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

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CANADIAN UTILITIES LIMITED
ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2023

February 28, 2024

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

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

The Company is controlled by ATCO Ltd. (ATCO) and its controlling share owners, Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

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

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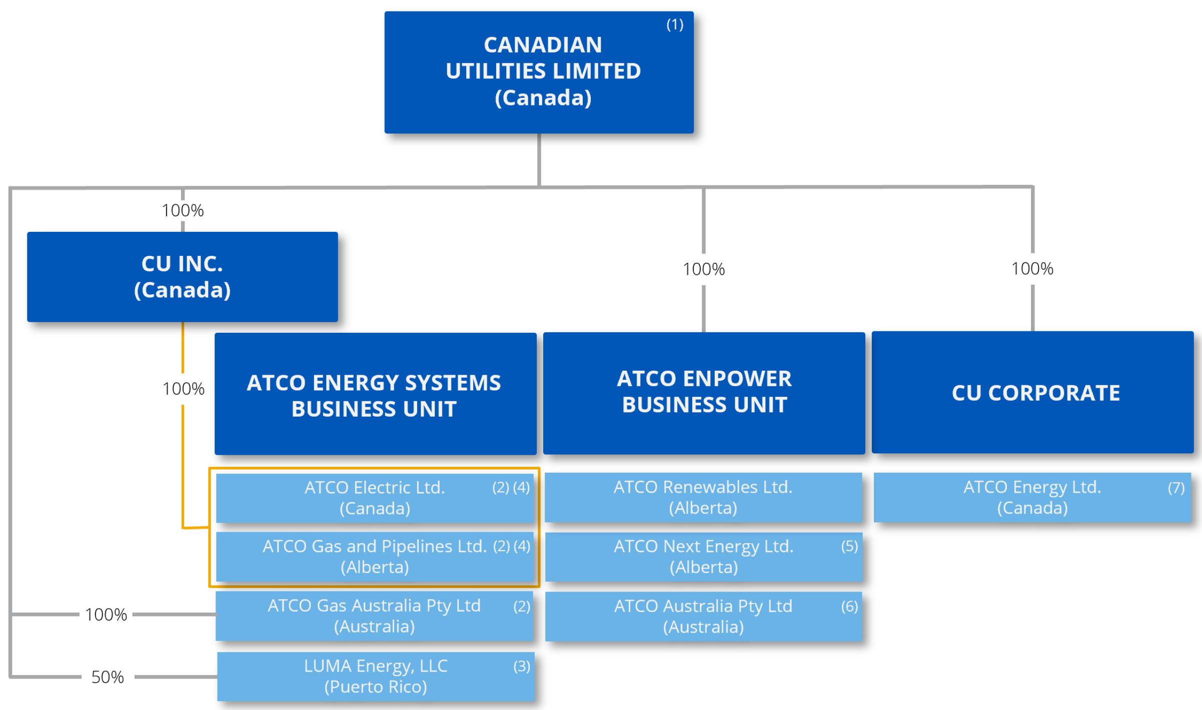
CORPORATE STRUCTURE

Canadian Utilities was incorporated under the laws of Canada on May 18, 1927, and was continued under the *Canada Business Corporations Act* on August 15, 1979. The common share capital of the Company was reorganized on September 10, 1982. The address of the head office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 and its registered office is 20th Floor, 10035 - 105 Street N.W., Edmonton, Alberta T5J 1C8.

In March 1999, Canadian Utilities was reorganized to separate its Alberta-based regulated businesses from its non-regulated businesses. This reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc., in return for common shares of CU Inc. As a result of the reorganization, the Company's Alberta Utilities, which had been financed by Canadian Utilities, are now mainly financed by CU Inc.

SIMPLIFIED ORGANIZATIONAL STRUCTURE

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



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

(2) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission. ATCO Gas Australia Pty Ltd includes International Natural Gas Distribution.

(3) Canadian Utilities' 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 30,000-km electricity transmission and distribution system, is included in International Electricity Operations.

(4) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.

(5) ATCO Next Energy Ltd. (ATCO Next Energy) includes Storage, Industrial Water and Clean Fuels.

(6) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia.

(7) ATCO Energy Ltd. (ATCOenergy) includes Retail Energy and Rümi, and offers retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta.

CANADIAN UTILITIES' PATH TO 2030

CREATING PROSPERITY AND OPPORTUNITY FOR GENERATIONS TO COME

Canadian Utilities plays a key role in the ATCO Group of Companies' goals and aspirations. By providing energy, an essential service, Canadian Utilities has and will continue to create prosperity and opportunities in the communities it serves for decades to come.

Incorporating our Core Values

Our actions reflect our core values of safety, integrity, agility, caring, and collaboration. These foundational principles guide us as we balance the short- and long-term economic, environmental and social considerations of our businesses.

Committed to the sustainable future

Canadian Utilities' sustainability strategy has always been driven by a pragmatic, long-term perspective, one that prioritizes our sustainability objectives and environmental, social and governance (ESG) performance while safely and reliably delivering affordable products and services to our customers, each and every day.

We continue to make strong progress towards our 2030 ESG targets announced by our parent company, ATCO, in 2022. These 2030 targets include reducing our operational Greenhouse Gas Emissions (GHG) intensity and customer emissions, growing our low carbon energy portfolio and transitional products, increasing economic benefits for Indigenous partners, continuing our focus on safety, and further promoting diversity, equity and inclusion in the workplace. The 2050 net-zero aspiration builds upon the Company's significant progress in recent years in decarbonizing its portfolio.

Details about our progress towards these targets is discussed in the "Sustainability, Climate Change And Energy Transition" section of the Company's 2023 Management Discussion & Analysis (MD&A) and in ATCO's annual Sustainability Report, which will be available in May 2024.

CANADIAN UTILITIES' STRATEGIES

At the heart of Canadian Utilities’ strategy is the desire to be a unified provider of energy, an essential service for our customers, allowing them to avoid the challenges of relying on a fragmented network of providers. Energy is one of life's essential services. Without safe, reliable, resilient and affordable access to energy, prosperity and opportunity cannot thrive. Essential services, like energy, are resilient to macroeconomic headwinds, geopolitical conflict and natural disasters and are a significant driver of economic growth in the jurisdictions we operate. Our unique market position, the ability to leverage our expertise in key markets, including North America, Latin America, and Australia, our integrated capabilities, and exceptional customer care combine to create a competitive advantage that is difficult to replicate, and one that continues to deliver value to share owners through earnings and dividend growth.

STRATEGIC TENETS

- **Valuing a long-term outlook.**
- **Building on our core utility businesses.**
- **Taking a leadership role in the energy transition.**
- **Building equitable partnerships with Indigenous communities.**
- **Collaborating for the betterment of communities.**
- **Supporting the talent and diversity of the Canadian Utilities team.**

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

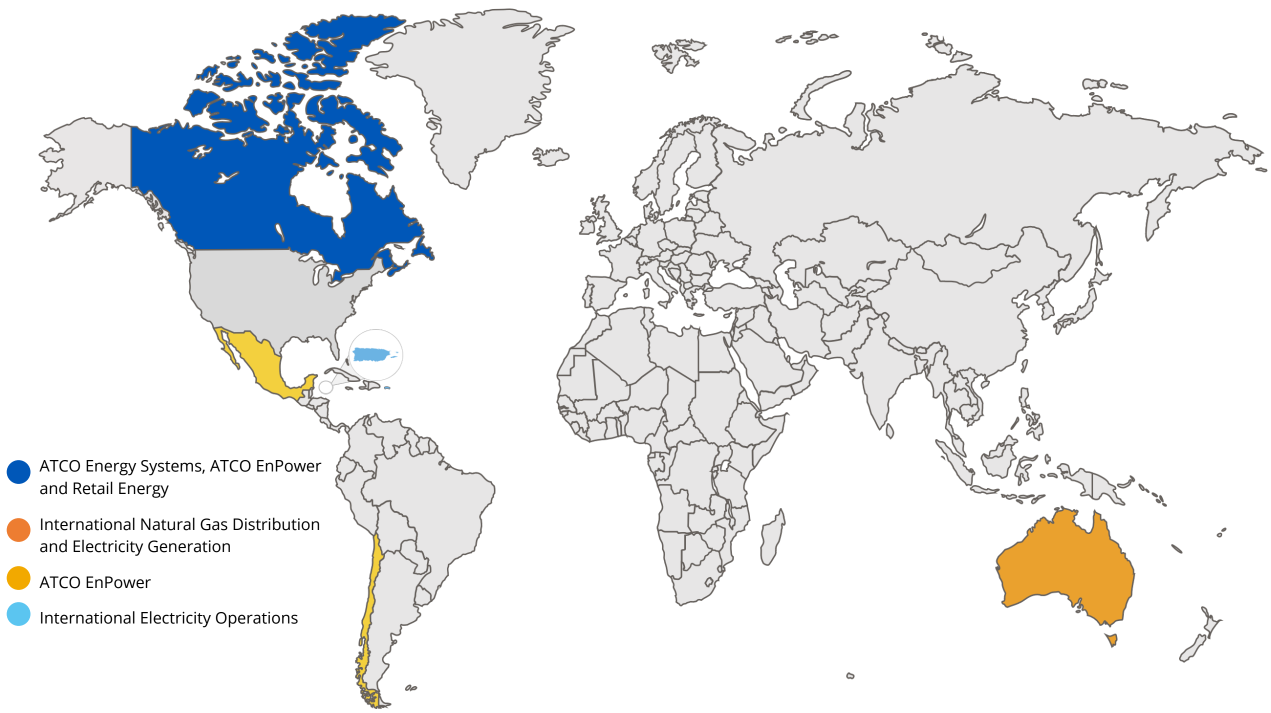
Our financial and operational achievements in 2023 relative to the strategies outlined above are included in the Company's 2023 MD&A and the 2023 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2023 Management Proxy Circular, Business Profile, and Sustainability Report. The 2023 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

Canadian Utilities' website, www.canadianutilities.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION

INVESTING IN OUR FUTURE FOR A CHANGING WORLD

On a global scale, Canadian Utilities energizes homes, businesses, industries, and delivers customer-focused energy infrastructure solutions. Canadian Utilities is a company with a diverse, global portfolio of investments that delivers operational excellence and superior returns. Fueled by the unwavering dedication of approximately 5,300 employees and approximately 3,700 employees in joint ventures including LUMA Energy, we are building on our core utility businesses and investing in activities aimed at advancing the energy transition and ensuring long-term resiliency.



Canadian Utilities is a diversified global energy infrastructure corporation delivering operating and service excellence and innovative business solutions through ATCO Energy Systems (electricity and natural gas transmission and distribution, and international operations); ATCO EnPower (energy storage, energy generation, industrial water solutions, and clean fuels); and Retail Energy (electricity and natural gas retail sales, and whole-home solutions).

4M+	$23B	52	100+ YEARS
Total Customers	**Total Assets**	**Years of Annual Dividend Increases**	**Long History of Global Operations**

ATCO Energy Systems

OVERVIEW

ATCO Energy Systems incorporates our regulated utilities businesses that operate in Canada, Australia and Puerto Rico and certain non-regulated assets held within Alberta, Canada. The four regulated utilities (Electricity Transmission and Distribution, and Natural Gas Transmission and Distribution) in Alberta, Saskatchewan, and the northern regions of Canada have delivered reliable electricity and clean-burning natural gas to customers for many decades. International Operations consists of the regulated natural gas distribution business in Western Australia, and the electricity operations business in Puerto Rico; Canadian Utilities' 50 per cent ownership in LUMA Energy.

