



**CANADIAN UTILITIES LIMITED**  
An **ATCO** Company

**DIVIDEND REINVESTMENT PLAN**

**JULY 11, 2012**

### **IMPORTANT NOTICE**

**The Class A Shares and the DRIP Shares to be issued to Participants are not, and will not be, registered under the United States Securities Act of 1933, as amended, and accordingly, the DRIP Shares are not being offered for sale in the United States or any of the territories or possessions thereof. Unless otherwise announced by the Corporation, participation in the Plan will not be accepted from any person or person's agent who appears to be, or who the Corporation or the Plan Agent have reason to believe is, resident in the United States or any of the territories or possessions thereof or otherwise a U.S. person within the meaning of U.S. federal securities law.**

**Holders of Shares should read this document carefully and in its entirety before making any investment decision regarding participation in the Plan.**

**Capitalized terms appearing above are defined below in this Plan.**

# CANADIAN UTILITIES LIMITED

## Dividend Reinvestment Plan

### 1. Overview

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The Plan provides eligible holders of Class A Shares and Class B Shares with a convenient and cost-effective way to reinvest all or a specified portion of the cash dividends paid on their Shares in additional Class A Shares.

**No Class B Shares are issuable under the Plan.** Any cash dividends paid on Class B Shares enrolled in the Plan will be reinvested in Class A Shares.

### 2. Definitions

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Unless the context otherwise requires, capitalized terms used in the Plan have the following definitions:

"*Average Market Price*" means, for any Dividend Payment Date, the volume weighted average price of the Class A Shares traded on the Toronto Stock Exchange during the last five (5) days preceding the Dividend Payment Date on which not less than 500 Class A Shares are traded on the Toronto Stock Exchange, calculated to four decimal places, subject to proportionate adjustment in the event of a subdivision, consolidation or similar pro rata change in the number of outstanding Class A Shares into a greater or lesser number of Class A Shares, including by means of stock dividend;

"*Beneficial Owner*" means a Share Owner who beneficially owns Shares that are not registered, in the share registers of the Corporation, in its own name but are instead registered in the name of CDS or a Nominee;

"*Business Day*" means any day on which the Plan Agent's offices are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday, Sunday, or civic or statutory holiday in the province of Alberta or Ontario;

"*CDS*" means CDS Clearing and Depository Services Inc., which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions and other nominees, or its nominee, as applicable;

"*CDS Participants*" means Nominees in their capacity as participants in the CDS depository service who hold Shares registered in the name of CDS on behalf of Beneficial Owners, and who are acting on behalf of such Beneficial Owners in respect of the Plan;

"*Certificate*" means a physical security certificate representing Shares or, if at the relevant time the Corporation has in effect a direct registration system (DRS) providing for the holding of Shares in "book-entry" form, without issue of physical certificates, registered in the holder's name and registered electronically on the records of the Corporation's transfer agent, a DRS advice/statement confirming the number of Shares so held;

"*Class A Shares*" means the Class A non-voting shares in the capital of the Corporation;

"*Class B Shares*" means the Class B common shares in the capital of the Corporation;

"*Corporation*" means Canadian Utilities Limited;

"*Dividend Payment Date*" means a date on which a cash dividend is paid on Class A Shares or Class B Shares;

"*Dividend Record Date*" means a record date for determining entitlement to receive payment of a cash dividend on Class A Shares or Class B Shares;

"*DRIP Shares*" means Class A Shares purchased with reinvested cash dividends pursuant to the Plan;

"*Enrollment Form*" means the form established by the Corporation from time to time for the purpose of enrolling eligible Registered Holders (other than CDS) in the Plan;

"*Nominees*" means brokers, investment dealers, financial institutions and other nominees (other than CDS) who hold Shares on behalf of Beneficial Owners, either directly or through CDS, and who are acting on behalf of such Beneficial Owners in respect of the Plan;

"*Participants*" means Registered Holders who, on the applicable Dividend Record Date, are eligible to participate in the Plan as described herein and are duly enrolled in the Plan with respect to all or a specified portion of the Shares for which they are the holder of record on the share registers of the Corporation; provided, however, that CDS and Nominees, as the case may be, shall be Participants only to the extent that CDS or the Nominees, respectively, have enrolled in the Plan as Registered Holders on behalf of eligible Beneficial Owners;

"*Participation Rate*" means the extent to which a Participant (other than CDS) has elected to participate in the Plan, expressed as the percentage of cash dividends on Shares registered to the Participant and held outside of a Plan Account that the Participant has specified, in its Enrollment Form, are to be reinvested in DRIP Shares;

