



CANADIAN UTILITIES LIMITED  
**MANAGEMENT PROXY CIRCULAR**

NOTICE OF ANNUAL MEETING OF SHARE OWNERS  
TO BE HELD ON MAY 8, 2024

MARCH 11, 2024





## CANADIAN UTILITIES LIMITED

An **ATCO** Company

# NOTICE OF ANNUAL MEETING OF SHARE OWNERS

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When

Wednesday, May 8, 2024  
10:00 a.m.

Where

The Empire Ballroom  
Fairmont Hotel Macdonald  
10065 - 100 Street  
Edmonton, Alberta

### Business of the Meeting

The meeting's purpose is to:

1. Receive the consolidated financial statements for the year ended December 31, 2023, including the auditor's report on the statements
2. Elect the directors
3. Appoint the auditor
4. Transact other business that may properly come before the meeting.

Holders of Class B common shares registered at the close of business on March 26, 2024 are entitled to vote at the meeting. The management proxy circular dated March 11, 2024 includes important information about what the meeting will cover and how to vote.

By order of the Board of Directors,

*[Signed by K.M. Brunner]*

K.M. Brunner  
Senior Vice President, General Counsel & Corporate Secretary

Calgary, Alberta  
March 11, 2024



## CANADIAN UTILITIES LIMITED

An **ATCO** Company

March 11, 2024

Dear Share Owner:

On behalf of our Board of Directors, executive leadership team and employees, it is my sincere pleasure to invite all holders of Class A non-voting shares and Class B common shares of Canadian Utilities Limited (Canadian Utilities) to attend the 97th annual meeting of Canadian Utilities Limited share owners. The meeting will be held in person at the Empire Ballroom at the Fairmont Hotel Macdonald, 10065 - 100 Street, Edmonton, Alberta on Wednesday, May 8, 2024 at 10:00 a.m. local time.

Holders of Class B common shares are entitled to vote on the items of business at the meeting. In addition to the formal business of the meeting, you will hear management's review of Canadian Utilities' 2023 operational and financial performance. You will have the opportunity to ask questions and to meet with management, directors and fellow share owners.

### *Our Performance*

Companies that grow sustainably over the long term, as Canadian Utilities has, must continually adapt to a changing world, including new technologies, geopolitical upheaval, evolving customer expectations, and ambitious government policy. Amid a heightened focus on energy affordability, security, and reliability—alongside the continued societal imperative to reduce emissions—the people of Canadian Utilities have executed to the highest standards, and are positioning our businesses to deliver truly sustainable value for customers, communities, and share owners for generations to come.

Noteworthy achievements from the prior year include the following:

- a. We announced the creation of two distinct operating units within Canadian Utilities to provide an enhanced level of focus for our utilities as well as our non-regulated energy businesses. Concurrent with this announcement, we appointed Wayne Stensby as Chief Operating Officer, ATCO Energy Systems, the newly branded gas and electrical utility services business, which also oversees our interests in LUMA Energy. Bob Myles was appointed Chief Operating Officer, ATCO EnPower, our newly branded non-regulated energy business, which includes renewables, clean fuels, and energy storage.
- b. We built upon our world-class expertise in clean fuels and forged new partnerships around the world. In early April, we announced that Canadian Utilities and The Kansai Electric Power Co., Inc. would be collaborating to develop an integrated clean fuels supply chain between Canada and Japan. In October, we announced that a consortium that includes ATCO Australia had been selected as the preferred partner to design a 250-megawatt (MW) hydrogen production facility, a 200-MW hydrogen-fuelled electricity generation facility, and a hydrogen storage facility near Whyalla, South Australia. The consortium has committed to an Early Contractor Involvement agreement with the state government that will see us undertake detailed project and engineering design, procurement of critical equipment, finalize contracting arrangements, and cost estimations.

- c. We built substantial momentum within our renewables business, completing world-class projects, securing new customers, and establishing new Indigenous equity partnerships. In January 2023, we successfully completed the acquisition of a portfolio of wind and solar assets in Alberta and Ontario. With the close of this acquisition, we also entered into a new 15-year renewable energy purchase agreement with Microsoft, under which Microsoft will purchase 150 MW of renewable energy generated by our newly acquired Forty Mile Wind Phase 1 Project in Alberta. In September, we announced a partnership with the Chiniki and Goodstone First Nations for the Deerfoot and Barlow solar projects in Calgary—the largest solar installation in an urban centre in Western Canada at a combined 64 MW. With the announcement, the Nations became the majority owners of these facilities, both of which entered commercial operations in 2023. Also in September, we entered into a 12.5-year virtual power purchase agreement with Lafarge, which sees Lafarge’s Exshaw cement plant notionally purchase 100 per cent of the solar power generated from our 38.5-MW Empress project in Alberta.
- d. In December, we completed an exchange proposal to holders of Class B common shares other than ATCO Ltd. (ATCO) and certain of its related parties in order to simplify our capital structure, enhance liquidity for holders of Class B common shares and reduce administrative obligations. Under the terms of the transaction, each Class B common share held by a holder other than ATCO and certain of its related parties was exchanged for 1.1 Class A non-voting shares of Canadian Utilities. Following the completion of the transaction, the only remaining holders of Class B common shares are ATCO and certain of its related parties, and the Class B common shares have been delisted from the Toronto Stock Exchange.
- e. Our crews responded heroically to one of the most destructive wildfire seasons in Canadian history. Throughout the crisis, our electric and natural gas teams worked tirelessly to respond, assess, and repair critical energy infrastructure—minimizing the risk and duration of outages for the customers we serve. Further, in May we announced a \$100,000 corporate donation to the Canadian Red Cross 2023 Alberta Fire Appeals and the Northwestern Alberta Emergency Recovery Fund. We also established the ATCO Family Fire Relief Program – a dedicated fund to assist employees affected by the fires.

These are just a few examples of the exciting projects and initiatives we are pioneering around the world. Our performance is due in no small part to the expertise and operational excellence of our executive leadership team. Compensation for our executives is linked to achieving goals that create sustainable share owner value, and that are aligned with our long-term strategic plan.

We invite you to read more about our approach to executive compensation, as well as Canadian Utilities’ 2023 performance and awards, starting on Page [56](#) in the accompanying management proxy circular.

We greatly look forward to the opportunity to see you all once again. A webcast of the meeting will be available at [www.canadianutilities.com](http://www.canadianutilities.com) shortly after the meeting, and our 2023 Annual Report is available online. Please visit our website during the year for information about your company.

