disclosure of confidential information both during and any time after her employment with the Company. Her employment agreement also includes a non-competition provision that prevents Ms. Southern from engaging in certain business and employment arrangements during her employment with the Company and during any period, in connection with a termination event, where she is receiving payment from the Company or is entitled to exercise her incentive awards.



## SIEGFRIED W. KIEFER

Honorary Director, Office of the Chair, ATCO

Calgary, Canada

Years of service 39

Age 63

Mr. Kiefer held the position President & Chief Executive Officer, Canadian Utilities and Member, Office of the Chair, ATCO until June 30, 2021. He was responsible for leading the development and execution of Canadian Utilities' growth strategy, and ensuring its alignment with short and long-term objectives. Mr. Kiefer transitioned into the role of Honorary Director, Office of the Chair, ATCO until his retirement on February 28, 2022.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	801,000	810,000	797,863
Short-term incentive <sup>1</sup>	0	1,080,000	719,200
<b>Total cash compensation</b>	<b>801,000</b>	<b>1,890,000</b>	<b>1,517,063</b>
<b>Equity</b>			
Mid-term incentive	0	78,372	556,377
Long-term incentive			
Stock options	343,400	218,547	33,514
Share appreciation rights	N/A	N/A	33,514
<b>Total equity</b>	<b>343,400</b>	<b>296,919</b>	<b>623,405</b>
<b>Total direct compensation</b>	<b>1,144,400</b>	<b>2,186,919</b>	<b>2,140,468</b>

<sup>1</sup> Ms. Southern recommended and GOCOM approved withholding bonuses for Ms. Southern and Mr. Kiefer for 2021, despite strong corporate and individual performance. Process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. Ms. Southern and Mr. Kiefer had no direct involvement, but Ms. Southern and GOCOM felt it appropriate that CEO compensation should be impacted. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken.

### EMPLOYMENT AGREEMENT

Mr. Kiefer had an employment agreement with Canadian Utilities which was effective until February 28, 2022. The agreement included supplemental pension benefits, which are described on Page 56. A certain portion of Mr. Kiefer's supplemental benefits are payable to his surviving spouse in the event of his death.

Additionally, Mr. Kiefer's employment agreement addresses the use and disclosure of confidential information both during and any time after his employment with the Company. His employment agreement also includes a non-competition provision that prevents Mr. Kiefer from engaging in certain business and employment arrangements during his employment with the Company and during any period, in connection with a termination event, where he is receiving payment from the Company or is entitled to exercise his incentive awards.



## BRIAN P. SHKROBOT

Executive Vice President & Chief Financial Officer

Calgary, Canada

Years of service 21

Age 49

Mr. Shkrobot is Executive Vice President & Chief Financial Officer of Canadian Utilities. He is responsible for the overall financial management of Canadian Utilities including Finance, Accounting, Treasury, Taxation, Risk Management, Investor Relations and the administration of Internal Audit. He is 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 has held a variety of leadership positions across Canadian Utilities. He was appointed to his current role in October 2021.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	363,658	362,273	316,250
Short-term incentive	337,167	350,000	175,000
<b>Total cash compensation</b>	<b>700,825</b>	<b>712,273</b>	<b>491,250</b>
<b>Equity</b>			
Mid-term incentive	0	15,674	194,537
Long-term incentive			
Stock options	49,620	15,427	10,091
Share appreciation rights	N/A	N/A	10,091
<b>Total equity</b>	<b>49,620</b>	<b>31,101</b>	<b>214,719</b>
<b>Total direct compensation</b>	<b>750,445</b>	<b>743,374</b>	<b>705,969</b>



## ROBERT J. MYLES

Executive Vice President, Corporate Development

Calgary, Canada

Years of service 2

Age 57

Mr. Myles is Executive Vice President, Corporate Development. He is responsible for growing the Company's infrastructure footprint in strategic global markets, and the ongoing growth and operations of Canadian Utilities' non-regulated businesses in North and South America, as well as in Australia. Mr. Myles has held a variety of leadership roles across the organization, and after having been away from the organization for a number of years, he rejoined the Company in 2020 in his current capacity.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	411,625	318,750	—
Short-term incentive	489,500	414,000	—
<b>Total cash compensation</b>	<b>901,125</b>	<b>732,750</b>	—
<b>Equity</b>			
Mid-term incentive	0	0	—
Long-term incentive			
Stock options	80,800	51,423	—
Share appreciation rights	N/A	N/A	—
<b>Total equity</b>	<b>80,800</b>	<b>51,423</b>	—
<b>Total direct compensation</b>	<b>981,925</b>	<b>784,173</b>	—



## MARSHALL F. WILMOT

President, ATCO Energy Ltd. & Chief Digital Officer

Calgary, Canada

Years of service 4

Age 61

Mr. Wilmot is President, ATCO Energy Ltd. & Chief Digital Officer for Canadian Utilities and ATCO. He is responsible for the operational and financial performance of our retail businesses: ATCOenergy; ATCO Blue Flame Kitchen; and our recently launched Rūmi business, and in his role as Chief Digital Officer, he is responsible for creating a holistic digital strategy. Mr. Wilmot joined the Company in 2018.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	425,250	427,500	427,275
Short-term incentive	472,500	427,500	189,900
<b>Total cash compensation</b>	<b>897,750</b>	<b>855,000</b>	<b>617,175</b>
<b>Equity</b>			
Mid-term incentive	8,796	57,473	123,402
Long-term incentive			
Stock options	8,080	5,142	5,027
Share appreciation rights	N/A	N/A	5,027
<b>Total equity</b>	<b>16,876</b>	<b>62,615</b>	<b>133,456</b>
<b>Total direct compensation</b>	<b>914,626</b>	<b>917,615</b>	<b>750,631</b>



## REBECCA A. PENRICE

Executive Vice President, Corporate Services

Calgary, Canada

Years of service 2

Age 47

Ms. Penrice is Executive Vice President, Corporate Services for Canadian Utilities and ATCO. She has overall responsibility for leading: Human Resources, Corporate Security, Common Services, Supply Chain and Facilities Operations, Corporate Governance & Secretarial, Corporate Marketing & 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.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	401,613	380,250	—
Short-term incentive	445,000	405,000	—
<b>Total cash compensation</b>	<b>846,613</b>	<b>785,250</b>	—
<b>Equity</b>			
Mid-term incentive	0	0	—
Long-term incentive			
Stock options	12,120	7,713	—
Share appreciation rights	N/A	N/A	—
<b>Total equity</b>	<b>12,120</b>	<b>7,713</b>	—
<b>Total direct compensation</b>	<b>858,733</b>	<b>792,963</b>	—



## DENNIS A. DECHAMPLAIN

Executive Vice President & Chief Financial Officer

Calgary, Canada

Years of service 29

Age 57

Mr. DeChamplain held the position of Executive Vice President & Chief Financial Officer of Canadian Utilities and ATCO until his passing on August 15, 2021. He was responsible for Finance, Accounting, Treasury, Taxation, Risk Management, Information Technology, Investor Relations and the administration of Internal Audit.