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

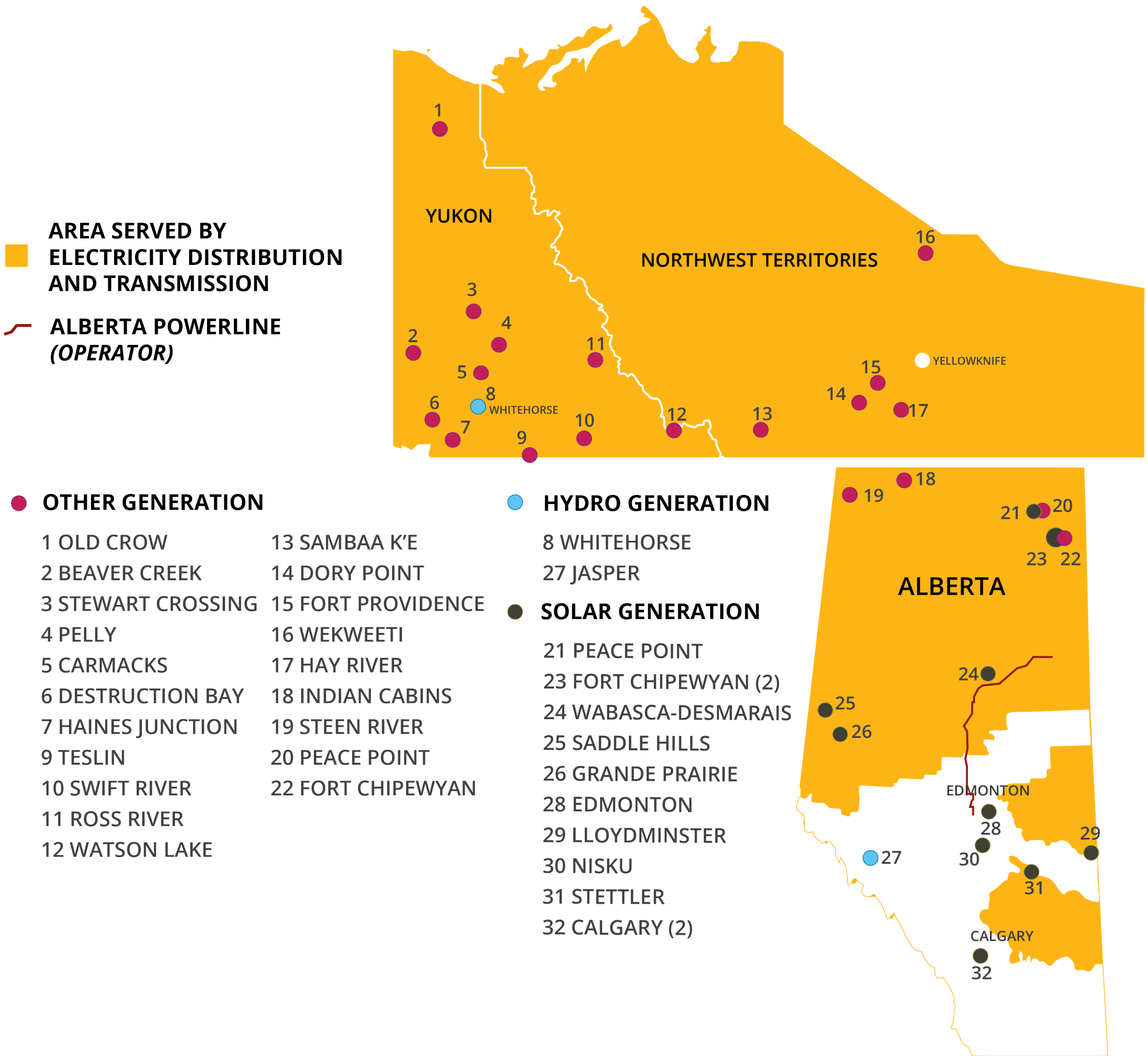
COMPETITIVE ENVIRONMENT

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

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

ELECTRICITY DISTRIBUTION AND TRANSMISSION

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



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

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

Approximately 670,800 people live in the principal markets for electric utility serviced by Electricity Distribution and Transmission and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 264,000 customers.

Electricity Distribution and Transmission has been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 13 per cent of the provincial electrical load and 12 per cent of the population.

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

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

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

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

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

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

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

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

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

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

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

ALBERTA POWERLINE

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

NON-REGULATED ELECTRICITY TRANSMISSION

ATCO Energy Systems operates 16-km of transmission lines across four non-regulated electricity transmission assets in Alberta, including Scotford transmission line and substation, Muskeg River transmission line and substation, Grand Rapids substation, and Air Products transmission line.

ELECTRICITY GENERATION

Hydroelectric, Solar Generation and Diesel

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

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

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

ELECTRIC VEHICLE INPUT CHARGING STATIONS

Electric vehicle (EV) fast charging stations provide end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. To date, Canadian Utilities has installed a total of 25 public fast EV charging stations.

INTERNATIONAL ELECTRICITY OPERATIONS

LUMA ENERGY

LUMA Energy provides transmission and distribution services throughout Puerto Rico and serves approximately 1.5 million customers through its joint venture, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc. LUMA Energy operates approximately 30,000-km of transmission and distribution lines and has approximately 3,678 employees.

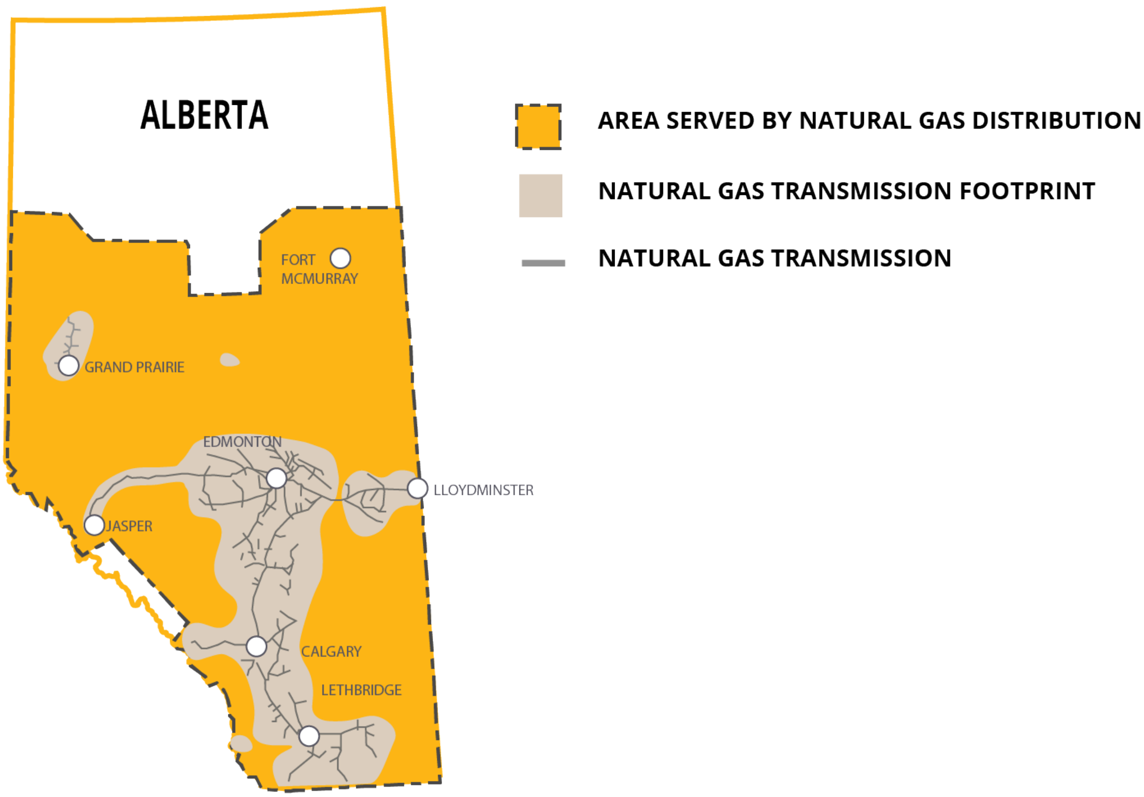
On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to transform, modernize and operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement and will receive a fixed fee and the potential to receive additional incentive fees based on performance.

This innovative arrangement allows PREPA to retain ownership of all utility assets while benefiting from the expertise of a qualified operator. LUMA Energy combines Canadian Utilities' world-class utility operations and customer service expertise with Quanta's exceptional utility services and project execution capabilities.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

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



NATURAL GAS DISTRIBUTION

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

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

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

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

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

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

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

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

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

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

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

Hydrogen Blending Project

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

NATURAL GAS TRANSMISSION

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

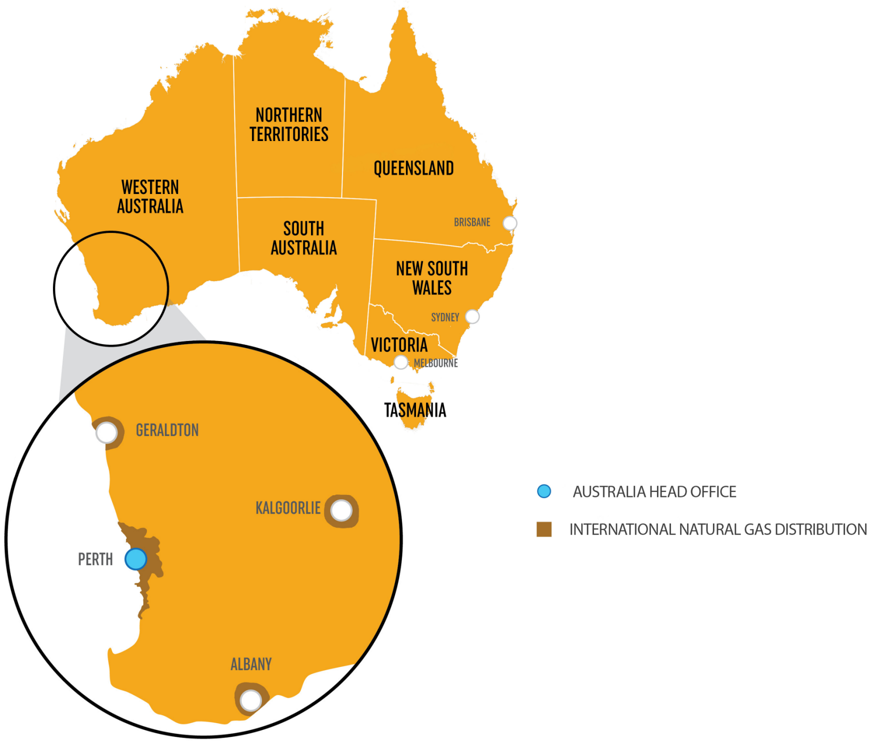
Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,100-km of pipelines, 11 compressor sites, approximately 3,600 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan,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

Non-regulated Natural Gas Transmission

Natural Gas Transmission operates the 116-km Muskeg River non-regulated natural gas pipeline that provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area. Service on the pipeline commenced in June 2002 under a long-term commercial agreement with Canadian Natural Upgrading Limited and other shipper participants.