Sincerely,

*[Signed by N.C. Southern]*

N.C. Southern  
Chair & Chief Executive Officer

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# FREQUENTLY USED TERMS

<b>Board</b>	Board of Directors of Canadian Utilities Limited
<b>CD&amp;A</b>	Compensation Discussion & Analysis
<b>CEO</b>	Chief Executive Officer
<b>Circular</b>	Canadian Utilities' Management Proxy Circular dated March 11, 2024
<b>Class A shares</b>	Class A non-voting shares of Canadian Utilities
<b>Class B shares</b>	Class B common shares of Canadian Utilities
<b>Code</b>	Code of Ethics
<b>DAD</b>	Designated Audit Director
<b>GOCOM</b>	Corporate Governance - Nomination, Compensation & Succession Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>LUMA</b>	LUMA Energy, LLC
<b>Non-Registered Share Owner</b>	Your shares are held in the name of a nominee (usually a bank, broker or trust company)
<b>proxy form</b>	Form of Proxy
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Registered Share Owner</b>	Your name appears on your share certificate
<b>SAR</b>	Share Appreciation Right
<b>SEDAR+</b>	System for Electronic Document Analysis and Retrieval+
<b>Sentgraf</b>	Sentgraf Enterprises Ltd.
<b>TSX Trust</b>	TSX Trust Company

All information in this management proxy circular is as of March 11, 2024, unless otherwise indicated.

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

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

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

*ATCO* means ATCO Ltd.

# ABOUT THE MEETING

## WHO CAN VOTE

Canadian Utilities has two classes of common shares – Class A non-voting shares (Class A shares) and Class B common shares (Class B shares). The Class B shares are the only shares that can be voted at the meeting. Each Class B share held at the close of business on March 26, 2024 entitles the holder thereof to one vote. The holders of Class A shares are entitled to attend and participate in discussions at share owner meetings but are not entitled to vote.

## SHARE OWNERSHIP RIGHTS

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

## MAJORITY SHARE OWNER

	<b>Number of Class B Shares Owned or Controlled</b>	<b>Percentage of Outstanding Class B Shares Owned or Controlled</b>
Majority Share Owner	66,598,854	100%

On March 11, 2024, there were 66,598,854 Class B shares outstanding. To the knowledge of the directors and officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class B shares is ATCO Ltd. ATCO owns 66,309,246 Class B shares representing 99.6 per cent of the outstanding Class B shares. ATCO is controlled by Sentgraf Enterprises Ltd. (Sentgraf) which in turn is controlled by the Sentgraf Spousal Trust (the Spousal Trust). Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. ATCO, Sentgraf, the Spousal Trust and the Margaret E. Southern Spousal Trust (the MES Spousal Trust) are collectively referred to as the Majority Share Owner.

## VOTING PROCESS Q&A

### Q. Am I entitled to vote?

A. Only holders of Class B shares at the close of business on March 26, 2024 are entitled to vote. Each Class B share entitles its holder to one vote. The only Class B share owners are ATCO, Sentgraf and the Margaret E. Southern Spousal Trust.

### Q. What will the Class B share owners be voting on?

A. The Class B share owners will be voting on the following matters:

- The election of 13 directors to Canadian Utilities' Board of Directors
- The appointment of the auditor

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

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

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

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

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

### Q. Can Class B share owners change their mind once they have submitted their proxy form?

A. Yes. A Class B share owner can complete another proxy form in the manner and time specified on the proxy form. The later-dated proxy form will replace the one submitted earlier. A Class B share owner can also revoke their proxy form by preparing a written statement to this effect, signed by the Class B share owner or their duly authorized attorney.

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

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

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



## DELIVERY OF MEETING MATERIALS

Meeting materials for registered share owners will be mailed on April 5, 2024.

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

Notice-and-Access requires us to post the Circular online for our Non-Registered Share Owners to access electronically. Non-Registered Share Owners will receive a package in the mail containing a notice that explains how to access and review the Circular, as well as how to request a paper copy at no charge.

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

As a Non-Registered Share Owner, you will only receive a paper copy of the Circular if you have already provided instructions to your nominee. If you would like to receive a paper copy of the Circular, please follow the instructions provided in your meeting material package. You may request a copy of the Circular, at no charge, until April 5, 2025.

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

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

## BUSINESS OF THE MEETING

### Review of the Financial Statements

Canadian Utilities' consolidated financial statements for the year ended December 31, 2023, together with the auditor's report, have been filed with the Canadian securities regulatory authorities and sent to Registered Share Owners and to Non-Registered Share Owners who requested them. The statements are also available on our website at [www.canadianutilities.com](http://www.canadianutilities.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The consolidated financial statements will be received at the annual meeting and you will have the opportunity to discuss the results with management.



### Election of the Directors

The 13 nominees proposed for election as directors of Canadian Utilities are listed beginning on Page [6](#).

The Board recommends that Class B share owners vote **FOR** the election of these 13 nominees. The term of office for each director will expire at the close of the next annual meeting of share owners.



### Appointment of the Auditor

The Board, on the recommendation of the Audit & Risk Committee, proposes that PwC be appointed as auditor to hold office until the next annual meeting of share owners. PwC, including its predecessor firm, Price Waterhouse LLP, has been Canadian Utilities' auditor for 43 years.

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

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

# DIRECTOR NOMINEES

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

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

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

The nominees' biographies, starting on Page [6](#), highlight their respective experience and attributes.

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

Information on director share ownership guidelines can be found on Page [44](#).

## BIOGRAPHIES



### MATTHIAS F. BICHSEL, PhD

Primary residence	Luzern, Switzerland
Director since	2014
Age	69
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 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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	68,879,059	99.99%
Other public company boards and committee memberships	Company	Since	Position			
	Petrofac Limited	2015	Senior Independent Director, Chairman of the Remuneration Committee, and member of the Compliance and Ethics Committee, Audit Committee, and Nomination Committee			
Shares held	Canadian Utilities					
	Class A shares	26,709				
<b>Total compensation in 2023:</b>		<b>\$220,000</b>				



## LORAIN M. CHARLTON

Primary residence	Calgary, Alberta, Canada
Director since	2006
Age	67
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,866,400	99.97%
	Audit & Risk	4/4	100%			
	GOCOM	3/3	100%			
Other public company boards and committee memberships	Company	Since	Position			
	AKITA Drilling Ltd.	2006	Director, Chair of the Audit Committee and a member of the Corporate Governance – Nomination, Compensation and Succession Committee			
	CU Inc.*	2008	Director and Chair of the Audit Committee			
Shares held	Canadian Utilities					
	Class A shares	51,168				
<b>Total compensation in 2023:**</b>		<b>\$279,800</b>				

\*CU Inc. is controlled by Canadian Utilities.