### COMPENSATION

	2021 (\$)	2020 (\$)	2019 (\$)
<b>Cash</b>			
Base salary	367,764	501,409	424,778
Short-term incentive <sup>1</sup>	0	720,000	287,680
<b>Total cash compensation</b>	<b>367,764</b>	<b>1,221,409</b>	<b>712,458</b>
<b>Equity</b>			
Mid-term incentive	0	60,085	520,870
Long-term incentive			
Stock options	303,000	192,836	33,514
Share appreciation rights	N/A	N/A	33,514
<b>Total equity</b>	<b>303,000</b>	<b>252,921</b>	<b>587,898</b>
<b>Total direct compensation</b>	<b>670,764</b>	<b>1,474,330</b>	<b>1,300,356</b>

<sup>1</sup> GOCOM applied discretion and determined that no annual bonus would be paid to Mr. DeChamplain for 2021 because process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken.



# 2021 COMPENSATION DETAILS

## Summary Compensation Table

The table below summarizes the total compensation of each of the named executives received or awarded for the years ended December 31, 2019, 2020 and 2021. In 2021, all of the named executives had a dual role for Canadian Utilities and for ATCO, our parent company. The table below shows how the compensation expense for executives with dual roles has been shared over the past three years.

	Amount paid by Canadian Utilities	Amount paid by ATCO	Combined total reported in ATCO proxy circular
2021	89.0 %	11.0 %	100 %
2020	90.0 %	10.0 %	100 %
2019	89.9 %	10.1 %	100 %

The compensation we report below for all named executives is the compensation they received from Canadian Utilities.

	Salary	Share based awards <sup>1</sup>	Option based awards <sup>2,3</sup>	Non-equity incentive plan compensation		Pension value <sup>4</sup>	All other compensation <sup>5</sup>	Total compensation
				Annual incentive plans <sup>6,7</sup>	Long term incentive plans			
<b>Nancy C. Southern</b>								
Chair & Chief Executive Officer								
2021	890,000	0	606,000	0	N/A	1,411,080	31,150	2,938,230
2020	637,500	56,602	359,961	1,440,000	N/A	2,294,195	31,500	4,819,758
2019	899,000	409,886	435,684	1,258,600	N/A	(2,203,557)	31,465	831,078
<b>Siegfried W. Kiefer</b>								
Honorary Director, Office of the Chair, ATCO								
2021	801,000	0	343,400	0	N/A	135,922	28,035	1,308,357
2020	810,000	78,372	218,547	1,080,000	N/A	203,228	28,350	2,418,497
2019	797,863	556,377	67,028	719,200	N/A	(876,676)	27,925	1,291,717
<b>Brian P. Shkrobot</b>								
Executive Vice President & Chief Financial Officer								
2021	363,658	0	49,620	337,167	N/A	28,139	12,729	791,313
2020	362,273	15,674	15,427	350,000	N/A	27,830	12,680	783,884
2019	316,250	194,537	20,182	175,000	N/A	27,230	11,777	744,976
<b>Bob J. Myles</b>								
Executive Vice President, Corporate Development								
2021	411,625	0	80,800	489,500	N/A	25,997	10,290	1,018,212
2020	318,750	0	51,423	414,000	N/A	20,873	7,172	812,218
2019	—	—	—	—	—	—	—	—
<b>Marshall F. Wilmot</b>								
President, ATCO Energy Ltd. & Chief Digital Officer								
2021	425,250	8,796	8,080	472,500	N/A	27,603	10,631	952,861
2020	427,500	57,473	5,142	427,500	N/A	26,439	10,688	954,742
2019	427,275	123,402	10,054	189,900	N/A	25,855	10,682	787,168
<b>Becky A. Penrice</b>								
Executive Vice President, Corporate Services								
2021	401,613	0	12,120	445,000	N/A	25,997	10,040	894,769
2020	380,250	0	7,713	405,000	N/A	25,047	945	818,955
2019	—	—	—	—	—	—	—	—
<b>Dennis A. DeChamplain</b>								
Executive Vice President & Chief Financial Officer								
2021	367,764	0	303,000	0	N/A	93,027	11,837	775,628
2020	501,409	60,085	192,836	720,000	N/A	4,416,791	17,549	5,908,670
2019	424,778	520,870	67,028	287,680	N/A	24,480	14,448	1,339,284

- 1 The grant date fair value for MTIP granted in past years was determined in consultation with our independent advisors. The accounting fair value was based on the full value share price at the time of grant and the grant date fair value used for compensation benchmarking purposes reflected a discount applied to account for performance hurdles that had to be met in order for the MTIP to vest. The share based awards value includes the dividends received during the respective calendar year. Canadian Utilities did not grant units under the mid-term incentive plan in 2020 or 2021.