"*Plan*" means this Canadian Utilities Limited Dividend Reinvestment Plan, as may be amended, supplemented or restated from time to time;

"*Plan Account*" means an account maintained by the Plan Agent for each Participant (other than CDS), to which are credited DRIP Shares acquired on behalf of the Participant in accordance with the provisions hereof;

"*Plan Agent*" means CIBC Mellon Trust Company, or such other party as may be appointed by the Corporation from time to time to administer the Plan and act as "Plan Agent" hereunder;

"*Plan Shares*" means, at any time, DRIP Shares that have been credited to a Plan Account and are held by the Plan Agent on behalf of the applicable Participant at that time;

"*Registered Holder*" means a person who holds Shares that are registered, in the share registers of the Corporation, in its own name, whether such Shares are beneficially owned by such person or held in the person's capacity as a Nominee;

"*Share Owner*" means a holder of Class A Shares or Class B Shares; and

"*Shares*" means Class A Shares and Class B Shares.

### **3. Participation in the Plan**

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#### **3.1 Eligibility**

Share Owners who are resident in Canada or Australia and are not "U.S. persons" within the meaning of U.S. federal securities law may participate in the Plan.

Unless otherwise announced by the Corporation, Share Owners who are resident in any jurisdiction other than Canada or Australia cannot participate in the Plan.

For purposes of U.S. federal securities law, a "U.S. person" includes, without limitation, any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a U.S. person and any trust of which any trustee is a U.S. person.

The Corporation and the Plan Agent reserve the right to deny participation in the Plan (including by terminating enrollment) to any Share Owner who appears to be, or who the Corporation or the Plan Agent has reason to believe is, a resident of or otherwise subject to the laws of any jurisdiction the laws of which do not permit participation in the Plan by or on behalf of such Share Owner. Neither the Corporation nor the Plan Agent shall be responsible for providing advice regarding any person's eligibility to participate in the Plan under the laws to which such person may be subject.

#### **3.2 Withholding Taxes**

The Plan is subject to any withholding or deduction obligations that the Corporation may have with respect to taxes or any other charges under applicable laws. Accordingly, any dividend amounts to be reinvested pursuant to the Plan on behalf of Share Owners who are not residents of Canada will be subject to withholding taxes (or any similar charges applicable in respect of non-residents) and any amounts reinvested will be net of, and therefore reduced by, any amounts so required to be withheld.

#### **3.3 Initial Enrollment**

##### ***Registered Holders***

Registered Holders (other than CDS) may enroll in the Plan with respect to all or a specified portion of their Shares by delivering a completed Enrollment Form to the Plan Agent at the address indicated in Section 9.8. Registered Holders may obtain an Enrollment Form by contacting the Plan Agent as provided in Section 9.8 or from the Plan Agent's website at [www.canstockta.com/issuersOfferDRIPS.do](http://www.canstockta.com/issuersOfferDRIPS.do) or the Corporation's

website at [www.canadianutilities.com](http://www.canadianutilities.com). A completed Enrollment Form will, among other things, specify the Participant's desired Participation Rate.

CDS will, in accordance with custom and practice relating to the CDS depository system, provide separate instructions to the Plan Agent regarding the extent of its participation in the Plan on behalf of eligible Beneficial Owners.

The Enrollment Form or instructions from CDS will direct (or be deemed to direct, as applicable) the Corporation to credit the Plan Agent with the amount of all cash dividends (after deduction of any applicable withholding taxes or similar charges) payable on Shares with respect to which the Participant is enrolled in the Plan, and the Plan Agent to reinvest such amount in DRIP Shares in accordance with the Plan.

As at any Dividend Payment Date, a Participant will be considered to be enrolled in the Plan with respect to: (i) in the case of CDS, such number of Shares for which CDS is Registered Holder as is specified in the instructions that CDS provides to the Plan Agent for that Dividend Payment Date in accordance with custom and practice relating to the CDS depository system; and (ii) in the case of a Participant other than CDS, such number of Shares for which the Participant is Registered Holder as corresponds to the Participation Rate specified in the Participant's most recently delivered Enrollment Form that has become effective, plus all Plan Shares held in the Participant's Plan Account on such date.

**A completed Enrollment Form must be received by the Plan Agent no later than 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date in order to be effective for the corresponding cash dividend.** An Enrollment Form received by the Plan Agent from a Registered Holder after that time will not be effective for such dividend but will instead take effect for the next following and subsequent Dividend Payment Dates.