INTERNATIONAL NATURAL GAS DISTRIBUTION

International Natural Gas Distribution's operations are shown in the following map.



International Natural Gas Distribution provides natural gas distribution services in Western Australia and serves approximately 803,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. International Natural Gas Distribution owns and operates approximately 14,700-km of natural gas pipelines and associated infrastructure and also distributes liquefied petroleum gas (LPG) to the community of Albany.

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

		2023		2022
	Number	**%**	**Number**	**%**
Residential	**788,255**	**98**	777,011	98
Commercial	**14,627**	**2**	14,369	2
Industrial	**175**	**—**	177	—
Total	**803,057**	**100**	791,557	100

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

		2023		2022
	PJ	**%**	**PJ**	**%**
Residential	**10.4**	**37**	10.4	37
Commercial	**3.6**	**13**	3.5	13
Industrial	**14.4**	**50**	13.8	50
Total	**28.4**	**100**	27.7	100

HYDROGEN BLENDING

In Australia, Canadian Utilities continues to build on its work at the Clean Energy Innovation Hub, a test bed for hybrid energy solutions integrating natural gas, solar photovoltaic, battery storage, and hydrogen production. In 2020, a 10 per cent hydrogen blend injected into the natural gas supply was successfully tested at the major depot at Jandakot in Perth, Western Australia. In 2021, Canadian Utilities successfully secured milestone based funding of $2 million from the Western Australian Government for hydrogen blending initiation of 2,700 homes around the Jandakot depot site.

In 2022, Canadian Utilities successfully blended a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn. In partnership with Fortescue Future Industries (FFI), Canadian Utilities also constructed Western Australia's first Hydrogen Refuelling Station (HRS) that will enable Fortescue, Canadian Utilities and third parties such as the Western Australia Police to support their fleets of hydrogen fuel cell vehicles for emissions-free travel.

REGULATORY FRAMEWORKS

The regulatory framework and recent developments are described in the "ATCO Energy Systems Business Unit Performance" section in Canadian Utilities' MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

ATCO EnPower

OVERVIEW

ATCO EnPower's energy transition businesses include: hydro, solar, wind, and natural gas electricity generation in Canada, Australia, Mexico, and Chile, as well as natural gas storage, Natural Gas Liquids (NGL) storage, and industrial water solutions in Alberta. ATCO EnPower is also developing its clean fuels business including hydrogen, carbon capture and underground storage projects.

ATCO EnPower has a multifaceted approach to energy transition solutions that involves both innovative technologies and lower carbon energy sources. We focus on delivering reliable, affordable, and clean energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas and Australia. ATCO EnPower continues to actively explore potential opportunities that will complement our growing portfolio and advocate for public policy that will enable a sustainable transition. Additionally, we continue to optimize and drive growth in our energy storage business. Storage is critical to energy stability and to supporting the reliability of the grid as the world transitions to clean, but more intermittent, sources of energy.

COMPETITIVE ENVIRONMENT

The political and societal push to address climate change with decarbonization goals and the energy transition are driving the demand for clean energy, mainly supplied through renewables and clean fuels. Energy markets will be focused on providing firm, reliable and affordable energy supply as the share of renewables and clean fuels grows; this will drive further investment into storage and grid balancing solutions to improve system reliability. However, the competitive landscape we compete in is continually shifting as we see more financial, strategic and traditional energy producers become increasingly interested in renewables and clean fuels as part of the global energy transition.

ATCO EnPower's natural gas storage facilities are exposed to storage price differentials and our renewable electricity business has exposure to merchant power markets. Additionally, our peers are a diverse group, including small independent power providers, large utilities, private equity firms, public investment funds, as well as traditional energy firms. We seek opportunities to enter into long-term offtake agreements with high quality counterparties to underpin our new developments and provide greater stability.

ELECTRICITY GENERATION

Electricity Generation owns 551-MW of non-regulated electricity generation operating assets in Canada, Mexico, Australia, and Chile as of December 31, 2023.

OPERATING ASSETS AS OF DECEMBER 31, 2023	CAPACITY SHARE (MW)
RUN-OF-RIVER HYDRO	
1 OLDMAN RIVER	24
2 VERACRUZ	35
NATURAL GAS	
3 SAN LUIS POTOSI	9
4 KARRATHA	86
5 OSBORNE	90
SOLAR	
6 EL RESPLANDOR	3
7 PERTH	2
8 CALGARY SOLAR	
BARLOW	13
DEERFOOT	18
EMPRESS	39
WIND	
9 FORTY MILE PHASE 1	202
10 ADELAIDE	30

RENEWABLE GENERATION

Asset	Location	Type	Year In Service	Total MW Capacity [1]	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Forty Mile Phase 1 [2]	Bow Island, Alberta, Canada	Wind	2022	202	100	202	150 MW Contracted (Microsoft); 52 MW Merchant	2038
Adelaide	Strathroy, Ontario, Canada	Wind	2015	40	75	30	40 MW Contracted (Ontario Power Authority)	2035
Barlow	Calgary, Alberta, Canada	Solar	2023	27	49	13	27 MW Merchant	n/a
Deerfoot	Calgary, Alberta, Canada	Solar	2023	37	49	18	37 MW Contracted (Microsoft)	2038
Empress	Empress, Alberta, Canada	Solar	2023	39	100	39	39 MW Contracted (Lafarge Canada)	2036
Source Solar	Perth & Australind, Australia	Solar	Various	2	100	2	2 MW Merchant	n/a
El Resplandor	Cabrero, Chile	Solar PV	2020	3	95	2.85	3 MW Merchant	n/a
Oldman River	Pincher Creek, Alberta, Canada	Hydro electric	2003	32	75	24	24 MW Merchant	n/a
Electricidad del Golfo	Veracruz, Mexico	Hydro electric	2014	35	100	35	35 MW Contracted (Various)	2028
Total Renewables				**417**		**366**		

(1) Nameplate capacity.

(2) Uprating work in 2024 is expected to increase Forty Mile Wind generation capacity from 202-MW to 225-MW.

Wind

In 2023, Canadian Utilities acquired a portfolio of renewable assets including the 202-MW Forty Mile wind project in Alberta and a majority interest in the 40-MW Adelaide wind facility in Ontario. ATCO EnPower is actively working on developing an additional 825-MW in wind projects.

Forty Mile Wind Phase I

Located in Forty Mile County in southeastern Alberta, this project went into operation in December 2022. It produces 202-MW of energy. Concurrent with the close of the acquisition, Canadian Utilities entered into a 15-year renewable power purchase agreement (PPA) with Microsoft Corporation (Microsoft). Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Forty Mile Wind Phase 1.

Adelaide Wind

Adelaide is a wind facility jointly owned with the Aamjiwnaang First Nation. Located near Strathroy, in the Municipality of Adelaide Metcalfe, Ontario, the project produces 40-MW of energy, and is contracted under a long-term PPA with the Ontario Power Authority.

Solar

In 2021, Canadian Utilities acquired the development rights to build three solar projects, the Deerfoot and Barlow projects in Calgary, Alberta, and the Empress Solar project near Empress, Alberta. ATCO EnPower is also working on developing an additional 340-MW in solar projects.

Deerfoot and Barlow Solar

The Deerfoot and Barlow solar projects make up the largest urban solar installation in Western Canada with 175,000 solar panels in total. Located within the city of Calgary, Alberta, and jointly owned with the Chiniki and Goodstoney First Nations, the projects produce 37-MW and 27-MW of energy, respectively, and has a 15-year PPA with Microsoft Corporation to purchase all renewable energy generated by the Deerfoot project. Both solar projects reached commercial operations in 2023.

The Chiniki and Goodstoney First Nations become the majority owners with a 51 per cent ownership stake in the facilities in September 2023.

Empress Solar

The Empress solar project covers 280 acres south of the village of Empress, Alberta. It has a generating capacity of 39-MW and is contracted under a 12.5-year solar virtual PPA with Lafarge Canada Inc. (Lafarge). Under this agreement, Lafarge’s Exshaw cement plant notionally receives 100 per cent of the energy produced by Empress Solar. The site reached full commercial operations in 2023.

Australia's Source Solar

Canadian Utilities acquired Source Energy Co. (Source) in July 2018, a behind the meter retail company in Western Australia with expertise in managing energy needs for high-density apartment buildings, using a mix of rooftop solar panels and energy from the grid, matched with smart metering technology. Source provides customers with advice on how to save energy and money with sustainable energy solutions. In 2023, Source generated approximately 2-MW of solar energy capacity.

Chile's El Resplandor Solar Generation Facility

In 2019, Canadian Utilities entered into a partnership with Impulso Capital, a Chilean developer, to build and operate the El Resplandor solar project. This project is located in Cabrero, Chile, and provides solar energy to the Chilean electricity grid.

Hydroelectric

Oldman River Hydro Plant

The Oldman River Hydro Plant is a 32-MW run-of-river project in southern Alberta, commissioned in 2003. The facility is jointly owned by Canadian Utilities and the Piikani Nation.

Electricidad del Golfo Hydro

Canadian Utilities owns Electricidad del Golfo, a long-term contracted, 35-MW hydroelectric power station based in the state of Veracruz, Mexico. Power generated at the plant supplies more than 200 convenience stores with renewable energy.

OTHER ELECTRICITY GENERATION

Asset	Location	Type	Year In Service	Total MW Capacity (1)	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Distributed Generation	San Luis Potosí, Mexico	Gas-Fired	2016	11	79	9	11 MW Contracted (Various)	2027
Karratha	Pilbara, Australia	Gas-Fired Open-cycle	2010	86	100	86	86 MW Contracted (Horizon Power)	2030
Osborne	Adelaide, Australia	Gas-Fired Combined-cycle	1998	180	50	90	180 MW Contracted (Origin Electricity (2))	2026
Total Other				**277**		**185**		

(1) Name plate capacity.
(2) Origin Electricity refers to Origin Energy Electricity Limited.

Mexico Distributed Generation

Canadian Utilities and its Mexican partner, Industrial Proximity Services, own 11-MW of distributed generation located in the World Trade Centre industrial park in San Luis Potosí, Mexico. The project delivers electricity on site through flexible and customized contracts to meet the operational needs of customers in the industrial park consisting of 700 hectares.

Australia Generation

Canadian Utilities maintains ownership in and currently operates two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia. These facilities collectively generate 266-MW of power and provide energy for thousands of public sector, domestic, industrial and commercial clients.

Karratha Power Station

Commissioned in 2010, the 86-MW Karratha Power Station is critical energy infrastructure and a reliable, scheduled electricity generation facility located in the North West Interconnected System in the resource rich region of the Pilbara in Western Australia. The facility supplies electricity to the state owned regional electric utility, Horizon Power, under a 20-year tolling power offtake contract. The facility consists of two online open cycle, dry low emission natural gas turbines and a spare third gas turbine on site.