2019	
	July
<b>MTIP Assumptions</b>	
Grant date fair value	23.38
Accounting fair value	35.97

- 2 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:

	2021		2020	2019
	October	June	December	November
<b>Option Assumptions</b>				
Expected life (years)	6.8	6.8	6.8	6.8
Risk free rate of return	1.56%	1.06%	0.50%	1.47%
Volatility	24.01%	24.09%	22.25%	17.53%
Dividend yield	4.91%	4.89%	5.49%	4.27%

The SAR values shown for past years are the grant date fair values determined using the Black-Scholes method, the same method used for determining the accounting fair values. Canadian Utilities did not grant SARs under the long-term incentive plan in 2020 or 2021. The assumptions used for past years were as follows:

2019	
	November
<b>SAR Assumptions</b>	
Expected life (years)	6.0
Risk free rate of return	1.47%
Volatility	18.29%
Dividend yield	4.27%

- 3 Total Canadian Utilities stock options and share appreciation rights.
- 4 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 79.
- 5 Employer contribution to the Employee Share Purchase Plan.
- 6 Ms. Southern recommended and GOCOM approved withholding bonuses for Ms. Southern and Mr. Kiefer for 2021, despite strong corporate and individual performance. Process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. Ms. Southern and Mr. Kiefer had no direct involvement, but Ms. Southern and GOCOM felt it appropriate that CEO compensation should be impacted. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken.
- 7 GOCOM applied discretion and determined that no annual bonus would be paid to Mr. DeChamplain for 2021 because the situation that is described in footnote (6) arose while he was CFO.

## Outstanding Option-Based Awards

The table below shows each named executive's outstanding incentive plan awards as of December 31, 2021.

Option-based awards						
	Number of securities underlying unexercised options (#)		Option exercise price / SARs base value (\$)	Option expiration date	Value of unexercised in-the-money options <sup>3</sup> (\$)	
	Options <sup>1</sup>	SARs <sup>2</sup>				
<b>Nancy C. Southern</b>						
2021	150,000	N/A	35.76	2029-06-15		139,500
2020	140,000	N/A	32.09	2028-12-15		644,000
2019	65,000	65,000	38.97	2029-11-15		0
2018	65,000	65,000	34.13	2028-03-15		332,800
2017	65,000	65,000	38.07	2027-03-15		0
2016	62,500	62,500	36.08	2026-03-25		76,250
2015	50,000	50,000	40.78	2025-03-15		0
2014	50,000	50,000	39.45	2024-03-15		0
2013	60,000	60,000	39.04	2023-03-15		0
<b>Siegfried W. Kiefer</b>						
2021	85,000	N/A	35.76	2029-06-15		79,050
2020	85,000	N/A	32.09	2028-12-15		391,000
2019	10,000	10,000	38.97	2029-11-15		0
2018	10,000	10,000	34.13	2028-03-15		51,200
2017	10,000	10,000	38.07	2027-03-15		0
2016	7,500	7,500	36.08	2026-03-25		9,150
2015	7,500	7,500	40.78	2025-03-15		0
2014	10,000	10,000	39.45	2024-03-15		0
2013	10,000	10,000	39.04	2023-03-15		0
2012	7,500	7,500	33.18	2022-03-15		52,650
<b>Brian P. Shkrobot</b>						
2021	6,000	N/A	35.44	2029-10-30		7,500
2021	6,000	N/A	35.76	2029-06-15		5,580
2020	6,000	N/A	32.09	2028-12-15		27,600
2019	3,000	3,000	38.97	2029-11-15		0
2018	800	800	34.13	2028-03-15		4,096
2017	1,200	1,200	38.07	2027-03-15		0
2016	600	600	36.08	2026-03-25		732
2015	200	200	29.97	2025-12-15		2,688
2015	200	200	40.78	2025-03-15		0
<b>Bob J. Myles</b>						
2021	20,000	N/A	35.76	2029-06-15		18,600
2020	20,000	N/A	32.09	2028-12-15		92,000
<b>Marshall F. Wilmot</b>						
2021	2,000	N/A	35.76	2029-06-15		1,860
2020	2,000	N/A	32.09	2028-12-15		9,200
2019	1,500	1,500	38.97	2029-11-15		0
2018	5,000	5,000	34.13	2028-03-15		25,600
<b>Becky A. Penrice</b>						
2021	3,000	N/A	35.76	2029-06-15		2,790
2020	3,000	N/A	32.09	2028-12-15		13,800
<b>Dennis A. DeChamplain<sup>4</sup></b>						
2021	0	N/A	N/A	N/A		N/A
2020	0	N/A	N/A	N/A		N/A
2019	2,000	2,000	38.97	2023-08-16		0
2018	3,000	3,000	34.13	2023-08-16		15,360
2017	3,200	3,200	41.54	2023-08-16		0
2017	800	800	38.07	2023-08-16		0
2016	3,000	3,000	36.08	2023-08-16		3,660
2015	1,000	1,000	40.78	2023-08-16		0
2014	1,500	1,500	39.45	2023-08-16		0
2013	2,000	2,000	39.04	2023-03-15		0
2012	2,000	2,000	33.18	2022-03-15		14,040

<sup>1</sup> Options to buy Canadian Utilities Class A shares.

<sup>2</sup> Share appreciation rights based on Canadian Utilities Class A shares.

<sup>3</sup> The difference between the market value as of December 31, 2021, of Canadian Utilities Class A shares (\$36.69) underlying the option-based awards and the exercise price of the option-based awards.

<sup>4</sup> At the time of Mr. DeChamplain's death, in accordance with the terms of the plans, all unvested options and SARs expired immediately. This table shows Mr. DeChamplain's vested options and SARs that remained outstanding as at December 31, 2021.

<sup>5</sup> The Company no longer grants restricted shares under its MTIP (share-based awards) and no such awards are currently outstanding for our named executives. As such, the "share-based awards" portion of the previous table has been omitted.

The table below shows the total holdings and value of options and SARs held by the named executives at the end of the year, and the options and SARs they exercised in 2021.