### ***Beneficial Owners***

An eligible Beneficial Owner who holds Shares registered in the name of CDS or a Nominee cannot directly enroll in the Plan in respect of those Shares, but may participate indirectly through a Nominee. An eligible Beneficial Owner who wishes to participate in the Plan must either (i) transfer the Shares into its own name and then enroll directly as a Registered Holder in the manner described above in this Section 3.3, or (ii) participate indirectly by making appropriate arrangements with the Nominee through which the Beneficial Owner holds its Shares to enroll in the Plan on its behalf.

If the Nominee holds the Shares in its own name (and not through CDS), it may, as a Registered Holder, enroll in the Plan on the Beneficial Owner's behalf by delivering a completed Enrollment Form to the Plan Agent. If the Shares are held indirectly through CDS, the Nominee will, as a CDS Participant, need to arrange for enrollment instructions to be communicated to CDS in accordance with the procedures of the CDS depository system, and CDS will in turn provide instructions to the Plan Agent regarding the extent of its participation on behalf of eligible Beneficial Owners.

The deadline for delivering an Enrollment Form specified above in this Section 3.3 applies equally to Nominees enrolling on behalf of eligible Beneficial Owners as it does to Registered Holders enrolling on their own behalf.

Where a Beneficial Owner wishes to enroll in the Plan indirectly through a CDS Participant in respect of Shares registered through CDS, appropriate instructions must be received by CDS from the applicable CDS Participant not later than such deadline preceding a Dividend Record Date as may be established by CDS from time to time (and the Plan Agent must in turn receive appropriate instructions from CDS in accordance with custom and practice relating to the CDS depository system) in order for the instructions to be effective in respect of the Dividend to which the Dividend Record Date relates.

**Beneficial Owners who wish to participate in the Plan should contact the Nominee through which they hold their Shares to provide instructions regarding their participation in the Plan, to confirm any information or documentation required to give effect to their instructions, to confirm the Nominee's policies concerning continued participation following initial enrollment, and to confirm any applicable deadlines or processing times that the Nominee may impose or be subject to under its own policies or those of the CDS depository system.** A Nominee may require certain information or documentation from an eligible Beneficial Owner before it will act upon enrollment instructions relating to the Plan.

### **3.4 Extent of Participation**

#### ***Registered Holders***

The extent to which a Participant (other than CDS) participates in the Plan at any Dividend Payment Date will depend on the Participation Rate specified in its most recently delivered Enrollment Form. A Participant (other than CDS) may subsequently change its Participation Rate by delivering to the Plan Agent a new Enrollment Form specifying the new Participation Rate.

The Participation Rate specified in an Enrollment Form will apply only in respect of Shares held outside of a Plan Account. All cash dividends paid on Plan Shares held in a Plan Account will, subject to the provisions of the Plan, be reinvested in further DRIP Shares.

If a new Enrollment Form specifying a new Participation Rate is not received by the Plan Agent before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date, the previous Participation Rate will apply to the corresponding cash dividend and the new Participation Rate will become effective for purposes of subsequent dividends only.

#### ***Beneficial Owners***

A Beneficial Owner who is enrolled in the Plan indirectly through a Nominee and wishes to change the extent to which it participates in the Plan must contact the Nominee through which it is enrolled and provide appropriate instructions. The Nominee should be consulted to confirm what information or documentation may be required to give effect to the change instructions and any applicable deadlines or processing times that the Nominee may impose or be subject to under its own policies or those of the CDS depository system.

### **3.5 Continued Enrollment**

#### ***Registered Holders***

A Participant (other than CDS) that has delivered a completed Enrollment Form will remain enrolled in the Plan with respect to (i) Shares that are registered to that Participant and held outside of the Participant's Plan Account according to the Participation Rate specified in the Participant's most recently delivered Enrollment Form, plus (ii) all Plan Shares held in the Participant's Plan Account, until such time as the Plan or the Participant's enrollment therein is terminated.

The enrollment of a Participant (other than CDS) will extend to Shares that (i) are acquired by the Participant after initial enrollment, (ii) are held outside of the Participant's Plan Account, and (iii) are registered under the same name in which the Participant initially enrolled, according to the same Participation Rate as is specified on the Participant's most recently delivered Enrollment Form, but will not extend to after-acquired Shares registered under a different name. A Participant that wishes to participate in the Plan with respect to after-acquired Shares registered under a different name should contact the Plan Agent to make appropriate arrangements.

#### ***Beneficial Owners***

Eligible Beneficial Owners who participate in the Plan indirectly through a Nominee should consult the Nominee to confirm its policies concerning continued participation following initial enrollment, including with respect to the reinvestment of cash dividends on after-acquired Shares held through that Nominee.