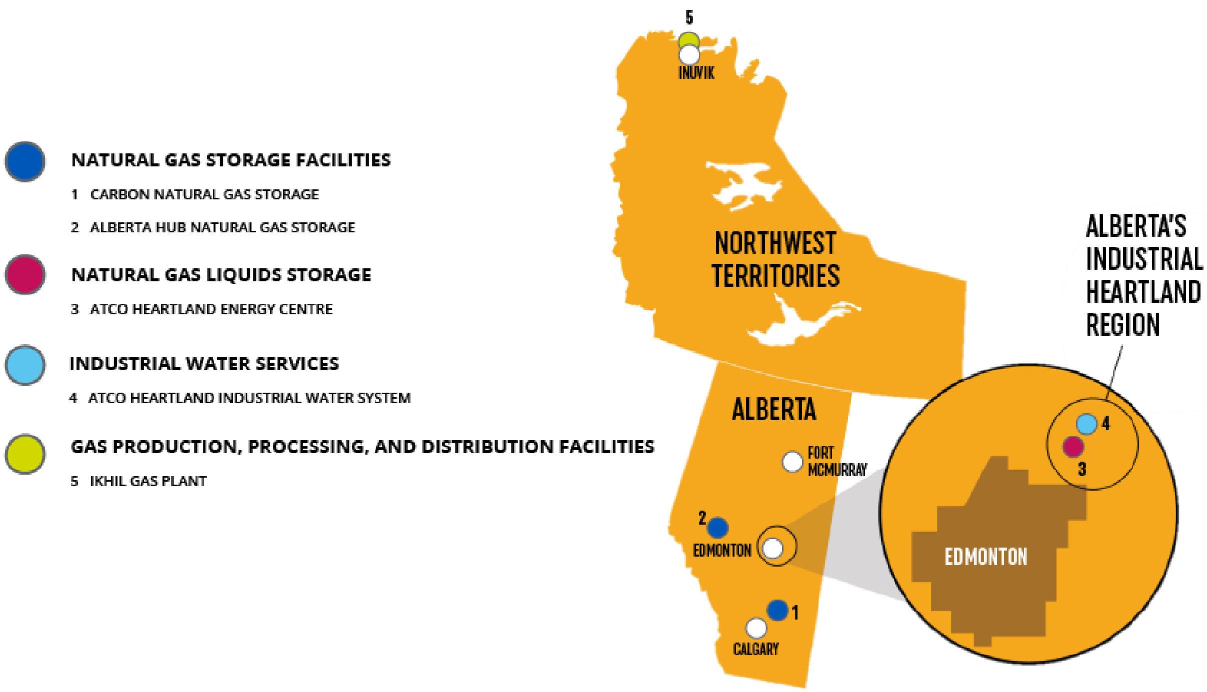
Osborne

Osborne is a 50/50 joint venture between ATCO Power Australia and Origin Energy Limited (Origin Energy) that commenced commercial operation on December 7, 1998. The 180-MW Osborne facility, operated by ATCO Power Australia, is located near Adelaide, South Australia, and is designed to accommodate operation in both cogeneration and combined cycle modes. Prior to July 2015, Osborne sold its electrical output under a long-term (20-year) PPA to Origin Electricity. In July 2015, the PPA was amended to a tolling agreement whereby Origin Electricity (as the electricity off-taker) supplies the natural gas at its own cost and in turn, utilizes the facility for its required electricity output.

In 2018, Canadian Utilities negotiated a five-year extension to the PPA with Origin Electricity for Osborne to December 31, 2023. On February 3, 2023, Canadian Utilities executed an extension to the current PPA. The extension is for a period of three years with a further one year option. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

STORAGE & INDUSTRIAL WATER

Storage & Industrial Water builds, owns and operates non-regulated industrial water, natural gas storage, NGL storage, and natural gas related infrastructure to serve the midstream and petrochemical sector of western Canada's energy industry. It also operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories.



NATURAL GAS STORAGE

Storage & Industrial Water provides customized natural gas storage tailored to customers' specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers. Storage & Industrial Water owns and operates two natural gas storage facilities located near Carbon, Alberta and Edson, Alberta.

The natural gas storage facility at Carbon, Alberta is a natural gas reservoir with a seasonal storage capacity of 68 petajoules. The facility is connected to multiple transmission pipeline systems and has been in service for more than 50 years.

The Alberta Hub natural gas storage facility near Edson, Alberta was acquired in December 2021 and is an underground natural gas storage facility that has a capacity of approximately 49 petajoules. This facility is connected to the NOVA Gas Transmission system.

NATURAL GAS LIQUIDS STORAGE

The ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta includes assets held in a partnership between ATCO Next Energy (60 per cent ownership share) and Petrogas Energy Corp. (40 per cent ownership share), focused on supporting customers through natural gas liquids and hydrocarbon storage, and the related infrastructure. The facility consists of 5 storage caverns, which have a combined storage capacity of 544,000 cubic metres and operate under long-term contracts. The first two caverns have been in service since the fourth quarter of 2016, two additional caverns came into service in the second quarter of 2018. The fifth cavern came into service in the second quarter of 2022.

INDUSTRIAL WATER

Storage & Industrial Water's multi-user water system is connected to the North Saskatchewan River through our industrial water system. We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers, including a long-term commercial agreement with Inter Pipeline Ltd. to provide water services to their integrated propane dehydrogenation and polypropylene plant known as the Heartland Petrochemical Complex. This industrial water system also supplies water for the development of salt caverns for our NGL storage facilities in the region. The water infrastructure capacity is 85,200 m3/day.

GAS PRODUCTION, PROCESSING AND DISTRIBUTION FACILITIES

Storage & Industrial Water has a non-operating 33.3 per cent ownership interest in one natural gas production, gathering and processing facility, the Ikhil gas plant.

CLEAN FUELS PROJECTS

Canadian Utilities views the development of clean fuels as a critical aspect in the successful decarbonization of the energy system over the longer term and the Company is investing in projects that expand our market reach as global energy transition objectives continue to mature.

HEARTLAND HYDROGEN HUB PROJECT

In May 2021, Canadian Utilities began progressing design and engineering of a potential clean hydrogen project. The Design Basis Memorandum phase of the project is complete, and Canadian Utilities plans to sanction front-end engineering design in 2024 to begin working towards an expected final investment decision in mid-2025.

Canadian Utilities is committed to hydrogen development within Alberta's Industrial Heartland and continues to move development of the Heartland Hydrogen Hub forward. The project has significant potential to supply hydrogen to domestic and international markets, including the Alberta gas grid, industrial, municipal, and commercial transport users. Canadian Utilities continues to work with supportive Federal and Provincial governments to establish policy and frameworks that facilitate investment in the Canadian hydrogen economy, along with other parties to further the development and commercial success of the project.

Canadian Pacific Hydrogen Locomotive Project

In May 2022, Canadian Utilities announced an agreement with Canadian Pacific (CP) to provide engineering, procurement and construction services for two hydrogen production and refueling facilities in Calgary and Edmonton. The fuelling stations will be essential in bringing zero-emissions hydrogen locomotive propulsion into reality as part of CP's commitment to sustainable and responsible operations. The construction of these facilities will advance CP's innovative Hydrogen Locomotive Program, which has its sights set on building its first line-haul hydrogen-powered freight locomotive. Early stages of siting and construction has commenced, with production and supply of hydrogen being provided to locomotives in 2024.

Atlas Carbon Sequestration Hub (Atlas Hub)

To support Canadian Utilities' hydrogen strategy and the development of the Heartland Hydrogen Hub, as well as the Province of Alberta's carbon sequestration ambitions, Canadian Utilities and its partner, Shell Canada Limited, are developing the Atlas Carbon Sequestration Hub which has been proposed east of Edmonton.

On March 31, 2022 Atlas Hub was shortlisted for further evaluation by the Government of Alberta. Proponents have been invited to work with the government to further evaluate the suitability of each location for safely storing carbon from industrial emissions. If the evaluation demonstrates that the proposed projects can provide permanent storage, companies can work with the government on a sequestration lease agreement (SLA) that provides them with the right to inject captured carbon dioxide. This SLA will also ensure proponents will provide open access to all emitters and affordable use of the hub. Canadian Utilities and its partner are progressing development of Atlas Hub, with an anticipated final investment decision in 2024.

HYDROGEN DEVELOPMENT IN AUSTRALIA

ATCO Australia partnering on hydrogen production facility

In October 2023, the South Australian Government announced an Early Contractor Involvement (ECI) agreement with ATCO Australia and our joint venture partner BOC Linde for the South Australian Hydrogen Jobs Plan project, a 250-MW hydrogen production facility, a 200-MW hydrogen-fuelled electricity generation facility and a hydrogen storage facility. Activities under this agreement include developing a contract offer price, and negotiation of engineering, procurement, construction and operations and maintenance contracts for delivery and operations of the project. The ECI phase of the project is due for completion in the second quarter of 2024.

OVERVIEW

Canadian Utilities' Corporate & Other segment includes Retail Energy and Rümi through ATCOenergy which provides retail electricity and natural gas services, home products, home maintenance services and professional home advice in Alberta. Corporate & Other also includes the global corporate head office in Calgary, Canada, the Australia corporate head office in Perth, Australia and the Mexico corporate head office in Mexico City, Mexico. In addition, Canadian Utilities Corporate & Other includes CU Inc. and Canadian Utilities preferred share dividend and debt expenses.

RETAIL ENERGY

ATCOenergy is the fourth largest competitive energy retailer in the province of Alberta, offering electricity and natural gas plans to residential and business customers. By the end of 2023, ATCOenergy services a total of 308,000 sites in the residential competitive market which is comprised of 170,000 electricity sites and 138,000 gas sites.

ATCOenergy operates in Alberta's competitive deregulated market. To set itself apart from other retailers, ATCOenergy strives to provide differentiated and competitively priced energy plans in consort with exceptional customer service from its in-house Alberta-based call centre, and by offering digitally enabled self-serve options such as online payment, web chat, and account management.

RÜMI

Rümi is a solutions provider for home and business owners, offering home maintenance services, home system protection plans, and professional home advice for homeowners. Rümi currently offers approximately 80 services in the Albertan communities of Edmonton and Calgary, and approximately 35 services in the Lethbridge, Red Deer, and Grande Prairie communities. Rümi's Home Protection Plans are a monthly subscription based program geared to protect customers' appliances and home systems due to a sudden break down and are available across Alberta.

THREE YEAR HISTORY

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

REVENUE SUMMARY

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

Revenues [(1)]	**2023**		**2022**		**2021**	
	($ millions)	*%*	*($ millions)*	*%*	*($ millions)*	*%*
ATCO Energy Systems	**3,174**	**83**	3,384	83	3,041	86
ATCO EnPower	**362**	**10**	312	8	209	6
Corporate & Other	**387**	**10**	477	12	351	10
Intersegment Eliminations	**(127)**	**(3)**	(125)	(3)	(86)	(2)
Total	**3,796**	**100**	4,048	100	3,515	100

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

ATCO ENERGY SYSTEMS

Revenues and earnings in ATCO Energy Systems are driven by capital investment. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. ATCO Energy Systems has invested over $3.4 billion in capital since 2021.