Aggregate holdings and value of options and SARs held on December 31, 2021					Options and SARs exercised in 2021	
	Number of unexercised options/SARs (#)		Value of unexercised in-the-money options/SARs (\$)		Securities acquired on exercise (#)	Aggregate value realized (\$)
	Exercisable	Unexercisable	Exercisable	Unexercisable		
<b>Nancy C. Southern</b>						
In 2021, Ms. Southern exercised:						
• 50,000 options and 50,000 SARs on Canadian Utilities Class A shares						
Canadian Utilities Class A						
Options	374,500	333,000	298,965	689,060	50,000	98,385
SARs	339,500	78,000	137,965	66,560	N/A	104,500
<b>Siegfried W. Kiefer</b>						
In 2021, Mr. Kiefer exercised:						
• 5,000 options and 5,000 SARs on Canadian Utilities Class A shares						
Canadian Utilities Class A						
Options	81,750	160,750	144,010	382,540	5,000	32,625
SARs	60,500	12,000	46,260	10,240	N/A	34,525
<b>Brian P. Shkrobot</b>						
Mr. Shkrobot did not exercise any options or SARs in 2021						
Canadian Utilities Class A						
Options	4,900	19,100	9,634	34,804	N/A	N/A
SARs	3,400	2,600	2,734	1,024	N/A	N/A
<b>Bob J. Myles</b>						
Mr. Myles did not exercise any options or SARs in 2021						
Canadian Utilities Class A						
Options	5,000	35,000	23,000	87,600	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A
<b>Marshall F. Wilmot</b>						
Mr. Wilmot did not exercise any options or SARs in 2021						
Canadian Utilities Class A						
Options	4,100	6,400	9,980	13,880	N/A	N/A
SARs	3,600	2,900	7,680	5,120	N/A	N/A
<b>Becky A. Penrice</b>						
Ms. Penrice did not exercise any options or SARs in 2021						
Canadian Utilities Class A						
Options	750	5,250	3,450	13,140	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A
<b>Dennis A. DeChamplain</b>						
In 2021, Mr. DeChamplain exercised:						
• 2,000 options and 2,000 SARs on Canadian Utilities Class A shares						
Canadian Utilities Class A						
Options	18,500	0	16,530	0	2,000	14,083
SARs	18,500	0	16,530	0	N/A	16,450

## Incentive plan awards — value vested or earned during the year

The table below shows incentive plan awards that have vested or were earned for each named executive during 2021.

Year ended December 31, 2021	Option-based awards		Share-based awards	Non-equity incentive plan compensation <sup>3</sup>
	Amount vested during the year (\$)		Value vested during the year (\$)	Value earned during the year (\$)
	Options <sup>1</sup>	SARs <sup>2</sup>		
Nancy. C. Southern	131,950	0	N/A	0
Siegfried W. Kiefer	80,112	0	N/A	0
Brian P. Shkrobot	5,655	0	N/A	337,167
Bob J. Myles	18,850	N/A	N/A	489,500
Marshall F. Wilmot	1,885	0	529,756	472,500
Becky A. Penrice	2,828	N/A	N/A	445,000
Dennis A. DeChamplain	0	0	N/A	0

1 Options to buy Canadian Utilities Class A shares.

2 Share appreciation rights based on Canadian Utilities Class A shares.

3 Ms. Southern recommended and GOCOM approved withholding bonuses for Ms. Southern and Mr. Kiefer for 2021, despite strong corporate and individual performance. Process failings were identified in 2021 that resulted in enforcement proceedings being initiated with the Alberta Utilities Commission. Ms. Southern and Mr. Kiefer had no direct involvement, but Ms. Southern and GOCOM felt it appropriate that CEO compensation should be impacted. The Company issued a news release on November 30, 2021 to describe the situation and the corrective actions being taken. GOCOM applied discretion and determined that no annual bonus would be paid to Mr. DeChamplain for 2021 because the situation described above arose while he was CFO.

## Equity compensation plan information

	Non-voting shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Non-voting shares remaining available for future issuance under equity compensation plans (not including outstanding options)	Total number of outstanding shares	Non-voting shares to be issued upon exercise of outstanding options (as a % of total outstanding shares)	Non-voting shares available for future issuance (as a % of total outstanding shares)
<b>December 31, 2021</b>						
Canadian Utilities	1,524,750	\$35.63	2,905,900	269,347,121	0.6%	1.1%
<b>March 9, 2022</b>						
Canadian Utilities	1,509,250	\$35.62	2,917,900	269,449,535	0.6 %	1.1 %

## Incentive Plan Awards

Plan details for Stock Option Plans	
Canadian Utilities	
<b>Maximum number of shares that can be issued:</b>	<ul style="list-style-type: none"> <li>12,800,000 Class A shares</li> <li>(4.7% of outstanding Class A and Class B shares as of December 31, 2021)</li> </ul>
<b>Number of outstanding securities awarded:</b>	<ul style="list-style-type: none"> <li>Options to purchase 1,524,750 Class A shares were outstanding as of December 31, 2021</li> <li>(0.6% of outstanding Class A and Class B shares as of December 31, 2021)</li> </ul>
<b>Activity in 2021:</b>	<ul style="list-style-type: none"> <li>525,000 options were granted</li> <li>62,400 Class A shares were issued on the exercise of options</li> <li>190,700 options were cancelled</li> </ul>

### Dilution Measure

Burn rate is calculated as the number of shares granted divided by the weighted average number of securities outstanding. The weighted average number of securities outstanding during the period is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor. The table below provides the burn rate for the past three fiscal years.

	December 31, 2021	December 31, 2020	December 31, 2019
Canadian Utilities	0.19%	0.18%	0.05%

## 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 each of the named executives. See Page 56 for more information about our pension plans.

	Number of years credited service (#)	Annual benefits payable (\$)		Opening present value of defined benefit obligation (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Closing present value of defined benefit obligation (\$)
		At year end	At Age 65				
Nancy C. Southern	26.00	1,822,720	1,822,720	34,530,661	1,411,080	(2,494,526)	33,447,215
Siegfried W. Kiefer	38.00	572,008	599,605	13,863,458	135,922	730,635	14,730,015
Dennis A. DeChamplain <sup>1</sup>	0	0	0	4,993,624	75,696	(5,069,320)	0

<sup>1</sup> Mr. DeChamplain's Supplemental Employee Retirement Plan did not include a death benefit provision.

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, 2021. 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, 2021 and their projected service at age 65, to a maximum of 35 years service (with the exception to Supplemental Employee Retirement Plan maximum for Siegfried W. Kiefer).

The Company calculates the accrued pension obligation using the method prescribed by IFRS 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 Canadian Utilities allocation from 90.0 per cent in 2020 to 89.0 per cent in 2021. See Note 14, Retirement Benefits, in our 2021 annual consolidated financial statements 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.