### **3.6 General Restrictions on Participation**

Subject to applicable law and regulatory policy, the Corporation reserves the right to determine, from time to time, a minimum number of Class A Shares or Class B Shares that a Participant must hold in order to be eligible to participate in, or continue to participate in, the Plan.

Without limitation, the Corporation further reserves the right to deny participation in the Plan (including by terminating enrollment) to any person (or their agent or nominee, as applicable) who, in the sole opinion of the Corporation, is participating in the Plan primarily with a view to arbitrage trading, is participating in the Plan as part of a scheme to avoid applicable legal requirements or engage in unlawful behavior, has been artificially accumulating securities of the Corporation for the purpose of taking undue advantage of the Plan to the detriment of the Corporation, or is resident in or otherwise subject to the laws of any jurisdiction that do not permit the person's participation in the Plan in the manner sought or might, if such participation was allowed, subject the Corporation to legal or regulatory requirements in the jurisdiction not otherwise applicable to the Corporation. The Corporation may also deny participation in the Plan (including by terminating enrollment) to any person (or their agent or nominee, as applicable) if the Corporation, in its sole discretion, deems it necessary or advisable under applicable law or regulatory policy.



### **3.7 Limit on Available Class A Shareholders' Equity**

The Corporation reserves the right to determine, for each Dividend Payment Date, the amount of new Class A shareholders' equity (if any) that will be available for purchase under the Plan on that date. If, for any Distribution Payment Date, the amount of new Class A shareholders' equity determined to be available for purchase is less than the number of DRIP Shares that would otherwise be issued under the Plan, then purchases of DRIP Shares on that date will be prorated among Participants according to the aggregate dividend amount sought to be reinvested by each.

Any cash dividends paid on Shares that are not reinvested under the Plan as a result of proration will be remitted to Participants in the ordinary manner.

### **3.8 Costs**

No commissions or service charges are payable by Participants to the Corporation or the Plan Agent in connection with the purchase of DRIP Shares, and the Corporation will pay all administrative costs of operating the Plan.

The Corporation will not be responsible for any fees or other costs that may be charged to Beneficial Owners by or on behalf of any Nominee through which they hold their Shares (including fees or other costs, if any, that may be charged by CDS). Accordingly, a Beneficial Owner who wishes to participate in the Plan indirectly through a Nominee should consult that Nominee to confirm whether its policies might result in any fees or other costs becoming payable by the Beneficial Owner.

### **3.9 Deemed Representations, Directions and Authorizations**

By enrolling in the Plan, whether directly as a Participant or indirectly through Nominee, a Share Owner shall be deemed to have: (i) represented and warranted to the Corporation and the Plan Agent that it is eligible to participate in the Plan having regard to the eligibility requirements set forth herein; (ii) appointed the Plan Agent to receive from the Corporation, and directed the Corporation to credit the Plan Agent with the amount of all cash dividends (after deduction of any applicable withholding taxes or similar charges) payable on Shares with respect to which the applicable Registered Holder is enrolled in the Plan; and (iii) authorized and directed the Plan Agent to reinvest such amount in DRIP Shares, all in accordance with the provisions hereof.

## **4. The Plan Agent**

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### **4.1 Administration of the Plan**

CIBC Mellon Trust Company has been appointed to administer the Plan on behalf of the Corporation and the Participants. If CIBC Mellon Trust Company ceases to act as Plan Agent for any reason, another qualified party will be designated by the Corporation to act as Plan Agent and Participants will be sent notice of the change.

All funds credited to the Plan Agent under the Plan on account of cash dividends (less any applicable withholding taxes or similar charges) to be reinvested, will be applied to the purchase of DRIP Shares from treasury of the Corporation. In no event will interest

or any other compensation be paid to Participants on any funds held for reinvestment under the Plan.

#### **4.2 Dealing in Corporation Securities**

The Plan Agent or its affiliates may, from time to time, for their own account or on behalf of accounts managed by them, deal in securities of the Corporation and will not be liable to account to the Corporation or to Participants in respect of such dealings.

#### **4.3 Regulatory Compliance**

In performing its services as contemplated herein, the Plan Agent will be required to comply with applicable laws and regulatory requirements, which may impose on the Plan Agent a duty to take or refrain from taking any action under the Plan notwithstanding the provisions hereof, and to permit any properly authorized person to have access to and to examine and make copies of any records relating to the Plan.