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



## ROBERT J. HANF, K.C.

Primary residence	Calgary, Alberta, Canada
Director since	2021
Age	61
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,868,252	99.97%
	Audit & Risk	4/4	100%			
	GOCOM	3/3	100%			

Other public company boards and committee memberships	Company	Since	Position
	N/A	N/A	N/A

Shares held	Canadian Utilities	
	Class A shares	36,335

<b>Total compensation in 2023*:</b>	<b>\$425,586</b>
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\*Consists of fees earned as a director of Canadian Utilities, ATCO Australia Pty Ltd, and LUMA Energy, LLC.



## KELLY C. KOSS-BRIX

Primary residence	Calgary, Alberta, Canada
Director since	2023
Age	38
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.

Skills and Experience	Functional Experience	
Primary Industry Background	Functional Experience	
Industrials	Governance International Business Marketing/Sales	Operations Risk Management Safety and Health

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board*	5/5	100%	Votes For:	66,873,840	99.98%
Other public company boards and committee memberships	Company	Since	Position			
	N/A	N/A	N/A			
Shares held	Canadian Utilities					
	Class A shares	1,088				
<b>Total compensation in 2023*:</b>		<b>\$146,385</b>				

\*Ms. Koss-Brix joined the Board on May 3, 2023.



## ROBERT J. NORMAND

Primary residence	Edmonton, Alberta, Canada
Director since	2008
Age	77
Independent	

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

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

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

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,873,865	99.98%
	Audit & Risk (Chair)	4/4	100%			
	Pension Fund (Chair)	3/3	100%			
Other public company boards and committee memberships	Company	Since	Position			
	CU Inc.*	2020	Director and member of the Audit Committee			
Shares held	Canadian Utilities					
	Class A shares	29,812				
Total compensation in 2023:**		\$272,800				

\*CU Inc. is controlled by Canadian Utilities.

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





## ALEXANDER J. POURBAIX

Primary residence	Calgary, Alberta, Canada
Director since	2019
Age	58
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 the contributions he has made to Alberta.

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

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,875,827	99.98%

Other public company boards and committee memberships	Company	Since	Position
		Cenovus Energy Inc.	2017

Shares held	Canadian Utilities	
	Class A shares	20,621

<b>Total compensation in 2023:</b>	<b>\$220,000</b>
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## HECTOR A. RANGEL

Primary residence	Mexico City, Mexico
Director since	2014
Age	76
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,877,944	99.98%
Pension Fund	3/3	100%				
Other public company boards and committee memberships	Company	Since	Position			
	GNP Seguros	2014	Director			
	Fresnillo PLC	2021	Director and member of the Audit Committee			
Shares held	Canadian Utilities					
	Class A shares	32,800				
<b>Total compensation in 2023:*</b>		<b>\$224,500</b>				

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



## LAURA A. REED

Primary residence	Wynn Vale, Australia
Director since	2014
Age	62
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.

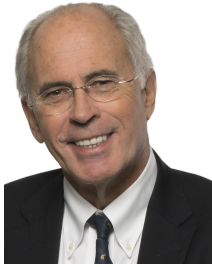
From 2016 until 2019, Ms. Reed was Chair of ERIC Alpha Holdings Pty Ltd and its subsidiaries, which owns 49 per cent of Ausgrid, an electricity distribution business in Australia. She was also a director of Ausgrid from 2013 until 2019. She was the Chief Executive Officer/Managing Director of Spark Infrastructure 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 Practising Accountants Australia.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,879,288	99.99%
Other public company boards and committee memberships	Company	Since	Position			
	Bass Oil Limited	2023	Director			
Shares held	Canadian Utilities					
	Class A shares	21,952				
Total compensation in 2023:*		\$284,055				

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



## ROBERT J. ROUTS, PhD

Primary residence	Brunnen, Switzerland
Director since	2023
Age	77
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board*	5/5	100%	Votes For:	66,879,392	99.99%
Other public company boards and committee memberships	Company	Since	Position			
	ATCO Ltd.**	2012	Lead Director, Chair of the Corporate Governance - Nomination, Compensation and Succession Committee and member of the Audit & Risk Committee			
Shares held	Canadian Utilities					
	Class A shares	11,738				
Total compensation in 2023*		\$208,443				

\*Mr. Routs joined the Board on May 3, 2023.

\*\*Canadian Utilities is controlled by ATCO.



## NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1990
Age	67
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board (Chair)	7/7	100%	Votes For:	66,877,280	99.98%
Other public company boards and committee memberships	Company	Since	Position			
	AKITA Drilling Ltd.	1992	Deputy Chair and Director			
	ATCO Ltd.*	1989	Chair, Director and Chief Executive Officer			
CU Inc.*	1999	Chair, Director and Chief Executive Officer				
Shares held	Canadian Utilities**					
	Class A shares	259,404				
<b>Total compensation in 2023:</b> Ms. Southern does not receive any compensation as a director of CU because she is an employee. See Page 63 for information on Ms. Southern's compensation.						

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

\*\*Shares held by the Majority Share Owner are excluded. Ms. Southern is one of three trustees of the Spousal Trust. See Majority Share Owner on Page 1.



## LINDA A. SOUTHERN-HEATHCOTT

Primary residence	Calgary, Alberta, Canada
Director since	2000
Age	61
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board (Vice Chair)	7/7	100%	Votes For:	66,869,144	99.97%
Pension Fund	3/3	100%				
Other public company boards and committee memberships	Company	Since	Position			
	AKITA Drilling Ltd.	1992	Executive Chair and Director			
	ATCO Ltd.*	2012	Vice Chair and Director			
	CU Inc.*	2017	Vice Chair and Director			
Shares held	Canadian Utilities**					
	Class A shares	27,552				
Total compensation in 2023: <sup>†</sup>		\$228,000				

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

\*\*Shares held by the Majority Share Owner are excluded. Ms. Southern-Heathcott is one of three trustees of the Spousal Trust. See Majority Share Owner on Page 1.

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



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

Primary residence	London, England
Director since	2020
Age	78
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.

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,865,712	99.97%
	Audit & Risk	4/4	100%			
	GOCOM (Chair)	3/3	100%			
Other public company boards and committee memberships	Company	Since	Position			
	ATCO Ltd.*	2014	Director and member of the Audit & Risk Committee			
Shares held	Canadian Utilities					
	Class A shares	22,570				
Total compensation in 2023:**		\$593,265				

\*Canadian Utilities is controlled by ATCO.