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

CAPITAL EXPENDITURES

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

				Year Ended December 31
($ millions)	**Total**	**2023**	**2022**	**2021**
Electricity Distribution	903	**391**	282	230
Electricity Transmission	643	**239**	284	120
Natural Gas Distribution	978	**355**	329	294
Natural Gas Transmission	650	**145**	143	362
International Gas Distribution	273	**83**	99	91
Total	3,447	**1,213**	1,137	1,097

ELECTRICITY DISTRIBUTION AND TRANSMISSION

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

INTERNATIONAL ELECTRICITY OPERATIONS

On June 22, 2020, LUMA Energy, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc., was selected by the P3A to transform, modernize and operate Puerto Rico's 30,000-km electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement. The transition period commenced in the second quarter of 2020.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of $115 million USD indexed to inflation. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance Agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

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

Urban Pipelines Replacement (UPR) Program

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

Mains Replacement Program

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

Pioneer Pipeline

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

INTERNATIONAL GAS DISTRIBUTION

Over the last 3 years, International Gas Distribution has continued the end of life mains replacement program and growth capital expenditures for the distribution network within the scope of works set out in the approved Access Arrangement. Over the same period, capital expenditures included gas pipeline relocations at the request of the government in Western Australia. These relocations are due to significant infrastructure development programs and are fully funded by the government.

ATCO ENPOWER

Revenue in the ATCO EnPower business has increased steadily over the last 3 years due to the 2021 acquisition of the Alberta Hub, the 2022 expansion of the Carbon natural gas storage facilities, and the renewable assets acquired and energized in 2023.

ELECTRICITY GENERATION

Calgary Solar Development Project Acquisitions

In September 2021, Canadian Utilities announced that it had acquired the development rights to build two solar projects, the Deerfoot and Barlow projects in Calgary Alberta, with a combined capacity of 64-MW. In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project. The 27-MW Barlow project and 37-MW Deerfoot project reached commercial operations in the second and third quarters, respectively, of 2023.

In September 2023, the Chiniki and Goodstoney First Nations and Canadian Utilities announced a partnership agreement for the Deerfoot and Barlow solar projects, the largest solar installation in an urban centre in Western Canada. Under the terms of the agreement, the Chiniki and Goodstoney First Nations have become the majority owners with a 51 per cent ownership stake in the facilities.

Empress Solar Development Project Acquisition

In September 2021, Canadian Utilities announced that it had acquired the rights to the Empress Solar project, a 39-MW solar facility under development near Empress, Alberta.

In September 2023, Canadian Utilities, entered into a 12.5-year virtual PPA with Lafarge. Under the terms of the agreement, Lafarge's Exshaw cement plant will notionally purchase 100 per cent of the solar power generated from the 39-MW Empress solar project. The Empress solar project achieved commercial operations in the fourth quarter of 2023.

Renewable Energy Portfolio Acquisition

Canadian Utilities closed the acquisition of renewable assets from Suncor for a purchase price of $691 million, net of cash acquired and working capital adjustments, in early 2023. The acquisition includes a majority interest in the 40-MW Adelaide wind facility in Ontario, the 202-MW Forty Mile wind facility in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development, including several late-stage projects.

Concurrent with the close of this acquisition, Canadian Utilities entered into a 15-year renewable energy purchase agreement with Microsoft beginning July 1, 2023. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' Forty Mile Wind Phase 1 facility in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term PPA with the Ontario Power Authority until January 2035.

International Electricity Generation

La Laguna - Mexico Cogeneration Facility

In March 2018, Canadian Utilities entered into a commercial agreement with Chemours to build a 26-MW cogeneration facility, known as La Laguna Cogeneration, on the site of the Chemours Company Mexicana S. de R.L. de C.V.'s chemical facility near Gómez Palacio, Mexico. Developed in partnership with RANMAN Energy, the La Laguna Cogeneration facility was expected to provide low-carbon and cost-effective heat and electricity under a long-term agreement. In February 2021, due to ongoing construction permitting delays, Canadian Utilities and Chemours terminated the La Laguna Cogeneration facility contract. Canadian Utilities has since recovered its costs incurred on the project.

STORAGE & INDUSTRIAL WATER

Natural Gas Storage - Acquisition of Alberta Hub Natural Gas Storage Facility

In December 2021, Canadian Utilities acquired a 100 per cent ownership interest in Alberta Hub, an underground natural gas storage business near Edson, Alberta. The acquisition is reported in the ATCO EnPower segment and the aggregate consideration paid was $135 million, which is comprised of $84 million cash paid, net of cash acquired of $51 million. The Alberta Hub natural gas facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. Complementing our existing natural gas storage facility at Carbon, Alberta, the facility provides customized storage solutions tailored to ATCO EnPower's customers' needs.

Commercial Real Estate Transactions

In May 2021, ATCO Land and Development acquired 1,250 acres of land in Strathcona County, Alberta, adjacent to ATCO's Heartland Energy Centre, to support the land requirements of ATCO's energy transition initiatives in the region and subsequently transferred the land to an affiliate company for project development.

CORPORATE & OTHER

EXECUTIVE APPOINTMENTS

Effective July 1, 2023, Wayne Stensby was appointed to Chief Operating Officer of ATCO Energy Systems, the newly branded gas and electrical utility services business which also oversees our interests in LUMA Energy; and Bob Myles was appointed to Chief Operating Officer of ATCO EnPower, the newly branded non-regulated energy business, including renewables, clean fuel, and energy storage.

Effective October 1, 2023, John Ivulich was appointed to Chief Executive Officer & Country Chair of ATCO Australia, our regulated gas utility and non-regulated renewables, power, and clean fuels businesses in Australia.

On January 19, 2024, the Company announced the retirement of Executive Vice President and Chief Financial Officer, Brian P. Shkrobot, effective March 1, 2024. Concurrently, it was announced that with the support of the Canadian Utilities' Board of Directors, Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, will broaden her portfolio to include Chief Financial Officer for Canadian Utilities effective March 1, 2024.

BOARD OF DIRECTORS APPOINTMENTS

Effective September 1, 2021, Robert J. Hanf, K.C. was appointed to the Board of Directors of Canadian Utilities Limited.

Effective May 3, 2023, Kelly C. Koss-Brix and Robert J. Routs were appointed to the Board of Directors of Canadian Utilities Limited.

BOARD OF DIRECTORS RETIREMENT

In 2022, Charles W. Wilson retired from the Canadian Utilities Limited Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 4, 2022.

PARTICIPATION IN DIVIDEND REINVESTMENT PLAN

On January 13, 2022, Canadian Utilities reinstated its DRIP for eligible owners of Class A shares and Class B shares who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019. The DRIP allows eligible owners of Class A shares and Class B shares to reinvest all or a portion of their dividends in additional Class A shares.

INFORMATION TECHNOLOGY (IT) MASTER SERVICE AGREEMENTS

In the fourth quarter of 2020 and first quarter of 2021, Canadian Utilities signed Master Services Agreements (MSAs) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed IT services. These services were previously provided by Wipro Ltd. (Wipro) under ten-year MSAs expiring in December 2024. The transition of the managed IT services from Wipro to IBM commenced on February 1, 2021 and was completed by December 31, 2021.

RÜMI LAUNCH

On June 3, 2021, ATCOenergy launched Rümi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional home advice for homeowners. Rümi currently offers approximately 80 services in Edmonton and Calgary.

BRANDING INITIATIVE

In 2023 we launched two new brands; ATCO Energy Systems is the new global brand for our gas and electrical utility services business and ATCO EnPower is the new global brand for our non-regulated energy business, including renewables, clean fuels, and energy storage.

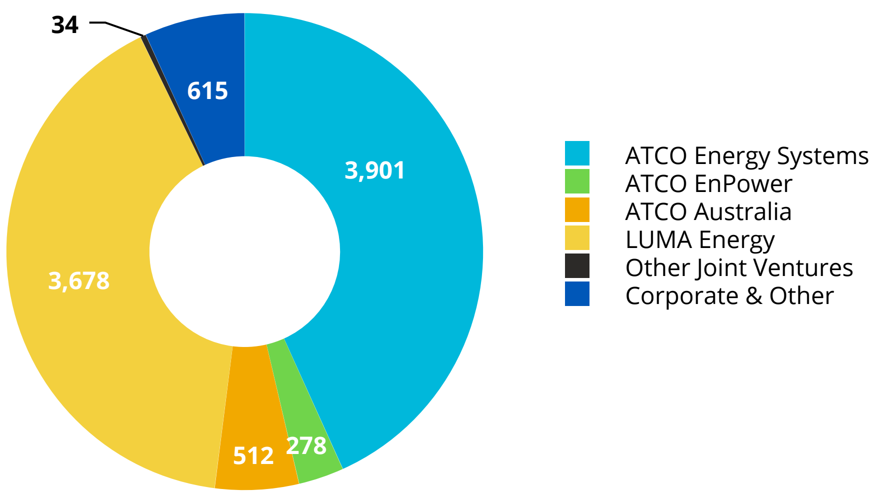
TRANSFER OF BLUE FLAME KITCHEN

In 2023, the Company transferred its legacy retail food services brand Blue Flame Kitchen from Canadian Utilities Limited to ATCO Ltd. to create strategic alignment with ATCO's acquisition of Fresh Bites Inc., a food service company.

EMPLOYEE INFORMATION

At December 31, 2023, the Company had 9,018 employees. The accompanying chart represents the employee numbers in each segment including the 3,712 employees in our joint ventures (including LUMA Energy).

Number of Employees



SPECIALIZED SKILLS AND KNOWLEDGE

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

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

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

BUSINESS RISKS AND RISK MANAGEMENT

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

DIVIDENDS

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

(Canadian dollars per share)	Date of Issue	2023	2022	2021
Series Second Preferred Shares				
Series V [1]	Oct 3, 1997	n.a.	n.a.	0.7456
Series Y [2]	Sep 21, 2011	1.2990	1.0754	0.8508
Series AA	Jun 18, 2012	1.2250	1.2250	1.2250
Series BB	Jul 5, 2012	1.2250	1.2250	1.2250
Series CC	Mar 19, 2013	1.1250	1.1250	1.1250
Series DD	May 15, 2013	1.1250	1.1250	1.1250
Series EE	Aug 7, 2015	1.3125	1.3125	1.3125
Series FF	Sep 24, 2015	1.1250	1.1250	1.1250
Series HH [3]	Dec 9, 2021	1.1875	1.1574	n.a.
Class A and Class B Shares		1.7944	1.7768	1.7592

(1) The 4.60 per cent Series V Preferred Shares were redeemed in August 2021.

(2) The annual dividend rate for the Series Y Preferred Shares was reset to 5.196 per cent in June 2022.

(3) The 4.75 per cent Series HH Preferred Shares were issued in December 2021.

The Company's practice is to pay dividends quarterly on its Class A shares and Class B shares. The Company has increased its common share dividends each year since 1972. On January 11, 2024, the Board of Directors declared a first quarter dividend of 45.31 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

DIVIDEND REINVESTMENT PLAN

On January 13, 2022, Canadian Utilities reinstated its DRIP for eligible owners of Class A shares and Class B shares who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019.

The DRIP allows eligible owners of Class A shares and Class B shares to reinvest all or a portion of their dividends in additional Class A shares.

In the full year of 2023, Canadian Utilities issued 828,033 Class A shares under the DRIP using re-invested dividends of $27 million.