	Accumulated value at start of year	Compensatory (\$)	Accumulated value at year end (\$)
Brian P. Shkrobot	600,535	28,138	740,968
Bob J. Myles	21,956	25,997	51,257
Marshall F. Wilmot	82,384	27,603	117,877
Becky A. Penrice	27,738	25,997	59,672
Dennis A. DeChamplain	847,855	17,331	0

The compensatory amount is the Company's contribution. Participants are responsible for their investments and may invest contributions in a broad selection of funds.

## Termination and Change of Control

Termination of employment of an executive is subject to applicable legislation and common law provisions as there are no employment agreements in place for the named executives, except for Ms. Southern and Mr. Kiefer. The table below shows how various components of our compensation program are impacted by retirement, resignation, change of control and termination.

We consider there to be a *change of control* when holders of more than 50 per cent of our Class B shares accept an offer for any portion or all of our shares. This change can be by way of a takeover bid or some other means, as long as it is not the result of a transaction to convert Canadian Utilities to a trust with our share owners owning more than 50 per cent of the voting securities of the trust.

We have an employment agreement with Ms. Southern, Chair & Chief Executive Officer, ATCO and Canadian Utilities. Mr. Kiefer, Honorary Director, Office of the Chair, ATCO had an employment agreement which was effective until February 28, 2022. See Pages 66 and 67 respectively for more information.

<b>Retirement</b>	<ul style="list-style-type: none"> <li>• Salary ends</li> <li>• Retiring allowance is based on years of service to a maximum of one month's salary</li> <li>• Retiree health benefits coverage starts when he or she retires, and continues until six months after the pensioner dies</li> <li>• Annual incentive is paid on a pro rata basis to the retirement date</li> <li>• All vested options and share appreciation rights can be exercised within 24 months of the retirement date, or on the expiry date if earlier</li> <li>• All unvested options and share appreciation rights granted in 2019 and prior are forfeited on the retirement date</li> <li>• All options granted after 2019 will continue to vest over the four-year term and expire eight years after the grant date</li> <li>• Pension benefits are provided based on membership in the Pension Plan and Supplemental Pension Benefits, as applicable) as more fully described on Page 56.</li> </ul>
<b>Resignation</b>	<ul style="list-style-type: none"> <li>• All salary and benefits end</li> <li>• Annual incentive for the current year is forfeited</li> <li>• All vested options and share appreciation rights can be exercised within 90 days of the resignation date, or on the expiry date if earlier</li> <li>• All unvested options and share appreciation rights are forfeited on the resignation date</li> <li>• Pension is paid as a commuted value or deferred benefit</li> </ul>
<b>Change of control</b>	<ul style="list-style-type: none"> <li>• No changes to salary, incentives or benefits</li> <li>• All vested options and share appreciation rights can be exercised upon a change of control. These awards can be exercised until the earlier of their scheduled expiry and 90 days after the date of any termination of the participant's status with the Company.</li> <li>• All unvested options and share appreciation rights vest upon a change of control. These awards can be exercised until the earlier of their scheduled expiry and 90 days after the date of any termination of the participant's status with the Company</li> </ul>



<b>Termination without cause of Nancy C. Southern</b>	<p>A lump sum payment equal to the sum of:</p> <ul style="list-style-type: none"> <li>• three (3) times Ms. Southern's annual base salary; plus</li> <li>• three (3) times the Company's annual cost of providing all of Ms. Southern's benefits and perquisites; plus</li> <li>• an amount equal to the average of Ms. Southern's annual bonuses received for the past three years multiplied by three (3)</li> </ul> <p><i>Treatment of long term incentive awards</i></p> <ul style="list-style-type: none"> <li>• The vesting of all unvested options and share appreciation rights would be accelerated and these awards would be exercisable for a period of two years, or until the expiry date if earlier</li> </ul> <p><i>Pension</i></p> <ul style="list-style-type: none"> <li>• Pension is paid as a commuted value or deferred benefit</li> </ul> <p>Ms. Southern has the right to terminate her employment for "Good Reason", in which case, she would be entitled to the same termination treatment described above. "Good reason" (as defined in her employment agreement) means any situation where duties are materially changed, salary is reduced without express written consent, benefits or incentive compensation is discontinued, or relocation outside of the Province of Alberta is required.</p>
<b>Termination without cause of Siegfried W. Kiefer</b>	<p>A lump sum payment equal to the sum of:</p> <ul style="list-style-type: none"> <li>• two (2) times Mr. Kiefer's annual base salary; plus</li> <li>• two (2) times the Company's annual cost of providing all of Mr. Kiefer's benefits and perquisites; plus</li> <li>• an amount equal to the average of Mr. Kiefer's annual bonuses received for the past three years multiplied by two (2)</li> </ul> <p><i>Treatment of long term incentive awards</i></p> <ul style="list-style-type: none"> <li>• The vesting of all unvested options and share appreciation rights would be accelerated and these awards would be exercisable for a period of two years, or until the expiry date if earlier</li> </ul> <p><i>Pension</i></p> <ul style="list-style-type: none"> <li>• Pension is paid as a commuted value or deferred benefit</li> </ul> <p>Mr. Kiefer has the right to terminate his employment for "Good Reason", in which case, he would be entitled to the same termination treatment described above. "Good reason" (as defined in his employment agreement) means any situation where duties are materially changed, salary is reduced without express written consent, benefits or incentive compensation is discontinued, or relocation outside of the Province of Alberta is required.</p>
<b>Termination without cause of other Named Executives</b>	<ul style="list-style-type: none"> <li>• All salary and benefits end</li> <li>• Annual incentive for the current year is forfeited</li> <li>• All vested options and share appreciation rights can be exercised within 90 days of the termination date, or on the expiry date if earlier</li> <li>• All unvested options and share appreciation rights are forfeited on the termination date</li> <li>• Pension is paid as a commuted value or deferred benefit</li> <li>• If applicable, severance is provided based on employment standards and entitlements at common law.</li> </ul>

The table below shows incremental amounts that would be paid to the named executives based on differing scenarios - retirement, resignation, termination without cause and change of control without termination, assuming the triggering event took place on December 31, 2021.