#### **4.4 Resignation of Plan Agent**

The Plan Agent may resign as Plan Agent under the Plan on such terms as may be agreed between the Corporation and the Plan Agent. If the incumbent Plan Agent resigns, then another qualified party will be designated by the Corporation to act as Plan Agent and Participants will be sent notice of the change

### **5. Purchase of Class A Shares Under the Plan**

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#### **5.1 Class and Source of DRIP Shares**

All DRIP Shares issuable on the reinvestment of cash dividends will be Class A Shares issued from treasury of the Corporation. **Under no circumstance will Class B Shares be issued under the Plan.**

#### **5.2 Purchase of DRIP Shares**

On each Dividend Payment Date, the Corporation will credit to the Plan Agent all cash dividends (less any required deductions for withholding taxes or similar charges) payable on Shares enrolled in the Plan (including all Plan Shares held in Participants' Plan Accounts on such date), which will be aggregated and applied by the Plan Agent to the purchase of DRIP Shares on that Dividend Payment Date.

#### **5.3 Subscription Price**

The subscription price of DRIP Shares purchased on any Dividend Payment Date will be equal to the Average Market Price for that date multiplied by a factor (the "**Discount Factor**") between 0.95 (which would result in a subscription price for DRIP Shares equal to 95% of the Average Market Price) and 1.0 (which would result in a subscription price for DRIP Shares equal to 100% of the Average Market Price), as determined by the Corporation from time to time.

As at July 11, 2012, the Discount Factor is 0.98 and the subscription price for DRIP Shares is therefore 98% of the Average Market Price.

The Corporation may periodically change the Discount Factor to any number between 0.95 and 1.0, without retroactive effect, and will publicly announce any such change within ten (10) Business Days of the change becoming effective.

#### **5.4 Crediting of DRIP Shares**

DRIP Shares purchased on behalf of a Participant other than CDS will be credited to that Participant's Plan Account, and in the case of CDS will be credited through CDS to the accounts of the applicable CDS Participants on behalf of the eligible Beneficial Owners for whom they are acting. For further information on the registration of Plan Shares see Sections 8.1 and 8.2.

#### **5.5 Fractional Shares**

Full reinvestment is possible under the Plan as the Plan Agent will credit to Plan Accounts, on each reinvestment made under the Plan, fractions of DRIP Shares, calculated to three decimal places, for any amount that cannot be reinvested in whole DRIP Shares. The crediting of fractions of DRIP Shares in favour of Beneficial Owners who participate in the Plan through a Nominee will depend on the policies of that Nominee.

In certain events described in the Plan, a Participant (or, in the circumstances contemplated in Section 7.2, the legal representative of a deceased Participant) will be entitled to receive payment (less any required deductions for withholding taxes or similar charges) for any residual fraction of a whole Plan Share remaining in the Participant's account based on the last price at which cash dividends were reinvested under the Plan. Upon any such payment being sent to the Participant or its legal representative, the Participant's fractional DRIP Shares will be conclusively deemed to be cancelled. Any such payment will be made after deduction of applicable withholding taxes or similar charges, if any, and will be denominated in Canadian dollars.

### **6. Withdrawal and Disposition of DRIP Shares**

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#### **6.1 Withdrawal of DRIP Shares**

A Participant (other than CDS) may, without terminating participation in the Plan, withdraw from its Plan Account any specified number of whole Plan Shares then held on the Participant's behalf, on written request delivered to the Plan Agent and signed by the Participant. A form of withdrawal notice may be included in the periodic statements of account sent pursuant to Section 8.3 and otherwise made available on request by contacting the Plan Agent at the address indicated in Section 9.8. On the withdrawal becoming effective, the Plan Agent will, in accordance with Section 8.2, send to the Participant a Certificate representing the withdrawn Class A Shares.

If a completed withdrawal notice is not received by the Plan Agent before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date, the withdrawal will not become effective until after the corresponding Dividend Payment Date.

Certificate preparation and delivery will be processed and completed in accordance with the Plan Agent's ordinary service standards.

## **6.2 Disposition of DRIP Shares**

Plan Shares cannot be sold, pledged, hypothecated, assigned or otherwise disposed of or transferred while held in a Plan Account. A Participant who wishes to sell, pledge, hypothecate, assign or otherwise dispose of or transfer any Plan Shares held in its Plan Account must first withdraw such Class A Shares in the manner specified in Section 6.1.

The Plan does not restrict the disposition or transfer of DRIP Shares held outside of a Plan Account, subject to compliance with applicable laws and regulatory requirements.