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



## WAYNE G. WOUTERS, PC, OC

Primary residence	Vancouver, British Columbia, Canada
Director since	2019
Age	72
Independent	

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

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

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

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

CU Board/ Committee memberships in 2023	Attendance			2023 AGM Voting Results		
	Board	7/7	100%	Votes For:	66,879,484	99.99%
Other public company boards and committee memberships	Company	Since	Position			
	Blackberry Ltd.	2015	Director and a member of the Audit and Risk Committee			
	Foran Mining Corporation	2021	Director			
Shares held	Canadian Utilities					
	Class A shares	17,235				
<b>Total compensation in 2023:</b>		<b>\$220,000</b>				



## SKILLS MATRIX

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

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

	Matthias F. Bichsel	Loraine M. Charlton	Robert J. Hanf	Kelly Koss-Brix	Robert J. Normand	Alexander J. Pourbaix	Hector A. Rangel	Laura A. Reed	Robert J. Routs	Nancy C. Southern	Linda A. Southern-Heathcott	Roger J. Urwin	Wayne G. Wouters
<b>Functional Experience</b>													
<b>Government/Regulatory</b> Significant experience working with local, provincial, national or international governments or gained public relations or government experience as a senior executive. Strong understanding of regulatory and non-governmental organizations that affect the Company's business.	✓		✓		✓	✓	✓	✓	✓	✓		✓	✓
<b>International Business</b> Significant experience managing a global enterprise across multiple jurisdictions with exposure to a range of political, cultural and business environments.	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
<b>Accounting/Finance/Economics</b> Significant financial experience as a senior officer responsible for an organization or experience working as a senior officer in financial accounting, reporting and corporate finance with knowledge of internal controls.		✓	✓		✓	✓	✓	✓	✓	✓			✓
<b>Marketing/Sales</b> Significant experience overseeing marketing and sales as a senior executive.				✓		✓			✓	✓	✓		
<b>Operations</b> Significant experience overseeing operations as a senior executive with a practical understanding of operating plans and business strategy.	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
<b>Risk Management</b> Significant experience as a senior executive overseeing the various risks facing an organization with oversight of appropriate policies and procedures to effectively manage risk.	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
<b>Safety and Health</b> Significant experience in the areas of health and safety, including knowledge of industry regulations and a commitment to best practices for workplace safety.	✓		✓	✓		✓			✓	✓		✓	
<b>Climate Change and Environment</b> Significant experience with regulations, best practices and strategic business initiatives related to environmental issues.	✓		✓			✓		✓	✓	✓			✓

	Matthias F. Bichsel	Loraine M. Charlton	Robert J. Hanf	Kelly Koss-Brix	Robert J. Normand	Alexander J. Pourbaix	Hector A. Rangel	Laura A. Reed	Robert J. Routs	Nancy C. Southern	Linda A. Southern-Heathcott	Roger J. Urwin	Wayne G. Wouters
<b>Functional Experience</b>													
<b>Corporate Social Responsibility</b> Significant experience in the areas of corporate social responsibility and community relations. Experience building partnerships and positive relationships with Indigenous groups to enhance economic and social development.	✓	✓	✓			✓	✓		✓	✓	✓		✓
<b>IT/Technology</b> Significant experience overseeing technology as a senior executive at a public company or other major organization. Significant experience overseeing enterprise wide IT strategy, policy and standards which direct and protect existing and future investment in information and technology.	✓												✓

## INDEPENDENCE

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

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

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

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

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

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

## IN CAMERA SESSIONS

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

## ATTENDANCE

The following table sets out the attendance of the directors at Board meetings and at meetings of the committees of which they were members during 2023. As an employee, the Chair & Chief Executive Officer is not a member of any committee but attends committee meetings as required. At the discretion of the committee chair, directors may attend meetings of committees of which they are not members.

All directors are expected to attend and participate in meetings of the Board and the committees on which they serve. Attendance of directors at meetings of the Board and committees is not necessarily indicative of the contribution made by each director, and absence from a meeting may have resulted from a variety of extenuating circumstances, including family bereavement or health issues. GOCOM reviews each director's attendance record throughout the year and a process is in place to address unsatisfactory attendance.

Director	Board of Directors		Audit & Risk Committee		GOCOM		Pension Fund Committee		Total
Matthias F. Bichsel	7/7	100%							100%
Loraine M. Charlton	7/7	100%	4/4	100%	3/3	100%			100%
Robert J. Hanf	7/7	100%	4/4	100%	3/3	100%			100%
Kelly C. Koss-Brix <sup>1</sup>	5/5	100%							100%
Robert J. Normand	7/7	100%	4/4	100%			3/3	100%	100%
Alexander J. Pourbaix	7/7	100%							100%
Hector A. Rangel	7/7	100%					3/3	100%	100%
Laura A. Reed	7/7	100%							100%
Robert J. Routs <sup>1</sup>	5/5	100%							100%
Nancy C. Southern	7/7	100%							100%
Linda A. Southern-Heathcott	7/7	100%					3/3	100%	100%
Roger J. Urwin	7/7	100%	4/4	100%	3/3	100%			100%
Wayne G. Wouters	7/7	100%							100%

<sup>1</sup> Ms. Koss-Brix and Dr. Routs joined the Board on May 3, 2023.

## SERVING ON AFFILIATED PUBLIC COMPANY BOARDS

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

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

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

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as otherwise disclosed below, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including CU) that:

- i. was the subject of a cease trade order or similar order or an order that denied the 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 a cease trade order or similar order or an order that denied the 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.

No proposed director is, at the date of this Circular, or has been, within the 10 years before the date hereof, a director or executive officer of any company (including CU) 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, other than Ms. Nancy C. Southern, a current and proposed director who 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.