Incremental Amounts	Retirement (\$)	Resignation (\$)	Termination Without Cause (\$) <sup>1</sup>	Change of Control Without Termination (\$) <sup>2</sup>
<b>Nancy C. Southern</b>				
Cash payment			6,408,000	
Option-based awards <sup>3</sup>			755,620	755,620
Pension				
Benefits			267,000	
Perquisites			113,665	
<b>Total</b>			<b>7,544,285</b>	<b>755,620</b>
<b>Siegfried W. Kiefer</b>				
Cash payment			3,085,333	
Option-based awards <sup>3</sup>			392,780	392,780
Pension				
Benefits			160,200	
Perquisites			75,881	
<b>Total</b>			<b>3,714,194</b>	<b>392,780</b>
<b>Brian P. Shkrobot</b>				
Cash payment				
Option-based awards <sup>3</sup>				35,828
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>35,828</b>
<b>Bob J. Myles</b>				
Cash payment				
Option-based awards <sup>3</sup>				87,600
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>87,600</b>
<b>Marshall F. Wilmot</b>				
Cash payment				
Option-based awards <sup>3</sup>				19,000
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>19,000</b>
<b>Becky A. Penrice</b>				
Cash payment				
Option-based awards <sup>3</sup>				13,140
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>13,140</b>

- 1 The named executives are not entitled to any incremental payments in the event of termination for cause. For Ms. Southern and Mr. Kiefer, the values in this column also apply in the event of termination for "Good Reason" as more fully described on Page 81.*
- 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 \$36.69, the closing price of Canadian Utilities Class A shares on December 31, 2021.*

*NOTE: Dennis A. DeChamplain held the position of Executive Vice President & Chief Financial Officer until his passing on August 15, 2021.*

# OTHER INFORMATION

## Directors and Officers Liability Insurance

Canadian Utilities, ATCO and their subsidiaries have purchased insurance with an annual aggregate limit of \$200 million. Coverage for the directors and officers is \$200 million, with coverage for Canadian Utilities, ATCO and their subsidiaries limited to \$175 million. Canadian Utilities paid a premium of \$617,322 in the financial year ended December 31, 2021. No part of the premium was paid by a director or officer. Canadian Utilities is responsible for the first \$1 million of any securities claim and for the first \$500,000 of any other loss. There is no deductible in respect of claims against any director or officer.

## Indebtedness of Directors and Officers

There is not and has not been, any indebtedness outstanding from directors or executive officers of the Company to the Company in 2021, other than routine indebtedness previously outstanding as defined under Canadian securities laws. Canadian Utilities does not provide loans to directors or senior executive officers except for:

- Senior executive officers that are transferred at the request of the Company from one place of employment to another who may require bridge financing or a market differential loan
- Senior executive officers requiring an advance to fund significant expenses to be incurred on behalf of the Company that will be settled through submission of an expense account.

Internal policies detail the specifics of the handling of these exceptions.

## Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of Canadian Utilities is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, senior officer, or anyone who has been a director or senior officer of Canadian Utilities at any time since January 1, 2021, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the meeting, other than the election of directors, except for as set forth in this circular.

## Interest of Informed Persons in Material Transactions

There were no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company, in any transaction during 2021 or in any proposed transaction which has materially affected or would materially affect the Company.

## Management Contracts

No management functions are performed by a person or corporation other than the directors, executive officers or other employees of the Company.

## Normal Course Issuer Bid (NCIB)

We believe that, from time to time, the market price of our Class A shares may not fully reflect the value of our business, and that purchasing Class A shares represents a desirable use of available funds. The purchase of Class A shares, at appropriate prices, will also minimize any dilution resulting from the exercise of stock options. On July 29, 2021, we commenced a NCIB to purchase up to 3,930,623 outstanding Class A shares. The NCIB will expire on July 28, 2022. The aggregate number of Class A shares that the Company may purchase under the NCIB during any trading day is subject to a maximum daily purchase limit of 164,090 Class A shares (being 25% of the average daily trading volume for the six calendar months preceding the date of acceptance of the notice, which was equal to 656,362 Class A shares). In connection with the NCIB, the Company also entered into an automatic securities disposition plan with a designated

broker. As at March 9, 2022, no Class A shares have been purchased under the NCIB. A copy of the Company's notice of intention to make a NCIB, which was accepted by the TSX, can be obtained by the share owners, without charge, by contacting the Company.

## Share Owner Proposals

A proposal to be included in the management proxy circular for the next annual meeting of share owners must be received by Canadian Utilities on or before December 8, 2022.

## Additional Information

Additional information about Canadian Utilities is available on SEDAR at [www.sedar.com](http://www.sedar.com). Information about Canadian Utilities' business is provided in its annual information form dated February 23, 2022. Financial information is provided in Canadian Utilities' financial statements and the management's discussion and analysis for the year ended December 31, 2021.

Copies of these documents and additional copies of this Circular may be obtained upon request from Investor Relations at 3<sup>rd</sup> Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4.

Corporate information, including our privacy commitment, is also available on Canadian Utilities' website: [www.canadianutilities.com](http://www.canadianutilities.com).

## Forward-Looking Information Advisory

Certain statements contained in this Circular 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 Circular includes, but is not limited to: references to strategic plans, priorities, initiatives, goals and targets, including those that appear under the heading "2021 Performance and Awards"; the timing for construction, completion, commencement of operations or project approvals, in relation to the projects, programs and/or contracts that are referenced herein; the expected revenues or contracted values or benefits to be associated with or derived from projects, programs or contracts; conditional funding; 2030 ESG targets; targeted net zero greenhouse gas (GHG) emissions by 2050; the decarbonization of operations; energy transition; and the projected generation capacity of solar projects.

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 successfully achieve its net zero GHG emissions target by 2050 and other ESG targets by 2030; 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 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 and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions (including as may be affected by the COVID-19 pandemic); credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; 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; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; 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 “Business Risks and Risk Management” in the Management’s Discussion and Analysis for the year ended December 31, 2021 (MD&A), which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

This Circular 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 Circular.

Any forward-looking information contained in this Circular 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.