## **6.3 Securities Law Compliance**

Share Owners are responsible for complying with all applicable laws and regulatory requirements in connection with the trading of any securities, including DRIP Shares, and are urged to consult their legal advisors for advice on any applicable trading restrictions.

Certificates representing DRIP Shares may bear such legends regarding trading restrictions as may be required under applicable laws or regulatory requirements or as the Corporation may otherwise consider necessary or advisable.

## **7. Termination of Enrollment**

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### **7.1 Termination by Participant**

A Participant (other than CDS) may terminate its enrollment in the Plan on written request delivered to the Plan Agent and signed by the Participant. A form of termination notice may be included in the periodic statements of account sent pursuant to Section 8.3 and otherwise made available on request by contacting the Plan Agent at the address indicated in Section 9.8. On the termination becoming effective, the Participant's Plan Account will be closed and the Plan Agent will, in accordance with Section 8.2, send to the Participant a Certificate representing all whole Plan Shares then held in the Participant's Plan Account and payment (less any applicable withholding taxes or similar charges) for any residual fraction of a whole Plan Share remaining in the Plan Account based on the last price at which cash dividends were reinvested under the Plan.

If a completed termination notice is not received by the Plan Agent before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date, termination of enrollment will not become effective, the Participant's account will not be closed, and the Participant's enrollment in the Plan will not be terminated, until after the corresponding Dividend Payment Date.

A Beneficial Owner who is enrolled in the Plan indirectly through a Nominee and wishes to terminate its participation in the Plan must contact the Nominee through which it is enrolled and provide appropriate termination instructions. The Nominee should be consulted to confirm what information or documentation may be required to give effect to the termination instructions and any applicable deadlines or processing times that the Nominee may impose or be subject to under its own policies or those of the CDS depository system.

## **7.2 Death of an Individual Participant**

An individual Participant's participation in the Plan will be terminated following receipt by the Plan Agent of written notice of the Participant's death from the deceased Participant's legal representative, together with such evidence regarding the representative's authority and the Participant's death as the Corporation and the Plan Agent may reasonably require. On the termination becoming effective, the Participant's Plan Account will be closed and the Plan Agent will, in accordance with Section 8.2, send to the legal representative a Certificate representing all whole Plan Shares then held in the deceased Participant's Plan Account and payment (less any applicable withholding taxes or similar charges) for any residual fraction of a whole Plan Share remaining in the Plan Account based on the last price at which cash dividends were reinvested under the Plan.

If a notice of an individual Participant's death together with all required evidence regarding the representative's authority and the Participant's death is not received by the Plan Agent before 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date, termination of enrollment will not become effective, the Participant's account will not be closed, and the Participant's enrollment in the Plan will not be terminated, until after the corresponding Dividend Payment Date.

## **7.3 Termination by the Corporation**

On a Participant's participation in the Plan being terminated by the Corporation in any circumstance described under Section 3.6, Participant's Plan Account will be closed and the Plan Agent will send to the Participant a Certificate representing all whole Class A Shares then held in the Participant's Plan Account and payment (less any applicable withholding taxes or similar charges) for any residual fraction of a whole Plan Share remaining in the Plan Account based on the last price at which cash dividends were reinvested under the Plan.

## **8. Administration**

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### **8.1 Maintenance of Plan Accounts**

The Plan Agent will maintain a Plan Account for each Participant (other than CDS) with respect to purchases of DRIP Shares for the Participant's benefit, and credit to each Participant's Plan Account, effective each Dividend Payment Date on which DRIP Shares are purchased for the Participant's benefit, all such DRIP Shares so purchased.

### **8.2 Registration of DRIP Shares and Issue of Certificates**

All Plan Shares held in Plan Accounts will be registered in the name of the Plan Agent or its nominee or in accounts designated by it. This service protects against loss, theft or destruction of physical share certificates. The number of Plan Shares held by each Participant (other than CDS) in its Plan Account will be shown on its statement of account provided under Section 8.3.

Certificates for whole Plan Shares will only be issued to Participants if the Plan or the Participant's participation therein is terminated (including on an individual's death) or a Participant (other than CDS) withdraws whole Plan Shares from its Plan Account.

Certificate preparation and delivery will be processed and completed in accordance with the Plan Agent's ordinary service standards.

Under no circumstance will a person be entitled to receive a Certificate for any fraction of a Plan Share.

The Plan Agent will not maintain a Plan Account for CDS. DRIP Shares purchased with cash dividends paid on Shares registered to CDS will be credited through CDS to the accounts of the applicable CDS Participants on behalf of the eligible Beneficial Owners for whom they are acting.