CAPITAL STRUCTURE

SHARE CAPITAL

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

Share Description	Authorized	Outstanding
Series Preferred Shares	150,000	_
Series Second Preferred Shares	Unlimited	64,050,000
Class A shares	Unlimited	204,327,728
Class B shares	Unlimited	66,598,854

PLAN OF ARRANGEMENT TRANSACTION

On December 15, 2023, the Company completed an exchange proposal to holders (Non-Controlling Holders) of Class B shares other than ATCO, Sentgraf Enterprises Ltd. (Sentgraf) and the Margaret E. Southern Spousal Trust (the MES Spousal Trust). The Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the Arrangement, each Class B share held by a Non-Controlling Holder was exchanged for 1.1 Class A shares of the Company. Following completion of the Arrangement, the only remaining holders of Class B shares were ATCO, Sentgraf and the MES Spousal Trust, and the Class B shares were delisted from the Toronto Stock Exchange on December 19, 2023.

SERIES PREFERRED SHARES

The Series Preferred Shares are entitled, in priority to the Series Second Preferred Shares and the Class A shares and Class B shares, to fixed cumulative preferential cash dividends and, in the event of the liquidation, dissolution or winding-up of the Company, or other distribution of assets of the Company among its share owners for the purpose of winding up its affairs, to the amount paid up thereon and accrued and unpaid dividends and, if such action is voluntary, the premiums payable on redemption, if any.

The Series Preferred Shares are subject to redemption on 30 days' notice and are non-voting except upon the failure of the Company to pay dividends on any such shares for a period of 18 months, in which case the owners of all such shares are entitled to one vote per share at meetings of share owners.

The provisions attaching to the Series Preferred Shares stipulate that no shares ranking junior to the Series Preferred Shares may be retired unless all dividends then payable on the Series Preferred Shares shall have been declared and paid.

There are currently no Series Preferred Shares outstanding.

SERIES SECOND PREFERRED SHARES

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

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

ii. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.

iii. The owners of the Series Second Preferred Shares are not entitled as such (except as provided in any series) to any voting rights nor to receive notice of or to attend share owners' meetings unless dividends on the Series

Second Preferred Shares of any series are in arrears to the extent of eight quarterly dividends or four half-yearly dividends, as the case may be, whether or not consecutive. Until all arrears of dividends have been paid, such owners will be entitled to receive notice of and to attend all share owners' meetings at which directors are to be elected (other than separate meetings of owners of another class of shares) and to one vote in respect of each Series Second Preferred Share held.

The following Series Second Preferred Shares are currently outstanding:

	Stated Value	Shares	Amount *($ millions)*
Cumulative Redeemable Second Preferred Shares			
5.196% Series Y	$25.00	13,000,000	325
4.90% Series AA	$25.00	6,000,000	150
4.90% Series BB	$25.00	6,000,000	150
4.50% Series CC	$25.00	7,000,000	175
4.50% Series DD	$25.00	9,000,000	225
5.25% Series EE	$25.00	5,000,000	125
4.50% Series FF	$25.00	10,000,000	250
4.75% Series HH	$25.00	8,050,000	201
			1,601

Series Y Preferred Shares

The Series Y Preferred Shares became redeemable by the Company on June 1, 2017, and are redeemable on June 1 of every fifth year thereafter, in whole or in part at the stated value plus all accrued and unpaid dividends. If not redeemed, holders may elect to convert any or all of their Series Y Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series Z on June 1, 2022, and on June 1 of every fifth year thereafter. Holders of the Series Z Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board, payable quarterly at a rate equal to the then current 3-month Government of Canada Treasury Bill yield plus 2.40 per cent. On June 1, 2027, and on June 1 of every fifth year thereafter (Series Z Conversion Date), holders of the Series Z Preferred Shares may elect to convert any or all of their Series Z Preferred Shares back into an equal number of Series Y Preferred Shares. The Company may redeem the Series Z Preferred Shares in whole or in part at $25.00 on a Series Z Conversion Date or at $25.50 on any other date. In June 2022, Canadian Utilities reset the quarterly dividend rate on its Series Y Preferred Shares for the five-year period from and including June 1, 2022 to but excluding June 1, 2027. The fixed dividend will be paid as and when declared by the Board of Directors of Canadian Utilities based on an annual dividend rate of $1.299 per share or 5.196 per cent per annum.

Series AA and Series BB Preferred Shares

The Series AA and Series BB Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2017 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1, 2021. After September 1, 2021, the Series AA and Series BB Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series CC Preferred Shares

The Series CC Preferred Shares were redeemable in whole or in part at the option of the Company starting June 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until June 1, 2022. After June 1, 2022, the Series CC Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series DD Preferred Shares

The Series DD Preferred Shares were redeemable in whole or in part at the option of the Company starting September 1, 2018 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declined by 1 per cent in each succeeding twelve month period until September 1, 2022. After September 1, 2022, the Series DD Preferred Shares are now redeemable without any premium per share plus accrued and unpaid dividends to the date of redemption.

Series EE Preferred Shares

The Series EE Preferred Shares are redeemable in whole or in part at the option of the Company starting September 1, 2020 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until September 1, 2024. As of December 31, 2022, the Series EE Preferred Shares are redeemable with a premium of 2 per cent per share plus accrued and unpaid dividends.

Series FF Preferred Shares

The Series FF Preferred Shares may be redeemed by the Company on December 1, 2025, and on December 1 of every fifth year thereafter, in whole or in part at the stated value plus all accrued and unpaid dividends. If not redeemed, holders may elect to convert any or all of their Series FF Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series GG on December 1, 2025, and on December 1 of every fifth year thereafter. Holders of the Series GG Preferred Shares will be entitled to receive quarterly floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, equal to the then current 3-month Government of Canada Treasury Bill yield plus 3.69 per cent provided that, in any event, such rate shall not be less than 4.5 per cent. On December 1, 2030, and on December 1, of every fifth year thereafter, the Company may redeem the Series GG Preferred Shares in whole or in part at the stated value. On any other date, the Company may redeem the Series GG Preferred Shares in whole or in part by the payment of $25.50 for each share to be redeemed.

Series HH Preferred Shares

The Series HH Preferred Shares are redeemable in whole or in part at the option of the Company starting March 1, 2027 at the stated value plus a 4 per cent premium per share for the next twelve months plus accrued and unpaid dividends. The redemption premium declines by 1 per cent in each succeeding twelve month period until March 1, 2030.

CLASS A NON-VOTING SHARES AND CLASS B COMMON SHARES

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

If a take-over bid is made for the Class B shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B shares (excluding any Class B shares acquired upon conversion of Class A shares), the Class A share owners are entitled, for the duration of the take-over bid, to exchange their Class A shares for Class B shares and to tender the newly exchanged Class B shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, Class A share owners are entitled to exchange their shares for Class B shares if ATCO Ltd., the Company's controlling share owner, ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding 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 rights offering.

Of the 12,800,000 Class A shares authorized for grant of options under our stock option plan, 10,220,250 Class A shares were available for issuance at December 31, 2023. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

PREFERRED SHARE RESTRICTIONS ON DIVIDEND DISTRIBUTIONS

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

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 September 7, 2023, we commenced an NCIB to purchase up to 2,018,434 outstanding Class A shares. The bid will expire on September 6, 2024. To date, no shares have been purchased.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

In May 2023, the Company's mid-term incentive plan (MTIP) was terminated. Following its termination, the Company sold all of the 440,554 Class A shares that were held in trust for the MTIP for proceeds of $17 million. In July 2023, the MTIP trust was closed.

After the termination of the MTIP and sale of the Class A shares held in trust for the MTIP, there are no Canadian Utilities securities held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer, as of December 31, 2023.

LONG-TERM DEBT

The Company and its subsidiaries have issued unsecured debentures. Details with respect to the issued and outstanding long-term debt can be found in Note 14 of the 2023 Consolidated Financial Statements. These debentures and subordinated notes are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT FACILITIES

At December 31, 2023, Canadian Utilities and its subsidiaries had the following lines of credit.

($ millions)	**Total**	**Used**	**Available**
Long-term committed	**2,388**	689	1,699
Short-term committed	**316**	316	—
Uncommitted	**650**	274	376
Total	**3,354**	1,279	2,075

Of the $3,354 million in total lines of credit, $650 million was in the form of uncommitted credit facilities with no set maturity date. The other $2,704 million in credit lines was committed with maturities between 2024 and 2027, and may be extended at the option of the lenders.

Of the $1,279 million in lines of credit used, $643 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding of the renewable energy portfolio acquisition in ATCO EnPower and the issuance of letters of credit. Details with respect to the credit facilities can be found in Note 22 of the 2023 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT RATINGS

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

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

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

The following table shows the current credit ratings assigned to Canadian Utilities, CU Inc., and ATCO Gas Australia Pty Ltd (ATCO Gas Australia).

	DBRS	Fitch
Canadian Utilities Limited		
Issuer	A	A-
Senior unsecured debt	A	A-
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2	BBB
CU Inc.		
Issuer	A (high)	A-
Senior unsecured debt	A (high)	A
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2 (high)	BBB+
S&P Global Ratings has assigned Canadian Utilities' subsidiary ATCO Gas Australia [(1)] a BBB+ issuer and senior unsecured debt credit rating with a stable outlook.		

(1) ATCO Gas Australia is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

On March 17, 2023, Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.

On March 27, 2023, S&P Global Ratings affirmed Canadian Utilities' subsidiary ATCO Gas Australia's 'BBB+' issuer credit rating and stable outlook.

At our request, on July 12, 2023, S&P Global Ratings withdrew its 'BBB+' long-term issuer credit ratings and all related debt issue ratings on Canadian Utilities, and its ‘A-‘ issuer credit rating and all related debt issue ratings on CU Inc. S&P will continue to rate ATCO Gas Australia on a standalone basis as an insulated subsidiary. Going forward, Fitch and DBRS will continue to rate Canadian Utilities and CU Inc.

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

On August 29, 2023, DBRS Limited affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

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

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

A 'BBB' issuer rating by S&P is the fourth highest of ten categories. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

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

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

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

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

PREFERRED SHARE CREDIT RATINGS

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

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

MARKET FOR SECURITIES OF THE COMPANY

The Company’s Class A shares and Cumulative Redeemable Second Preferred Shares, Series Y, AA, BB, CC, DD, EE, FF, and HH are listed on the Toronto Stock Exchange (TSX).

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volume of the Company’s shares during 2023 on the TSX under the symbols CU for Class A shares, CU.PR.C for Series Y shares, CU.PR.D for Series AA shares, CU.PR.E for Series BB shares, CU.PR.F for Series CC shares, CU.PR.G for Series DD shares, CU.PR.H for Series EE shares, CU.PR.I for Series FF shares and CU.PR.J for Series HH shares.