## **Non-GAAP and Other Financial Measures Advisory**

This Circular includes references to “adjusted earnings”, which is a “total of segments measure” as that term is defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. The most directly comparable measure reported in accordance with IFRS is “earnings attributable to equity owners of the Company”, which was \$393 million as at December 31, 2021 and \$427 million as at December 31, 2020. For additional information, see “Other Financial and Non-GAAP Measures” and “Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company” in the MD&A, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The information provided in the MD&A under the heading “Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company” is incorporated by reference herein.

The contents and the sending of this Circular have been approved by the directors of Canadian Utilities.

Dated March 9, 2022

*[Signed by K.M. Brunner]*

Kyle Brunner  
Vice President, Corporate Secretary

# SCHEDULE A – BOARD OF DIRECTORS MANDATE

The Board of Directors (the Board) of Canadian Utilities Limited (the Corporation) is responsible for the stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business.

## COMPOSITION AND OPERATION

The Board operates by reserving certain powers to itself and delegating certain of its authorities to management. The Board retains responsibility for managing its own affairs, including selecting its chair, planning its composition and size, nominating candidates for election to the Board, determining independence of Board members, constituting committees of the Board, determining director compensation, periodically discussing matters of interest separate from and independent of any influence from management, and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities. Subject to the articles and by-laws of the Corporation and the Canada Business Corporations Act (the CBCA), the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

## RESPONSIBILITIES

The Board's primary responsibilities are to enhance and preserve long-term shareholder value and to ensure that the Corporation meets its obligations on an on-going basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests that other interested parties, such as employees, customers and communities, may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, communication planning, and internal control integrity. More specifically, the Board is responsible for:

- a. to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization,
- b. adopting a strategic planning process and approving, on at least an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business,
- c. identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks,
- d. succession planning (including appointing, training and monitoring senior management),
- e. adopting a communication policy for the Corporation that includes measures for receiving feedback from interested parties,
- f. the Corporation's internal control and management information systems,
- g. developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation, and
- h. on an individual basis, attending Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of directors of the Corporation established by the Board.

## SPECIFIC DUTIES

The Board's specific duties, obligations and responsibilities fall into the following categories:

### 1. Legal Requirements

- a. The Board has oversight responsibility for the Corporation's satisfaction of its legal obligations and for properly preparing, approving and maintaining the Corporation's documents and records.
- b. The Board has the statutory obligation to
  - i. manage or supervise the management of the business and affairs of the Corporation,
  - ii. act honestly and in good faith with a view to the best interests of the Corporation,
  - iii. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and
  - iv. act in accordance with its obligations contained in the CBCA and the regulations thereunder, the Corporation's articles and by-laws, and other relevant legislation and regulations.
- c. The Board has the statutory obligation to consider certain matters as a board of directors. The Board may not delegate to management or to a committee of the Board the authority to
  - i. submit to the shareholders any question or matter requiring the approval of the shareholders,
  - ii. fill a vacancy among the directors or in the office of auditor, or appoint additional directors,
  - iii. issue securities except in the manner and on the terms authorized by the Board,
  - iv. declare dividends,
  - v. purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the Board,
  - vi. pay a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for shares of the Corporation, except as authorized by the Board,
  - vii. approve any management proxy circular relating to a solicitation of proxies by or on behalf of management of the Corporation,
  - viii. approve any take-over bid circular or directors' circular,
  - ix. approve any annual financial statements of the Corporation, or
  - x. adopt, amend or repeal by-laws.

### 2. Independence

The Board is responsible for implementing appropriate structures and procedures to permit the Board to function independently of management.

### 3. Strategic Planning

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for the Corporation and participating with management, at least annually, directly or through its committees in approving the strategic plan by which the Corporation proposes to achieve its goals.

### 4. Risk Management

The Board is responsible for understanding the principal risks of the business in which the Corporation is engaged, achieving a proper balance between risks incurred and the potential return to shareholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Corporation.



## **5. Appointment, Training and Monitoring of Senior Management**

The Board is responsible for:

- a. appointing the CEO of the Corporation, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties,
- b. approving the appointment and remuneration of senior executive officers of the Corporation, and
- c. confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

## **6. Reporting and Communication**

The Board is responsible for:

- a. verifying that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other interested parties and the public generally,
- b. verifying that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis,
- c. verifying that the Corporation's financial results are reported fairly and in accordance with generally accepted accounting principles,
- d. verifying the timely reporting of any other developments that have a significant and material effect on the value of the Corporation, and
- e. reporting annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

## **7. Monitoring and Acting**

The Board is responsible for:

- a. verifying that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards,
- b. approving and monitoring compliance with the significant policies and procedures by which the Corporation is operated,
- c. verifying that the Corporation sets appropriate environmental standards in its operations and is in compliance with environmental laws and regulations,
- d. verifying that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace,
- e. monitoring the Corporation's progress toward its goals and objectives and revising and altering its direction through management in response to changing circumstances,
- f. taking action when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant,
- g. verifying that the Corporation has implemented adequate disclosure controls and procedures and internal control and information systems,
- h. ensuring that the Board receives from senior management on a timely basis the information and input required to enable the Board to effectively perform its duties,
- i. adopting a written code of business conduct and ethics and monitoring compliance with the code,
- j. annually assessing the adequacy of this Mandate and making any changes deemed necessary or appropriate, and
- k. conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual directors.

## **8. Other**

The foregoing list of duties is not exhaustive. The Board may perform any other activities consistent with this mandate, the Corporation's articles and by-laws, and any other governing laws, as the Board deems necessary or appropriate.

# SCHEDULE B - SUMMARY OF THE MATERIAL TERMS OF THE STOCK OPTION PLAN

## *Plan Maximum, Securities Awarded and Securities Available for Grant*

Since its inception in 1994, the Stock Option Plan has required the maintenance of a reserve of Class A shares to cover the options granted to participants. This reserve must be replenished from time to time so that the Company has a sufficient number of Class A shares to cover new option grants. The Stock Option Plan was last approved by share owners in May 2007, when share owners approved general amendment provisions for the Stock Option Plan. Prior to that, the Stock Option Plan was approved by share owners in May 2000, at which time the number of Class A shares approved for issuance under the Stock Option Plan was 3,200,000. The Company subsequently completed two stock splits, which resulted in the current fixed maximum of 12,800,000 Class A shares reserved for issuance under the Stock Option Plan (representing 4.8 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular). As at March 9, 2022, 8,372,850 Class A shares have been issued pursuant to options granted under the Stock Option Plan and options to acquire 1,509,250 Class A shares are currently outstanding (representing 0.6 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular), leaving 2,917,900 available for future grants (representing 1.1 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular).