No proposed director has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No proposed director has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

# GOVERNANCE

## OVERVIEW

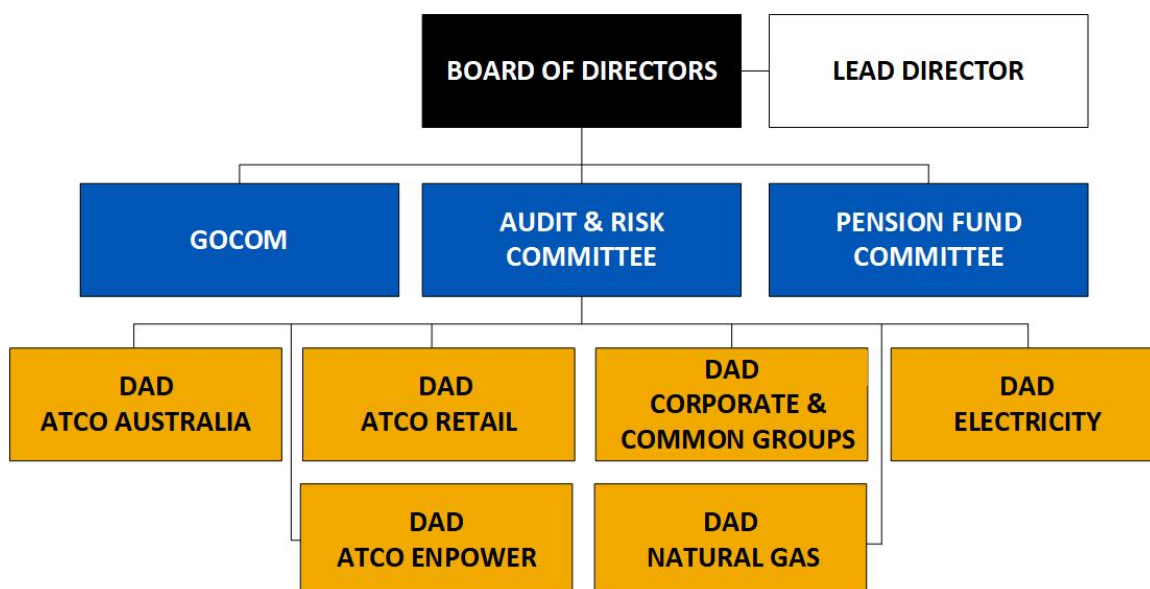
Effective corporate governance provides the foundation for Canadian Utilities' continued success. The Board is committed to good governance, always striving to ensure our corporate governance practices serve the interests of our share owners and other stakeholders, including our employees, Indigenous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

## MAJORITY CONTROLLED COMPANY

Canadian Utilities is a majority controlled company as defined in the TSX Company Manual and as such, is exempt from the TSX requirements to adopt a majority voting policy. However, the *Canada Business Corporations Act* requires that each director nominee shall be elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the share owners who are present in person or represented by proxy at the meeting. The Majority Share Owner (see Page 1) has control over 66,598,854 Class B shares which represents 100 per cent of the voting rights.

## THE BOARD AND ITS COMMITTEES

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





## Roles and Responsibilities of the Board

### *Board of Directors*

The Board is responsible for ensuring effective leadership and providing oversight for strategy, risk management, sustainability, diversity, succession planning, and corporate governance. In 2023, the Board held six regularly-scheduled meetings and one additional meeting. The frequency and length of meetings and the agenda items depended on the circumstance. Meetings were highly detailed and well attended. They were conducted in an atmosphere that encouraged participation and independence. The independent directors had the opportunity to hold in camera sessions, without management present, at all regularly-scheduled meetings of the Board, Audit & Risk Committee, Pension Fund Committee and GOCOM. Additional in camera meetings may be requested through the Lead Director at any time.

### *Lead Director*

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

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

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

### *Audit & Risk Committee*

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

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

### *Pension Fund Committee*

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

### *Designated Audit Directors*

Designated Audit Directors (DADs) are generally directors of either ATCO or Canadian Utilities. Each DAD is assigned to one of our Business Units based on their strengths and experience in various industry sectors. The role of the DADs is to supplement the oversight role of the Audit & Risk Committee. The DADs are expected to be better informed on audit-related and risk issues for the Business Units than would normally be expected for Audit & Risk Committee members. DADs meet quarterly with senior management of their respective Business Unit, and annually with internal and external auditors. DADs review financial

performance and operating results quarterly, review risks twice yearly, and report to the Audit & Risk Committee. The Audit & Risk Committee annually reviews the mandate of the DADs.

## **STRATEGIC PLANNING**

The Board is responsible for ensuring there are long-term goals and a strategic planning process in place, as well as approving a strategic plan for the Company on an annual basis. As a diversified global energy infrastructure corporation, Canadian Utilities offers comprehensive solutions and operational excellence in utilities, energy infrastructure, and retail energy. Our strategic plan is focused on delivering innovative energy solutions to the markets in which we operate, being a leader in the energy transition and decarbonization process, and driving long-term earnings and dividend growth. Through the strategic planning process, senior management and our directors ensure our long-term strategy aligns to our five core strategic pillars of innovation, growth, financial strength, operational excellence, and community involvement. A comprehensive three to four-day strategy session is held each year for this purpose where directors discuss the Company's long-term plans with senior management.

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

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

Our Management's Discussion and Analysis includes more information about our strategic priorities. The 2023 Management's Discussion and Analysis is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## **RISK MANAGEMENT**

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

## **Environmental, Social and Governance**

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

Our risk management evaluation includes human capital related risks and climate-related risks relating to transitional (policy/regulatory, market, technology and reputational) and physical factors. We also consider climate-related opportunities such as resource efficiency, cleaner energy sources, innovative products and services, access to markets, and climate change resilience and adaptation. The Board's responsibilities for ESG oversight includes the integration of ESG priorities, risks and opportunities in the strategic planning

process. Our business groups prepare Stewardship Reports, which are presented to the Audit & Risk Committee on a bi-annual basis, and include topics such as safety, environment and Code of Ethics compliance. The Audit & Risk Committee, comprised of independent directors, has the greatest oversight of our sustainability reporting.

At Canadian Utilities, the sustainability team reports through the Senior Vice President, Finance, Treasury & Sustainability to the Chief Financial Officer. Members of senior management also oversee and contribute their expertise due to the cross-functional nature of many sustainability initiatives. Sustainability is managed collaboratively across numerous groups, including Human Resources, Government Relations, Indigenous Relations, Health and Safety, Environment, Marketing and Communications, Business Development, Corporate Governance and Secretarial, Internal Audit, and Risk Management, among others. These groups monitor best practices, develop and implement policies and standards and support our various divisions. In 2021, a Sustainability and ESG Reporting Council was formed to increase collaboration and coordination for enterprise-wide sustainability initiatives and ESG reporting. Our executive leadership team is kept informed through quarterly internal dashboards that report key performance indicators, including data regarding environmental, safety and Indigenous relations metrics. In 2022, management formed an Executive Sustainability and ESG Committee including members of the executive leadership team, with executive sponsors for each ESG target priority area. This committee will be responsible for reviewing consolidated results related to ESG targets semi-annually, and approving course correction where required.