### **8.3 Statements of Account**

The Plan Agent will maintain a Plan Account for each Participant (other than CDS) with respect to purchases of DRIP Shares for the Participant's benefit, and will send or otherwise make available to each such Participant (other than CDS) an unaudited statement regarding account activity each quarter. These statements are a Participant's continuing record of purchases of DRIP Shares made for its account under the Plan and should be retained for income tax purposes.

Whether or not it receives detailed statements or reports concerning transactions made for its account under the Plan, each Share Owner that participates directly or indirectly in the Plan is responsible for calculating and monitoring its own adjusted cost base in Shares for Canadian federal income tax purposes, as certain averaging and other rules may apply and such calculations may depend on the cost of other Shares held by the Share Owner and other factors, and for otherwise complying with its obligations under any tax laws to which the Share Owner is subject.

Beneficial Owners who participate in the Plan indirectly through a Nominee will not receive statements from the Plan Agent or the Corporation and should consult the Nominee to confirm what statements or reports, if any, will be provided by the Nominee, whether for tax reporting purposes or otherwise.

### **8.4 Tax Consequences**

**Participation in the Plan does not relieve Share Owners of any liability for taxes that may be payable in respect of cash dividends that are reinvested pursuant to the Plan.** Share Owners interested in enrolling in the Plan are advised to consult with their own tax advisors as to the consequences of doing so in their particular circumstances.

Neither the Corporation nor the Plan Agent assume or accept any responsibility for any income or other tax consequences to any Participant, Beneficial Owner or other person of participating in, and acquiring beneficial ownership of Class A Shares pursuant to, the Plan, or any subsequent dealing in such Class A Shares.

## **8.5 Liabilities of the Corporation and Plan Agent**

Neither the Corporation nor the Plan Agent will be liable to any Share Owner, CDS or any CDS Participant or other Nominee for or in respect of:

- (a) any act or omission to act, or will have any duties, responsibilities or liabilities, except as expressly set forth in the Plan or required by law;
- (b) any contravention by any Share Owner of any applicable securities laws with respect to participation in the Plan or the acquisition or disposition of DRIP Shares;
- (c) any failure or delay by CDS, a CDS Participant or any other Nominee to enroll or not enroll in the Plan on behalf of any Beneficial Owner (or, as applicable, any Shares held on the Share Owner's behalf) in accordance with the Beneficial Owner's instructions, or to not otherwise act upon or in accordance with a Beneficial Owner's instructions;
- (d) any determination made by the Corporation or the Plan Agent regarding a Share Owner's eligibility to participate in the Plan, including the involuntary termination of a Participant's enrollment in the Plan in the circumstances described herein;
- (e) the continued enrollment in the Plan of any Share Owner (or, as applicable, any Shares held on the Share Owner's behalf) until receipt of all necessary documentation as provided herein required to terminate participation in the Plan;
- (f) the prices and times at which DRIP Shares are purchased on behalf of Participants, including any decision to change the subscription price at which DRIP Shares are issued;
- (g) any decision by the Corporation to amend, suspend, terminate or replace the Plan in accordance with the terms hereof;
- (h) any failure to terminate an individual Participant's enrollment in the Plan upon such Participant's death before receipt of actual notice of death; or
- (i) income taxes or other liabilities payable by any Participant or Beneficial Owner in connection with their receipt of dividends or their participation in the Plan.

Neither the Corporation nor the Plan Agent can assure a profit or protect against a loss on DRIP Shares purchased under the Plan.

The Corporation and the Plan Agent have the right to reject any request regarding enrollment in or termination from the Plan or a withdrawal of Plan Shares if not received in proper form. Any such request will be deemed invalid until any irregularities have been resolved to the satisfaction of the Corporation and/or the Plan Agent, acting reasonably.

## **9. Miscellaneous**

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### **9.1 Voting of DRIP Shares**

The Class A Shares are generally non-voting securities. In the event of any matter on which the holders of Class A Shares will have a right to vote, whole Plan Shares held in a Participant's Plan Account on the record date for such vote will be voted in accordance with the instructions of the Participant, or its duly appointed proxyholder, given on a form to be furnished to the Participant. Plan Shares for which voting instructions are not received will not be voted. No voting rights will attach to any fraction of a Plan Share held in a Participant's Plan Account.

### **9.2 Share Splits, Consolidations, Stock Dividends or Rights Offerings**

In the event of a subdivision, consolidation or similar pro rata change in the number of outstanding Class A Shares into a greater or lesser number of Class A Shares, including by means of stock dividend, the Plan Agent will proportionately credit or debit, as applicable, each Participant's Plan Account according to the number of Plan Shares held therein at the relevant time.