CLASS A SHARES

			Class A Shares
2023	High ($)	Low ($)	Volume
January	38.60	36.43	11,566,388
February	36.87	35.73	12,289,051
March	38.09	33.65	13,680,831
April	39.87	37.31	11,247,259
May	39.79	36.01	15,813,560
June	36.66	33.86	18,332,887
July	34.45	32.76	13,722,940
August	33.03	30.64	15,308,906
September	32.49	28.59	8,601,700
October	30.18	28.13	15,630,264
November	31.88	28.98	12,913,261
December	32.37	30.28	7,559,877

CUMULATIVE REDEEMABLE SECOND PREFERRED SHARES

			Series Y			Series AA			Series BB
2023	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume
January	21.00	19.24	100,173	21.71	19.32	227,432	21.60	19.22	22,714
February	21.00	19.69	76,875	21.32	20.03	25,488	21.30	20.07	15,594
March	19.81	18.49	109,717	20.34	19.51	40,562	20.43	19.32	36,162
April	19.96	18.38	64,878	20.68	20.10	68,632	20.52	20.10	22,566
May	19.95	17.69	77,549	20.84	19.42	29,858	20.73	19.33	13,430
June	19.11	17.54	133,323	19.95	18.84	55,126	19.80	18.59	27,341
July	18.86	17.00	272,647	18.99	18.29	77,012	18.75	18.12	66,593
August	18.49	16.85	217,793	18.59	17.63	45,791	18.50	17.68	48,654
September	17.45	16.90	97,178	18.24	17.81	116,078	18.00	17.71	90,692
October	17.40	16.26	146,046	18.00	17.38	187,845	17.76	17.35	230,272
November	18.11	16.65	924,608	18.82	17.60	31,908	18.70	17.40	33,308
December	18.67	17.55	347,254	18.79	17.79	87,217	18.39	17.91	52,979

			Series CC			Series DD			Series EE
2023	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume	High ($)	Low ($)	Volume
January	20.06	17.85	36,754	20.00	17.81	88,357	23.15	20.88	166,007
February	20.01	18.75	22,729	19.90	18.75	97,205	23.32	21.71	18,358
March	19.10	18.43	81,874	19.01	18.36	193,437	22.15	21.01	18,536
April	19.05	18.60	50,079	19.07	18.32	140,641	22.22	21.26	26,525
May	19.31	18.10	46,267	19.02	18.24	298,457	22.20	21.00	13,874
June	18.77	17.22	14,348	18.51	17.11	23,898	21.00	20.31	19,298
July	17.31	16.69	242,848	17.67	16.71	126,080	20.25	19.44	51,422
August	17.05	16.06	50,376	17.10	16.12	98,658	19.93	18.78	54,474
September	16.79	16.25	46,569	16.81	16.32	57,861	19.93	19.13	85,639
October	16.56	16.01	105,914	16.65	16.00	80,366	19.57	18.64	47,086
November	17.17	16.24	71,516	17.20	15.75	61,867	20.50	18.92	38,862
December	17.41	16.47	72,920	17.49	16.49	105,822	20.75	19.20	86,399

2023	High ($)	Low ($)	Series FF Volume	High ($)	Low ($)	Series HH Volume
January	24.84	24.19	65,647	20.89	18.45	73,882
February	25.45	24.38	154,200	20.84	19.30	44,300
March	25.07	23.23	88,725	19.58	19.00	210,287
April	24.09	22.35	95,400	19.81	19.36	77,537
May	24.30	22.12	88,227	19.83	18.63	29,607
June	23.65	22.20	52,381	19.20	17.96	30,572
July	23.55	22.57	94,232	18.21	17.20	356,722
August	22.71	19.90	111,379	17.88	16.65	141,897
September	21.52	20.16	81,959	17.50	16.75	278,790
October	22.26	19.01	91,113	17.25	16.55	134,454
November	22.64	20.00	99,762	17.76	16.35	95,749
December	21.86	20.54	232,225	17.99	17.19	126,854

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS [1]

MATTHIAS F. BICHSEL, PhD

Primary residence	Luzern, Switzerland
Director since	2014
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 capital projects delivery, 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. He is an investor, board member and adviser in clean technology and robotics start-up companies. From 2015 until 2023, Dr. Bichsel was senior adviser for McKinsey & Co. He was, from 2015 until 2023, vice-chairman of the board of Sulzer Ltd, a Swiss industrial conglomerate. From 2016 until 2023, he was a member of the board of South Pole Ltd, a Swiss-based global leader of carbon emissions reduction projects.

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.

LORAINE M. CHARLTON [2][3]

Primary residence	Calgary, Alberta, Canada
Director since	2006
Independent	

Prior to her retirement in November 2022, Ms. Charlton was Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company with interests across Western Canada. With over three decades of experience in the oil and gas industry, 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.

ROBERT J. HANF, K.C. (2) (3)

Primary residence	Calgary, Alberta, Canada
Director since	2021
Independent	

Mr. Hanf served as an executive leader within Emera Inc. and its group of companies for almost 20 years. Prior to 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, and is the immediate past 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.

KELLY C. KOSS-BRIX

Primary residence	Calgary, Alberta, Canada
Director since	2023
Not Independent	Ms. Koss-Brix is not independent because she has a material relationship with CU. She is an immediate family member of the Chair and Chief Executive Officer.

Ms. Koss-Brix is an accomplished equestrian professional and former professional rider. She was a member of the Canadian Equestrian Team and competed internationally for 15 years prior to her retirement in 2017. For the past six years, Ms. Koss-Brix has served as Vice-President, Development for an equestrian facility in Alberta, where she has coached at all levels of the sport.

Ms. Koss-Brix has been a member of the Board of Directors of Sentgraf Enterprises Ltd. since 2017. In 2019, she joined the Board of Directors of Spruce Meadows, an internationally recognized equestrian facility in Calgary, Alberta. She is a member of the Audit & Risk Committee.

Ms. Koss-Brix obtained a B.A. in Political Science from the University of Calgary in 2010 and obtained her ICD.D certification from the Institute of Corporate Directors in 2023.

ROBERT J. NORMAND [3][4]

Primary residence Edmonton, Alberta, Canada

Director since 2008

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.

ALEXANDER J. POURBAIX

Primary residence Calgary, Alberta, Canada

Director since 2019

Independent

Mr. Pourbaix has been a member of the Cenovus Energy Board since November 2017, when he was also appointed President and Chief Executive Officer. He became Executive Chair of the Board of Directors in April 2023. As Executive Chair, Mr. Pourbaix is responsible for providing leadership to the Board and ensuring ongoing strong governance, while supporting management's execution of the company's strategy. He also leads Cenovus's advocacy efforts including industry initiatives, government relations, ESG engagement and provides ongoing leadership with the Pathways Alliance. From 2017 until 2023, Mr. Pourbaix served as the President & Chief Executive Officer of Cenovus, where he was responsible for establishing the strategic direction for the company and delivering strong financial, operational and sustainability performance. Prior to joining 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.

Mr. Pourbaix currently serves on the boards of NRG Energy Inc., the Business Council of Alberta and the Alberta Regional Board of Nature Conservancy Canada. He was previously Chair of the Mount Royal University Board of Governors, the Board of Governors at the Canadian Association of Petroleum Producers, and the Canadian Energy Pipeline Association and also served as a board member of the Business Council of Canada and Trican Well Service Ltd. In 2022, Mr. Pourbaix was awarded the Queen's Platinum Jubilee Medal in recognition of his contributions to Alberta.

Mr. Pourbaix has a B.A. and LL.B. degree from the University of Alberta.

HECTOR A. RANGEL [4]

Primary residence Mexico City, Mexico

Director since 2014

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 GNP Profuturo Afore, GNP Seguros, and Fresnillo PLC. Until May 2022, Mr. Rangel served as a director of LUMA Energy, LLC, 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.

LAURA A. REED

Primary residence Wynn Vale, Australia

Director since 2014

Independent

Ms. Reed is a director of ATCO Australia Pty Ltd. In December 2021, Ms. Reed was appointed 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. She is also a director of Bass Oil Limited, an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin.

From 2017 until March 2023, Ms. Reed was the Chair of Epic Energy South Australia Pty Ltd, which owns the Moomba to Adelaide Gas Pipeline and a number of renewable generation assets. She was also previously on the board of the Clean Energy Finance Corporation, the federal government corporation (Australia) which assists with the funding of clean energy projects.

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 also 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.

ROBERT J. ROUTS, PhD

Primary residence	Brunnen, Switzerland
Director since	2023
Independent	

Dr. Routs is the Lead Director of ATCO and is a director of ATCO Structures & Logistics Ltd., ATCO Australia Pty Ltd and Neltume Ports S.A. Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. He was responsible for the global refining, chemical, marketing, trading and renewable businesses. During his career, he held various senior management positions in the US, Canada and The Netherlands, including Chairman of Shell Canada prior to the buyout of the public shareholding by Royal Dutch Shell plc. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.

Dr. Routs is an emeritus member of the International Advisory Council to the Economic Development Board of Singapore and received the Distinguished Friend of Singapore medal. Dr. Routs was Chairman of the Board of Aegon NV from 2009 until 2019 and Chairman of the Board of Royal DSM NV from 2011 until May 2021. From 2010 to February 2021, Dr. Routs was a director of AECOM Technology Corporation.

Dr. Routs graduated in Chemical Engineering from the Technical University of Eindhoven in The Netherlands, where he also obtained a PhD in Technical Sciences. He completed the Program for Management Development at Harvard Business School in 1991.

NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1990
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, 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 US 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.

LINDA A. SOUTHERN-HEATHCOTT [4]

Primary residence	Calgary, Alberta, Canada
Director since	2000
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 Executive Chair 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 Ltd. in 2016.

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

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.

ROGER J. URWIN, PhD, C.B.E. [2][3]

Primary residence	London, England
Director since	2020
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 US, 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, UK.

WAYNE G. WOUTERS, PC, OC

Primary residence	Vancouver, British Columbia, Canada
Director since	2019
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.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.
(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.
(3) Member of the Audit & Risk Committee.
(4) Member of the Pension Fund Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
James D. Armstrong Alberta, Canada	Senior Vice President, Technology & Global Security
Melanie L. Bayley Alberta, Canada	President, ATCO Electric Ltd.
Kyle M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary
M. George Constantinescu Alberta, Canada	Executive Vice President & Chief Transformation Officer
P. Derek Cook Alberta, Canada	Senior Vice President & Controller
Lisa Cooke Alberta, Canada	Senior Vice President & Chief Marketing Officer
Colin R. Jackson Alberta, Canada	Senior Vice President, Finance, Treasury & Sustainability
Robert J. Myles Alberta, Canada	Chief Operating Officer, ATCO EnPower
Rebecca A. Penrice Alberta, Canada	Executive Vice President, Corporate Services
D. Jason Sharpe Alberta, Canada	President, ATCO Gas and Pipelines Ltd.
Brian P. Shkrobot Alberta, Canada	Executive Vice President & Chief Financial Officer
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer
Wayne K. Stensby Alberta, Canada	Chief Operating Officer, ATCO Energy Systems
Clinton G. Warkentin Alberta, Canada	Executive Vice President and Chief Investment Officer, ATCO Energy Systems
Marshall F. Wilmot Alberta, Canada	President, Retail and Chief Digital Officer

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

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

- Mr. Armstrong was appointed Senior Vice President, Corporate Security in April 2023, and was later promoted to Senior Vice President, Technology & Global Security in May 2023. Prior to joining the

Company, he was Chief Security and Chief Data Officer for Shaw Communications from January 2018 to April 2023.

- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.
- Ms. Cooke joined the Company as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.
- Mr. Constantinescu was appointed Senior Vice President & Chief Transformation Officer in February 2018 and was later promoted to Executive Vice President & Chief Transformation Officer in May 2023. Prior to joining the Company, he was Chairman and Chief Executive Officer of Orthoshop Geomatics Ltd. from January 2006 through January 2019.
- Mr. Myles was appointed Executive Vice President, Corporate Development in March 2020 and was later promoted to Chief Operating Officer, ATCO EnPower. Prior to joining the Company, Mr. Myles was Chief Operating Officer, Industrial, of Stuart Olson Ltd., from January 2016 through October 2019.
- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.
- Mr. Warkentin was appointed Executive Vice President and Chief Investment Officer in July 2023. Prior to joining the Company, Mr. Warkentin was an independent consultant and was Chief Financial Officer of Certarus Ltd. from April 2019 to March 2022.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

ATCO, Sentgraf and the Margaret E. Southern Spousal Trust (MES Spousal Trust) collectively hold 66,598,854 (100 per cent) of the issued and outstanding Class B shares. Other than as set forth in the preceding sentences, the directors and executive officers of the Company, as a group, do not beneficially own, or control or direct, directly or indirectly (via corporate holdings or otherwise), any of the issued and outstanding Class B shares of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 27, 2024, there were 66,598,854 Class B shares outstanding. To the knowledge of the directors and executive 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.

ATCO owns 66,309,246 Class B shares representing approximately 99.6 per cent of the outstanding Class B shares. ATCO is controlled by 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.

On December 15, 2023, the Company completed an exchange proposal (the Arrangement) to holders (Non-Controlling Holders) of Class B shares other than ATCO, Sentgraf and the MES Spousal Trust. The Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the Arrangement, each Class B share held by a Non-Controlling Holder was exchanged for 1.1 Class A shares of the Company. Following completion of the Arrangement, the only remaining holders of Class B shares were ATCO, Sentgraf and the MES Spousal Trust, and the Class B shares were delisted from the Toronto Stock Exchange on December 19, 2023.

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

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

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

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

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

Corporate Bankruptcies

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

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

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

Personal Bankruptcies

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

Penalties or Sanctions

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

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

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

CONFLICTS OF INTEREST

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

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A shares and Class B shares and the Cumulative Redeemable Second Preferred Shares Series Y, AA, BB, CC, DD, and EE is TSX Trust Company at its principal offices in Calgary, Toronto, Montreal and Vancouver. The transfer agent and registrar for the Cumulative Redeemable Second Preferred Shares Series FF and HH is TSX Trust Company at its principal offices in Calgary and Toronto.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is occasionally named as a party in claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favour or that such claim may not have a material adverse effect on the Company. For further information, please refer to Note 30 of the 2023 Consolidated Financial Statements.

MATERIAL CONTRACTS

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

INTERESTS OF EXPERTS

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

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to: strategic plans and targets, including ESG targets and the commitment to achieve net zero GHG emissions by 2050; expected emissions reductions, and decarbonization to enable customers to transition to lower emitting sources of energy while maintaining safety, reliability and affordability; expected electricity generation capacity and/or productive capacity of assets and projects, including assets and projects that have been acquired or that are expected to be developed in the future;

the expected timing of commencement, completion or commercial operations of activities, contracts and projects, as applicable; the expected term of contracts; the expected impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; expected growth and diversification and expansion opportunities; Canadian Utilities' continuing work at the Clean Energy Innovation Hub in Australia; the expected electricity generation capacity of the Deerfoot, Barlow and Empress solar projects; the Company's Heartland Hydrogen Hub Project, including the project's potential, the Company's continuing commitment to the project, planned design activities, anticipated timing for a final investment decision; the timing and breadth of services being provided by Canadian Utilities to the Canadian Pacific Hydrogen Locomotive Project; the progressing development of the Atlas Carbon Sequestration Hub project and anticipated timing for a final investment decision; the expected hydrogen production, electricity generation and hydrogen storage capacity of the facilities planned in connection with the South Australian Hydrogen Jobs Plan project and the expected timing of the project; the expected purchase and sale of electricity; and the payment of dividends.

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

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

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

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

ADDITIONAL INFORMATION

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

Additional information, including directors’ and named executives officers' remuneration, principal holders of the Company’s securities, and securities authorized for issuance under equity compensation plans, is contained in the Company’s most recent Management Proxy Circular dated March 9, 2023.

Additional financial information is provided in the Company’s audited 2023 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2023. Corporate information is also available on the Company's website: www.canadianutilities.com.

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

GLOSSARY

2023 Consolidated Financial Statements means Canadian Utilities Limited's Consolidated Financial Statements for the year ended December 31, 2023.

Alberta Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

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

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

Company means Canadian Utilities Limited and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

Consumer price index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

GHG means greenhouse gas.

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

IFRS means International Financial Reporting Standards.

LNG means liquefied natural gas.

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

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

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

NGTL means Nova Gas Transmission Ltd.

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

PPA means Power Purchase Agreement.

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

Regulated Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission and International Natural Gas Distribution.

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

USD means United States dollars.

APPENDIX 1

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

The Audit & Risk Committee (the "Committee") of Canadian Utilities Limited (the "Corporation") is responsible for contributing to the effective stewardship of the Corporation by assisting the Board of Directors of the Corporation ("Board") in fulfilling its oversight of:

- The integrity of the Corporation's financial statements.
- The Corporation's compliance with laws and regulations including applicable legal and regulatory commitments.
- The independence, qualifications and appointment of the Corporation's external auditor.
- The performance of the Corporation's internal audit function and external auditor.
- The accounting and financial reporting processes of the Corporation.
- Audits of the financial statements of the Corporation.
- The risk management processes of the Corporation.

AUTHORITY

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation's external auditors.
- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- Inspect all the books and records of the Corporation and its subsidiary entities and to discuss such books and records in any manner relating to the financial position and/or risk related issues of the Corporation and its subsidiary entities with the officers, employees and internal and external auditors of the Corporation and its subsidiary entities. All employees are directed to cooperate with the Committee's requests.
- Meet with the Corporation's officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audit services provided by the Corporation's external auditor.

COMPOSITION

The Board shall elect annually from among its members an Audit & Risk Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Corporation;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Corporation and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be independent.

MEETINGS

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Corporation's external or internal auditor. Matters related specifically to Risk Management as described under "DUTIES AND RESPONSIBILITIES" will be on the agenda for two of the Committee meetings each year.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee.
- The external auditor has the right to appear before and be heard at any meeting of the Committee.
- Meetings will be scheduled to permit timely review of Committee materials.
- A majority of the Committee will constitute a quorum.
- Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Governance & Secretarial Department.

DUTIES AND RESPONSIBILITIES

Public Reporting

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
    - complex or unusual transactions and highly judgmental areas;
    - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; and
    - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IFRS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Corporation's annual and interim financial statements, MD&A, earnings press releases, AIF, and Sustainability Reports before the Corporation publicly discloses this information.

- Review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant items pertaining to year-end financial disclosure documents.
- Recommend to the Board the approval of the Corporation's interim financial statements, interim MD&A and interim earnings press releases, or if delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Corporation publicly discloses this information.
- Recommend to the Board the approval of the Corporation's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- Be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board:
    - the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation; and
    - the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor of the Corporation ("Non-audit Services"). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit & Risk Committee on a cumulative basis for the year at each quarterly meeting.
- The Committee shall adopt and periodically review practices and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

Internal Auditor

- Be satisfied that the internal audit function has been effectively carried out and the internal auditor has adequate resources.
- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.

Risk Management

- Understand the principal risks of the Corporation:
    - review and consider with management the Corporation's risk taking philosophy;
    - review and discuss with management the Corporation's risk inventory and related mitigation plans;
    - receive presentations, reports and other information about extraordinary risks, emerging risks and significant trends that could materially affect the Corporation's ability to achieve its strategic

objectives, including those related to sustainability and environmental, social and governance (ESG) matters;

    - review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant risks identified by management;
    - review and discuss with management the Corporation's performance relative to its sustainability, ESG and safety objectives and/or targets.
- Be satisfied that management has appropriate processes in place to identify, assess, manage and monitor risk.
- Review the Corporation's insurance programs for adequacy annually.

Other

- Ensure that the Corporation has appropriate procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors, and Internal Audit mandates.
- The Committee will inquire into any other matters referred to it by the Board.

REPORTING

The Committee shall report to the Board on such matters and questions relating to the financial position or risk management of the Corporation as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Vice President, Internal Audit of the Corporation shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Corporation's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT & RISK COMMITTEE

The following are the members of the Corporation's Audit & Risk Committee, all of whom are independent and financially literate:

- L.M. Charlton - Prior to her retirement in November 2022, Ms. Charlton was Vice President & Chief Financial Officer at Lintus Resources Limited. For over three decades, she was responsible for the entire financial reporting process of various corporations in Oil & Gas. She serves on the Audit Committees of three publicly traded corporations and is Audit Chair for two of them. Ms. Charlton has a Bachelor of Commerce degree in Finance, holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors, and participates in ongoing financial and accounting continuing education.
- R.J. Hanf - For almost twenty years prior to his retirement in 2021, Mr. Hanf served as an executive leader with Emera Inc., an electric utility company in Nova Scotia, Canada serving millions of customers in Canada, the United States and the Caribbean, where he was responsible for Stakeholder Relations and Regulatory Affairs, both of which require financial literacy. As current Chair of Mancal Corporation, he is Chair of the Transactions Committee and is a member of the Valuations and Reserves Committee. He was past Chair of the Board of Governors at Dalhousie University where he was an ex-officio member of all Committees. Mr. Hanf was previously President and Chief Executive Officer of Nova Scotia Power Inc., Executive Chairman of Barbados Light & Power Holdings Ltd., and President and Chief Operating Officer of Bangor Hydro Electric Company, where he was responsible for the overall financial reporting and compliance of these companies. He is also a

graduate from the Director Education Program at the Institute of Corporate Directors where he obtained extensive enterprise risk and financial literacy knowledge.

- R.J. Normand (Chair) - For more than 30 years, Mr. Normand held senior executive roles in the financial and banking sectors, culminating in the role of President and Chief Executive Officer of Alberta Treasury Branches until his retirement in 2008. In 2015, he retired as Chair of the Workers Compensation Board of 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 has an M.B.A. and a B.A. (Economics) and has completed studies leading to the Fellow of the Institute of Canadian Bankers designation.
- R.J. Urwin - Dr. Urwin has been the Chief Executive Officer of several major public companies. He was the Group Chief Executive of National Grid plc from 2001 until his retirement in 2006, and was responsible for compliance with the US Sarbanes-Oxley requirements. Dr. Urwin has been a member of the Audit Committee for a number of UK public companies.

PRE-APPROVAL PROCEDURES

The Corporation's Audit & Risk Committee has adopted a procedure for approval of external auditor services. The procedure prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the procedure has been pre-approved by the Audit & Risk Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit & Risk Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit & Risk Committee.

Services provided by the external auditor are subject to an engagement letter. The procedure mandates that the Audit & Risk Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

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

($ Millions)	**2023**	**2022**
Audit fees (1)	**4.4**	3.9
Audit-related fees (2)	**0.1**	0.3
Tax fees (3)	**—**	0.3
Total	**4.5**	4.5

(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.