



CANADIAN UTILITIES LIMITED
An **ATCO** Company

Dividend Reinvestment Plan

QUESTIONS AND ANSWERS

The following series of questions and answers explains some of the key features of the Dividend Reinvestment Plan of Canadian Utilities Limited (the "**Corporation**") dated January 13, 2022 (the "**Plan**").

The information below is of a summary nature only and expressly subject to the complete text of the Plan, a copy of which may be obtained from TSX Trust Company, as Plan Agent, at any time upon request or from the Plan Agent's website at www.tsxtrust.com/a/investor-hub/ or the Corporation's website at www.canadianutilities.com. Share Owners of the Corporation should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan.

Terms used but not defined herein shall have the meanings attributed thereto in the Plan as of January 13, 2022.

1. What does the Plan offer?

If you are an eligible Share Owner of the Corporation, the Plan will enable you to reinvest all or a specified portion of the cash dividends paid on your Class A Shares or Class B Shares in additional Class A Shares.

By participating in the Plan, you effectively choose to receive additional Class A Shares in lieu of cash dividends. These additional Class A Shares are referred to as "DRIP Shares" in the Plan.

Any DRIP Shares purchased on your behalf under the Plan will be issued from treasury of the Corporation on the applicable Dividend Payment Date.

2. What is the price per share at which dividends will be reinvested under the Plan?

DRIP Shares will be purchased on each Dividend Payment Date at a price per share equal to the Average Market Price for that date multiplied by the Discount Factor then in effect. The Discount Factor will be fixed in advance, can be any number between 0.95 and 1.0 and may be changed during the term of the Plan.

As at January 13, 2022, the Discount Factor is 0.98 and the price per share at which cash dividends are reinvested under the Plan is therefore 98% of the Average Market Price.

The term "Average Market Price" is defined in the Plan to mean, for any Dividend Payment Date, the volume weighted average trading price of the Class A Shares 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.

3. Do I have a choice whether to participate in the Plan?

Participation in the Plan is voluntary. If no action is taken to enroll in the Plan then the Corporation will continue to pay cash dividends in the ordinary manner.

4. Are there potential tax consequences to participating in the Plan?

Participation in the Plan does not relieve you of any liability for taxes that may be payable in respect of cash dividends that are reinvested for your benefit pursuant to the Plan. If you are interested in enrolling in the Plan you should consult with your tax advisor as to the consequences of doing so in your particular circumstances.

5. Is the Plan open to all Share Owners?

Your eligibility to participate in the Plan will generally depend on the jurisdiction in which you are resident.

As at January 13, 2022, only 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. Accordingly, 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 also reserve the right to deny participation in the Plan (including by terminating enrollment) in certain extraordinary circumstances described in the Plan.

6. Is there a cost to participating in the Plan?

No commissions or service charges are payable 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.

7. How do I enroll in and participate in the Plan?

The manner in which you enroll in and otherwise participate in the Plan will generally depend on whether your Shares are:

- registered in your own name in the share registers of the Corporation, such that you are a Registered Holder within the meaning of the Plan; or

- beneficially owned by you but registered in another party's name in the share registers of the Corporation, such that you are a Beneficial Owner within the meaning of the Plan.

If your Shares are listed in an account statement provided to you by a broker or some other intermediary, then those Shares will likely be registered in another party's name in the share registers of the Corporation and you will be a Beneficial Owner for purposes of the Plan.

The Plan Agent is not able to accept instructions from Beneficial Owners regarding participation in the Plan. Accordingly, only Registered Holders may directly enroll in the Plan. Beneficial Owners may participate in the Plan but must do so indirectly via the broker, investment dealer, financial institution or other Nominee through which they hold their Shares.

Beneficial Owners

Most Share Owners hold their Shares through a Nominee, such as a broker, investment dealer or financial institution. This type of Share Owner is referred to as a "Beneficial Owner" in the Plan.

If you are a Beneficial Owner and wish to enroll in and otherwise participate in the Plan you must contact the broker, investment dealer, financial institution, or other Nominee through which you hold your Shares to:

- provide instructions regarding your participation in the Plan (including any subsequent change in or termination of your participation);
- confirm any information or documentation required to give effect to your instructions;
- confirm whether, despite no commissions or service charges being payable to the Corporation or the Plan Agent in connection with the purchase of DRIP Shares, the Nominee's policies might nevertheless result in any fees or other costs becoming payable by the Beneficial Owner;
- confirm the Nominee's policies concerning continued participation following initial enrollment, including with respect to after-acquired Shares;
- confirm any applicable deadlines or processing times that the Nominee may impose or be subject to; and
- review any pre-existing instructions provided in regards to dividend reinvestment plans in general.

Registered Holders

Some Share Owners are directly recorded in the share registers of the Corporation as the holder of their own Shares. This type of Share Owner is referred to as a "Registered Holder" in the Plan.