If the Corporation makes available to Share Owners any rights to subscribe for additional Shares or other securities, such rights will also be made available with respect to whole Plan Shares held in a Participant's Plan Account, and appropriate documentation will be forwarded to Participants. No such rights will accrue with respect to any fraction of a Plan Share held in a Participant's Plan Account.

### **9.3 Amendment, Suspension or Termination of the Plan**

The Corporation reserves the right to amend, suspend or terminate the Plan at any time, provided that no such action shall have retroactive effect that is prejudicial to Participants.

#### **(a) Amendment**

Unless otherwise required hereunder, no written notice of the amendment will be sent to Participants unless, in the opinion of the Corporation, acting reasonably and in good faith, the amendment is materially prejudicial to Participants. Generally, no notice will be given to Participants regarding any amendments to the Plan intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions. Where required, amendments to the Plan will be subject to prior regulatory approvals, including those of any applicable stock exchanges.

The Corporation will publicly announce material amendments to the Plan.

For clarity, a decision by the Corporation to change the Discount Factor and therefore the subscription price at which DRIP Shares are to be issued under the Plan, as described in Section 5.3, does not constitute an amendment to the Plan provided that the changed Discount Factor is within the permissible range specified in Section 5.3.



**(b) Suspension**

The Corporation may from time to time determine to suspend the Plan and therefore the availability of new Class A shareholders' equity available for purchase hereunder. The Corporation will publicly announce any such suspension and, as applicable, subsequent reinstatement of the Plan, but will not otherwise be required to provide notice to Participants of the suspension or reinstatement. A suspension of the Plan will not operate to terminate the Plan or the direct enrollment of any Participant herein.

Any cash dividends paid on Shares while the Plan is suspended that would, but for the suspension, have been reinvested under the Plan will instead be remitted to Participants in the ordinary manner.

**(c) Termination**

If the Corporation terminates the Plan, the Plan Agent will send to each Participant (other than CDS) notice of the termination and a Certificate representing all whole Plan Shares then held in the Participant's Plan Account and payment for any residual fraction of a whole Plan Share remaining in the Plan Account based on the last price at which cash dividends were reinvested under the Plan. Any cash dividends paid on Shares following termination of the Plan will be remitted to Participants in the ordinary manner.

**9.4 Assignment**

A Share Owner cannot assign its right to participate in the Plan.

**9.5 Rules; Interpretation**

The Corporation may make rules to facilitate the administration of the Plan, including for the establishment of Internet-based or other electronic means of enrolling in the Plan or communicating information to Participants, and reserves the right to interpret the Plan text as the Corporation deems necessary or desirable. Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Corporation.

**9.6 Governing Law**

The Plan will be governed by and construed in accordance with the laws of the province of Alberta and the federal laws of Canada applicable therein.

**9.7 Attributes of Class A Shares**

A description of the material attributes and characteristics of the Class A Shares is contained in the most recent Annual Information Form of the Corporation, a copy of which is available at [www.sedar.com](http://www.sedar.com) or from the Corporation's website at [www.canadianutilities.com](http://www.canadianutilities.com). A copy of the Annual Information Form may also be obtained on request, without charge, by contacting the Corporation as provided in Section 9.8.

## **9.8 Correspondence and Inquiries**

All correspondence, notices, other documents or payments required under the Plan to be given or delivered to Participants, including Certificates, shall be validly given or delivered if mailed to Participants at their respective addresses as recorded in the register of Share Owners maintained by the registrar and transfer agent of the Corporation or, in the case of CDS, if given in accordance with custom and practice relating to the CDS depository system.

Correspondence or inquiries to the Plan Agent shall be sent to:

CIBC Mellon Trust Company  
c/o American Stock Transfer Company Inc.  
P.O. Box 4229  
Station A  
Toronto, ON M5W 0G1

Attention: Dividend Reinvestment

Telephone: 1-800-387-0825 (Canada/US) or (416) 682-3860

Facsimile: (888) 488-1416

Email: [inquiries@canstockta.com](mailto:inquiries@canstockta.com)

Correspondence or inquiries to the Corporation shall be sent to:

Canadian Utilities Limited  
1500, 909 – 11th Avenue S.W.  
Calgary, AB T2R 1N6

Attention: Investor Relations

Telephone: (403) 292-7500

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

## **9.9 Effective Date**

The effective date of this Plan is July 11, 2012.