## Cybersecurity

As our Company's reliance on technology to support business objectives and drive efficiencies grows, we have continued to increase our focus on cybersecurity. Our cybersecurity policies and strategies apply to our information technology (IT) and operational technology (OT) assets. Our risk management process includes a comprehensive cybersecurity strategy which is based upon the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The controls and procedures in the IT environments are assessed against this framework on an annual basis by an independent third party. Controls and procedures in the OT environments are assessed by independent third parties on a regular basis. We maintain a cybersecurity insurance policy and our technology service providers submit independently audited reports for the infrastructure and procedures they operate on our behalf. ATCO has implemented a "defense-in-depth" cybersecurity strategy to minimize the probability and impact of a cybersecurity incident, however, like most organizations we experience a small number of cybersecurity incidents each year. Events identified in the last three years have been immaterial and have not resulted in any loss of Company data or required external notification. All new employees are required to complete our cybersecurity training program with follow-up training required on an annual basis thereafter. A cybersecurity update is presented at least annually to the Audit & Risk Committee and cybersecurity metrics and issues are reviewed quarterly with the DADs.

Our Management's Discussion and Analysis includes more information about the risks applicable to Canadian Utilities. The 2023 Management's Discussion and Analysis is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and our website at [www.canadianutilities.com](http://www.canadianutilities.com).

## **SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION**

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

Our 2023 Sustainability Report, which will be published in May 2024, will focus on the following material topics:

- Energy Transition and Environment - energy transition and climate change, GHG Emissions and Land-use and biology.
- Resilience and Safety - system reliability and availability, emergency preparedness and response, employee safety and well-being, public health and safety, and cyber security;
- People and Partners - Indigenous relations, economic opportunities and reconciliation, community engagement and investments, customer experience and satisfaction, human capital development, retention and attraction, and diversity, equity and inclusion.
- Governance and Responsible Business - corporate governance, business ethics, government relations and political advocacy, and responsible supply chain.

In January 2022, ATCO released a commitment to achieve net zero greenhouse gas emissions by 2050 and released an initial set of 2030 ESG targets. Canadian Utilities' Board recognizes and fully supports the achievement of these targets which align with Canadian Utilities' strategic direction. More detailed information and progress towards these targets can be found in the 2023 Sustainability Report which will be published in May 2024.

The Sustainability Report is based upon the internationally recognized Global Reporting Initiative (GRI) Standards. Our reporting is also guided by the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. The 2022 Sustainability Report, Sustainability Framework Reference Document, additional governance details, our materiality assessment, and other disclosures are available on our website at [www.canadianutilities.com](http://www.canadianutilities.com).

### **Climate Change and Energy Transition**

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

## **DIVERSITY, EQUITY AND INCLUSION**

We believe that our people are our greatest combined strength. As our Company continues to evolve, so do our diverse and inclusive working environments, where a variety of perspectives and experiences are valued and encouraged. Our Code of Ethics (the Code) sets out our values which guide the conduct of all employees, officers and directors, and is supported by our Inclusive and Respectful Workplace policy. This policy encourages diversity, equity and inclusion (DEI) and ensures our people have the opportunity to participate in work-related activities in an environment that is respectful and safe.

DEI is foundational to our business objectives and operations, and plays an integral role within our global corporate culture. For the past several years, hundreds of members of our team have come together through our grassroots DEI committees, Employee Resource Groups, and our corporate DEI Council in order to cultivate a diverse and inclusive environment where everyone feels safe, welcome, and valued. In 2023, we officially introduced our DEI Centre of Expertise—a newly-formed internal team of employees dedicated to elevating and integrating DEI across our Company—with the goal of leading, informing, and amplifying initiatives across the company with a DEI focus. The Company is committed to maintaining a minimum of 30 per cent female representation on the Board and senior leadership levels, and achieving and maintaining a minimum of 25 per cent minority representation within the workforce.

The attraction and retention of team members from diverse demographics is also demonstrated through our commitment to the military and veteran community—a decades-long commitment with a connection to ATCO's founders. Our growing veteran talent program reached some important milestones in 2023, including the launch of our Veteran Employee Resource Group and official designation as a Certified Veteran Ready Employer.

### **Board of Directors**

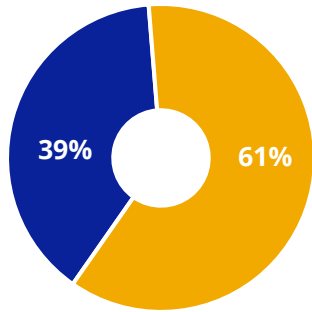
We believe that an effectively functioning board is critical to the success of the Company, and that the Board must have the flexibility to adopt director election and composition practices that suit its unique needs and circumstances. We are focused on finding the most qualified individuals available with the skills, experience, and expertise that will complement the Board. While we have not adopted a written policy relating to the identification and nomination of women directors, diversity, including gender diversity, is among many factors taken into consideration when evaluating candidates as potential directors.

GOCOM reviews the size and composition of the Board and evaluates the need for change to Board and committee composition based on an analysis of the skills, expertise and industry experience that align with the Company's strategic objectives. The Company is committed to maintaining a minimum of 30 per cent female representation on the Board. We do not have written policies or set targets regarding the representation of visible minorities, Indigenous people, or people with disabilities for our Board.

We have been a leader in the representation of women on our Board and have outperformed the Financial Post 500 (FP500) for many years. As at December 31, 2023, Canadian Utilities had five women on the Board, representing 38.5 per cent of the directors. Five of the thirteen director nominees are women, representing 38.5 per cent of the directors.

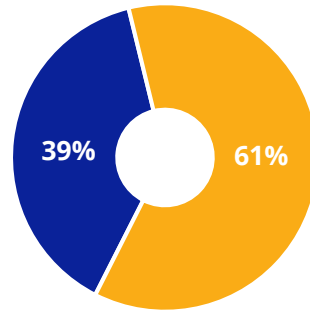
We respect the privacy of our directors and do not require them to self-identify. Of those that have chosen to self-disclose, the Board included no visible minorities, Indigenous peoples, or disabled persons.