If you are a Registered Holder and wish to enroll in and otherwise participate in the Plan with respect to Shares that you beneficially own, then you should take particular note of the various administrative requirements set forth in the Plan, including the following matters applicable to Registered Holders:

- *Initial Enrollment* – You may enroll in the Plan by delivering a completed Enrollment Form to the Plan Agent. Your Enrollment Form will, among other things, specify your Participation Rate, which will determine the proportion of cash dividends on your Shares that are to be reinvested in DRIP Shares and the proportion that are still to be paid in cash.
- *Continued Enrollment* – Once you have enrolled in the Plan, your participation will continue with respect to (i) Shares registered to you and held outside of your Plan Account, including after-acquired Shares registered to you under the same name, according to your Participation Rate then in effect, plus (ii) all DRIP Shares held in your Plan Account. Your Participation Rate will apply only in respect of Shares held outside of your Plan Account, as all cash dividends paid on DRIP Shares held in Plan Accounts will, subject to the provisions of the Plan, be reinvested in further DRIP Shares. Please see Question #8 for further information regarding Plan Accounts.
- *Change in Participation* – You may change your Participation Rate by delivering a new Enrollment Form to the Plan Agent specifying the new Participation Rate.
- *Termination of Participation* – You may terminate your enrollment in the Plan on written request delivered to the Plan Agent and signed by you.
- *Document Deadlines* – You may deliver an Enrollment Form (including a new Enrollment Form specifying a new Participation Rate) or a termination notice at any time, but if it is received by the Plan Agent after 4:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding a Dividend Record Date it will not become effective until after the corresponding Dividend Payment Date. In effect, you will be restricted from changing your participation status during this limited period of time.

8. Where are my additional Class A Shares recorded after each reinvestment, and how do I get access to them?

The manner in which your additional Class A Shares are recorded and accessed will depend on whether you participate in the Plan directly as a Registered Holder or indirectly as a Beneficial Owner via the broker, investment dealer, financial institution or other Nominee through which you hold your Shares.

Beneficial Owners

DRIP Shares purchased on the reinvestment of cash dividends will be credited to the Registered Holder of the Shares on which the reinvested dividends were paid, either to the Plan Account maintained by the Plan Agent for the Registered Holder or, if the reinvested dividends were attributed to Shares registered to CDS, through the CDS depository service. For most Beneficial Owners, this typically results in DRIP Shares purchased for their benefit being credited to Nominee accounts, often through the CDS

depository service, and thereafter reflected in the account statements the Beneficial Owners receive from their brokers or other intermediaries. The particulars of any such reporting will depend on the relationship between the Beneficial Owner and the Nominee through which the Shares are held.

If you are a Beneficial Owner and participate in the Plan through a Nominee, you should consult that Nominee to confirm its reporting practice. You will not receive statements of account directly from the Plan Agent or the Corporation regarding purchases of DRIP Shares made for your benefit.

Your access to DRIP Shares will similarly depend on your relationship with the Nominee through which the DRIP Shares are held. Commonly, the DRIP Shares are simply added to the Shares already held through the same Nominee, and subsequent transactions in DRIP Shares are affected in the same manner as any other dealing in Shares conducted through that Nominee. If you have any questions in this regard you should consult your Nominee.

Registered Holders

If you are a Registered Holder and directly enrolled in the Plan with respect to Shares that you beneficially own, then the Plan Agent will maintain a Plan Account for you and credit to that account the DRIP Shares purchased for you on the reinvestment of your cash dividends. These purchases will be reflected in quarterly statements of account from the Plan Agent. This service protects against loss, theft or destruction of physical share certificates.

Only newly issued DRIP Shares will be credited to Plan Accounts. Enrollment in the Plan does not result in any transfer of your existing Shares into a Plan Account.

You will not have direct access to DRIP Shares for so long as they are held in your Plan Account, and in particular will not be able to sell or otherwise transfer them while they are so held. If you wish to transact in any such DRIP Shares you will need to withdraw them from your Plan Account.

You may withdraw from your Plan Account any number of whole DRIP Shares held on your behalf therein on written request delivered to the Plan Agent and signed by you, following which the Plan Agent will send you a Certificate representing the withdrawn Class A Shares. A Certificate representing any whole DRIP Shares remaining in your Plan Account will also be issued if the Plan, or your participation therein, is terminated for any reason.

9. Are there circumstances in which I will not be able to reinvest cash dividends under the Plan despite having elected to participate?

Your ability to reinvest under the Plan may be restricted or suspended during the term of the Plan. The Corporation reserves the right to determine, for each Dividend Payment Date, the amount of new Class A shareholders' equity that will be available for purchase under the Plan on that date, and may from time to time suspend the Plan altogether.

If, for any Distribution Payment Date, the amount of new Class A shareholders' equity 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 and any cash dividends not reinvested as a result will be remitted in the ordinary manner.

Similarly, 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 in the ordinary manner.

10. Where can I get further information?

If you have questions regarding the Plan, please direct them to the Plan Agent or to the Corporation as follows:

Plan Agent

TSX Trust Company
P.O. Box 4229
Station A
Toronto, ON M5W 0G1

Attention: Dividend Reinvestment

Telephone: 1-800-360-4519 (Canada/US) or 1-416-682-3860

Facsimile: (888) 488-1416

Email: shareholderinquiries@tmx.com

Corporation

Canadian Utilities Limited
4th Floor, West Tower
5302 Forand Street SW
Calgary, AB T3E 8B4

Attention: Investor Relations

Telephone: (403) 292-7500

Email: investorrelations@atco.com