The Board has determined that it would be appropriate to maintain a fixed maximum of 12,800,000 Class A shares reserved for issuance under the Stock Option Plan. We are proposing to replenish the share reserve by 8,372,850 Class A shares (representing 3.1 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular), which will result in the reservation of the maximum number of Class A shares authorized for issuance, being 12,800,000, and will provide the Company with an effective means to utilize stock option awards for many years to come. If approved, the replenishment will result in 11,290,750 Class A shares being available for future grants (representing 4.2 per cent of the Company's issued and outstanding Class A shares and Class B shares as at the date of this Circular). The replenishment of the Class A shares reserved for issuance under the Stock Option Plan was approved by the Board on February 22, 2022 and has been conditionally approved by the TSX, subject to share owner approval.

The table on Page 78 of the Circular shows the annual burn rate of the Stock Option Plan for the past three years.

## *Eligible Participants and Insider Participation Limits*

Certain officers and key employees of the Company and its subsidiaries are eligible to participate in the Stock Option Plan, at the Board's discretion. The number of the Company's securities (a) issued to insiders of the Company, within any one year period, and (b) issuable to insiders of the Company, at any time, under the Stock Option Plan, or when combined with all of the Company's other security based compensation arrangements, shall not exceed 10% of the Company's total issued and outstanding securities. The Stock Option Plan does not provide for a maximum number of securities that any one person or company is entitled to receive under the Stock Option Plan.

## *Exercise Price, Vesting, Term, Blackout Periods, Assignability, Financial Assistance and Cashless Exercise*

Options to purchase Class A shares granted under the Stock Option Plan have an exercise price based on the market price of Class A shares at the time of the option grant. For these purposes, the market price of Class A shares at the time of the option grant equals the weighted average trading price of the Class A shares on the TSX for the five trading days immediately preceding the date of the option grant. The Board may impose vesting limitations in its sole unfettered discretion at the time of the option grant. Generally, options granted prior to 2020 have a ten-year term with one-fifth of the total option grant vesting each year starting on the first anniversary date of the grant and options granted 2020 forward have an eight-year

term with one-quarter of the total option grant vesting each year starting on the first anniversary date of the grant. At the time an option is granted, the Board shall determine the number of Class A shares that may be acquired under such option and the period during which such option may be exercised.

In the event the expiration date for an option falls during or within ten (10) business days after a “black out period” is imposed by the Company under its insider trading policy, then the expiry date of such option shall be extended to the date that is ten (10) business days after the last day of the black out period, after which time the option will expire and terminate.

Options may not be assigned or transferred, except by will or applicable law in the event of death or permanent disability of the Stock Option Plan participant. The Company is not permitted to provide any financial assistance to Stock Option Plan participants in order to facilitate the exercise of options. The Stock Option Plan allows for the “cashless” exercise of options and provides details regarding how a Stock Option Plan participant can make this election and complete a “cashless” exercise of options.

#### *Cessation of Entitlements*

The table below summarizes the treatment of a Stock Option Plan participant’s options upon resignation, termination, retirement, and death or permanent disability.

<b>Event</b>	<b>Treatment of Options</b>
<b>Resignation / termination (with or without cause)</b>	As of the service termination date (as defined in the Stock Option Plan), all unvested options shall immediately terminate. Any vested options shall expire on the date that is the earlier of (a) 90 days after the service termination date and (b) the scheduled expiry of the option.
<b>Retirement</b>	Any unvested options as of the date of retirement (as defined in the Stock Option Plan) shall continue to vest in accordance with the vesting schedule set out in the participant’s option agreement(s). Any options vested on, prior to or after the date of retirement, shall be exercisable on or before the last day of the scheduled expiry of the option. Notwithstanding the above, if, following retirement, the participant provides services as an employee or consultant to any competitive business (as defined in the Stock Option Plan) then any unvested options shall immediately terminate and any vested options shall be exercisable on or before the earlier of (a) 90 days after the date of retirement and (b) the scheduled expiry of the option.
<b>Death / permanent disability</b>	Any unvested options as of the date of the participant’s death or permanent disability shall immediately expire and terminate. Any vested options shall be exercisable on or before the earlier of (a) 24 months after the date of death or permanent disability and (b) the scheduled expiry of the option.

#### *Sale of Assets or Change of Control*

If there is a sale by the Company of all or substantially all of its assets, or if there is a change of control of the Company, then a participant shall be entitled to exercise each option granted to the participant until the earlier of: (a) the scheduled expiry of the option and (b) the 90th day after the date of termination of the participant’s status with the Company or a subsidiary of the Company at the time and under which the option was granted.

#### *Amendments*

The Board may at any time, without share owner approval, add to or repeal any of the terms of the Stock Option Plan or any options and without limiting the generality of the foregoing, may make the following changes, deletions, revisions or amendments:

- i any amendment to the vesting provisions of the Stock Option Plan or any option,

- ii any amendment to the termination provisions of the Stock Option Plan or any option, provided that such amendment does not entail an extension beyond the expiry date of the option,
- iii any amendment to the persons eligible to receive options or otherwise relating to the eligibility of anyone to receive options other than an amendment which would have the potential of broadening or increasing insider participation,
- iv any amendment with respect to the method or manner of exercise of any option,
- v any amendment of a "housekeeping" nature, and
- vi any other amendment that under the rules of the TSX (or such other stock exchange on which the Class A shares may be listed) does not require share owner approval,  
provided that no such addition, repeal, or amendment shall in any manner materially adversely affect the rights of any participant under any options theretofore granted under the Stock Option Plan without such participant's consent.

The foregoing is intended to provide the Board with the broadest scope of amendment powers permitted by the rules of the TSX (or such other stock exchange on which the Class A shares may be listed), as such rules may be amended from time to time.

#### *Suspension / Termination*

The Board may, at any time, suspend or terminate the Stock Option Plan.



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