**Women on our Board  
(Current)**



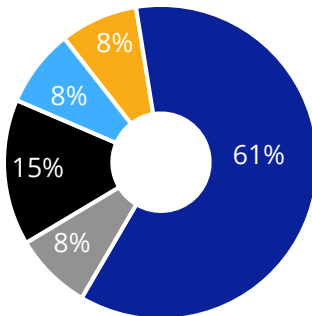
■ Women ■ Men

**Women on our Board  
(2024 Director Nominees)**



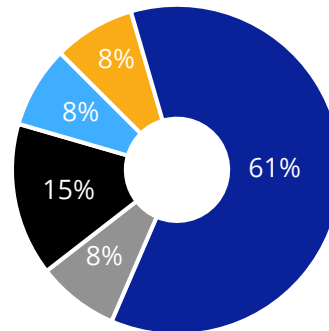
■ Women ■ Men

**Countries of Residence  
of our Board  
(Current)**



■ Australia ■ Canada  
■ Mexico ■ Switzerland  
■ U.K.

**Countries of Residence  
(2024 Director Nominees)**



■ Australia ■ Canada  
■ Mexico ■ Switzerland  
■ U.K.

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

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

## Senior Management

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

We respect the privacy of our employees and do not require our employees to self-identify. The following statistics reflect what our employees have chosen to self-disclose. Of those who have chosen to self-disclose, as of December 31, 2023, the Company's senior management team included the following:

Representation of Designated Groups among Senior Management			
Executives from Designated Groups		Total number of Executives	Percentage
Women	29	76	38.2%
Indigenous Peoples	1	76	1.3%
Members of Visible Minorities	3	76	3.9%
Persons with disabilities	2	76	2.6%

## Indigenous Initiatives

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

## DIRECTOR ORIENTATION AND CONTINUING EDUCATION

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

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

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

Key information and education sessions hosted by the Company that were attended by our directors in 2023 are listed below:

Date	Event
April 1-6	Strategy Conference
July 12	Deerfoot and Barlow Solar Project Site Tour
November 8	Business Planning
November 29	Puerto Rico Site Tour

The Board also holds evening dinner sessions with most regularly scheduled Board meetings. These dinners provide an opportunity for directors to meet in a less formal atmosphere and get to know high-potential employees.

## PERFORMANCE ASSESSMENT

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

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

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

## DIRECTOR RETIREMENT

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



## ETHICAL BUSINESS CONDUCT

Each director, officer and member of management is expected to exemplify ethical business conduct. This expectation sets the tone for all employees of Canadian Utilities. Our business conduct is guided by living our core values and adhering to our policies and practices. Our Board has adopted a written Code of Ethics which reflects our core values of safety, integrity, collaboration, agility and caring, and sets expectations for how we conduct business. Our Code of Ethics is subject to periodic review and revision to ensure it is in line with best practices.

A copy of the Code is provided to each new director, officer and employee of the Company, and everyone must acknowledge in writing that they have reviewed and will abide by the Code as a precondition of their engagement.

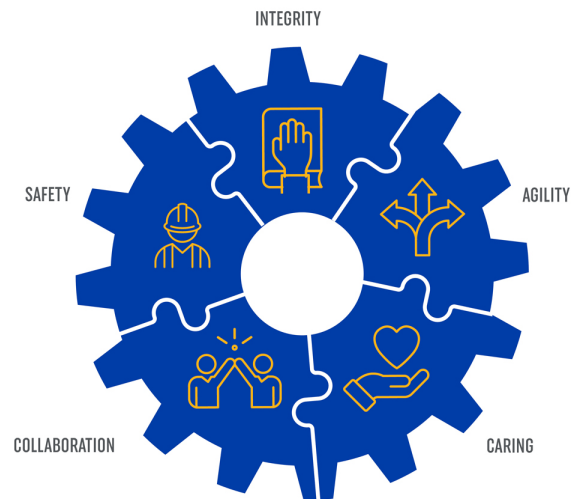
Furthermore, on an annual basis, each of our directors, officers and employees must confirm that they have reviewed the Code.

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

We did not file any material change reports in 2023 relating to a director's or executive officer's departure from the Code. No waivers of the Code have ever been granted to any Canadian Utilities director, officer or employee.

We maintain a hotline that employees are free to use in order to express any concerns about inappropriate business conduct. Concerns may be reported confidentially and anonymously either online or by phone. Non-employees may also submit complaints or concerns online or by phone as set out in the Integrity & Compliance section of our website ([www.canadianutilities.com](http://www.canadianutilities.com)) or to the Audit & Risk Committee Chair via our Senior Vice President, General Counsel & Corporate Secretary at 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4.

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



## DISCLOSURE PRACTICE

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

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

## BOARD COMMITTEES

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

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

- Audit & Risk
- GOCOM
- Pension Fund

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

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

## COMMITTEE REPORTS

This section includes reports from each of our Board's standing committees as of December 31, 2023.

### Audit & Risk Committee

#### Members

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**L.M. Charlton**  
Independent



**R.J. Hanf**  
Independent



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



**R.J. Urwin**  
Independent

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

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

The Committee has authority delegated by the Board to:

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

The following highlights the actions taken by the Audit & Risk Committee in fulfilling its mandate in 2023:

#### Financial Reports

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

## Internal Controls

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

## External Auditor

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

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

<b>For the year ended December 31, 2023</b>	<b>2023 \$MM</b>	<b>2022 \$MM</b>
Audit <sup>1</sup>	4.4	3.9
Audit related <sup>2</sup>	0.1	0.3
Tax <sup>3</sup>	0	0.3
All other fees <sup>4</sup>	0	0
<b>Total</b>	<b>4.5</b>	<b>4.5</b>

1 Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

2 Audit related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services including consultations regarding IFRS.

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

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

In order to further enhance the governance processes relating to assessing auditor independence and audit quality, in July 2023, the Committee completed a comprehensive review of the external auditor. Such a review is contained as a recommendation of the Enhancing Audit Quality initiative of the Chartered Professional Accountants of Canada, the Canadian Public Accountability Board and the Institute of Corporate Directors. The comprehensive review is intended to enhance audit quality through a deeper and broader analysis of the external auditor than in the annual assessment, and to provide the Committee with data on six indicators of audit quality:

- Experience and turnover of the engagement team
- Training and professional development
- Specialist engagement
- Service delivery centres
- Results of inspections
- Communication with the Committee and sharing of insights

This comprehensive review was completed in the third quarter of 2023 and supported the recommendation to appoint PwC as ATCO's external auditor.

**Internal Audit**

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

**Risk Management**

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

The Audit & Risk Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2023.

## Corporate Governance – Nomination, Compensation and Succession Committee

### Members

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**L.M. Charlton**  
Independent



**R.J. Hanf**  
Independent



**R. J. Urwin, Chair**  
Independent

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

The following highlights the actions taken by GOCOM in fulfilling its mandate in 2023:

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

GOCOM is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2023.

## Pension Fund Committee

### Members

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



**H.A. Rangel**  
Independent



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

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

The following highlights the actions taken by the Pension Fund Committee in fulfilling its mandate in 2023:

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

The Pension Fund Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2023.

# DIRECTOR COMPENSATION

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

## REMUNERATION

The table below shows the retainers paid to our directors in 2023.

Retainers	(\$)
Board <sup>1</sup>	195,000
Board Meetings	25,000
Lead Director	75,000
Audit & Risk Committee Chair	33,000
Audit & Risk Committee Member	15,500
GOCOM Chair	29,500
GOCOM Committee Member	4,500
Pension Fund Committee Chair	13,000
Pension Fund Committee Member	4,500

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

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

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



## REMUNERATION SUMMARY

The table below provides a breakdown of the fees paid, on a quarterly basis, in the form of annual retainers to our non-employee directors for the year ended December 31, 2023. Other fees include retainers paid to those directors who also serve on the boards and committees of subsidiaries, as well as retainers related to serving as DADs for the Business Units. No other forms of compensation were provided to the directors for the year ended December 31, 2023.

Ms. Southern is an employee of Canadian Utilities and did not receive compensation as a director. Ms. Southern's compensation is shown on Page 63 of this Circular.

Name	Director retainer <sup>1</sup> (\$)	Board Meeting retainer <sup>2</sup> (\$)	Committee Chair retainer <sup>2</sup> (\$)	Committee Member retainer <sup>2</sup> (\$)	Other fees <sup>3,4,5</sup> (\$)	Total fees earned <sup>1,6</sup> (\$)
Matthias F. Bichsel	195,000	25,000	—	—	—	220,000
Lorraine M. Charlton	195,000	25,000	—	16,000	43,800	279,800
Robert J. Hanf	195,000	25,000	—	20,000	185,586	425,586
Kelly C. Koss-Brix	129,750	16,635	—	—	—	146,385
Robert J. Normand	195,000	25,000	42,000	—	10,800	272,800
Alexander J. Pourbaix	195,000	25,000	—	—	—	220,000
Hector A. Rangel	195,000	25,000	—	4,500	—	224,500
Laura A. Reed	195,000	25,000	—	—	64,055	284,055
Robert J. Routs	129,750	14,638	—	—	64,055	208,443
Linda A. Southern-Heathcott	195,000	22,000	—	4,500	6,500	228,000
Roger J. Urwin	338,923	22,000	29,500	12,500	190,342	593,265
Wayne G. Wouters	195,000	25,000	—	—	—	220,000
<b>Total</b>	<b>2,353,423</b>	<b>275,273</b>	<b>71,500</b>	<b>57,500</b>	<b>565,138</b>	<b>3,322,834</b>

<sup>1</sup> **Director retainer:** The Company has an agreement with Dr. Urwin that his retainer will be paid the Canadian dollar equivalent of \$195,000 US, calculated using the average exchange rate for a one-month period preceding each quarterly payment.

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

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

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

<sup>5</sup> **Other fees:** Mr. Hanf, Ms. Reed, Dr. Routs, and Dr. Urwin received fees and superannuation contributions as directors of ATCO Australia Pty Ltd. Mr. Hanf and Dr. Urwin received fees for acting as directors of LUMA Energy, LLC.

<sup>6</sup> **Total fees earned:** Ms. Koss-Brix and Dr. Routs joined the Board on May 3, 2023 and all retainers have been pro-rated.

## DIRECTOR SHARE OWNERSHIP

All non-employee directors are required to directly or indirectly own Class A shares and/or Class B shares together having an aggregate market value of at least 3.0 times the value of the annual board retainer within five years of being appointed to the Board, or within five years of any change to the required market value holdings. The last change which increased the required market value holdings to 3.0 times the annual board retainer was made in January 2020. For 2023, a minimum of \$30,000 of the annual board retainer was paid in Class A shares. Until the minimum share ownership requirement is met, for 2023, directors were required to receive a minimum of \$50,000 of their annual board retainer in Class A shares. A director may, with the approval of the chair of GOCOM, have this minimum contribution amount reduced if he or she makes alternative arrangements to meet the minimum share ownership requirement within the five year timeframe.

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

The following table sets out each director's ownership of Class A shares in Canadian Utilities as at March 11, 2024, and change in the ownership interest since the previous proxy circular dated March 9, 2023.

Name	Equity Ownership as at March 9, 2023	Equity Ownership as at March 11, 2024	Net Change in Ownership	Equity at risk <sup>1</sup>	
	Class A shares	Class A shares	Class A shares	Value (\$)	Multiple of 2023 annual director retainer
Matthias F. Bichsel	23,664	26,709	3,045	826,109	4.2
Loraine M. Charlton	47,385	51,168	3,783	1,582,626	8.1
Robert J. Hanf	10,565	36,335	25,770	1,123,842	5.8
Kelly C. Koss-Brix	—	1,088	1,088	33,652	0.2
Robert J. Normand	27,398	29,812	2,414	922,085	4.7
Alexander J. Pourbaix	16,310	20,621	4,311	637,808	3.3
Hector A. Rangel	27,776	32,800	5,024	1,014,504	5.2
Laura A. Reed	18,688	21,952	3,264	678,975	3.5
Robert J. Routs	9,681	11,738	2,057	363,056	1.9
Nancy C. Southern <sup>2,3</sup>	242,893	259,404	16,511	8,023,366	n/a
Linda A. Southern-Heathcott <sup>3</sup>	20,690	27,552	6,862	852,183	4.4
Roger J. Urwin	21,533	22,570	1,037	698,090	3.6
Wayne G. Wouters	12,836	17,235	4,399	533,079	2.7
<b>Total</b>	<b>479,419</b>	<b>558,984</b>	<b>79,565</b>	<b>17,289,375</b>	

<sup>1</sup> Equity at risk is shown as at March 11, 2024, and is the market value determined by reference to the closing price of Class A shares (\$30.93) on the Toronto Stock Exchange. Preferred shares are excluded.

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





<sup>3</sup> The shares owned and controlled by the Majority Share Owner are not included in this table. Please refer to the Majority Share Owner on Page 1.

## OUTSTANDING OPTIONS

Effective August 1, 2008, our non-employee directors were no longer eligible to receive options. There were no outstanding options held by any of our non-employee directors as at December 31, 2023.

# COMMUNICATING WITH THE BOARD

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

<b>You may communicate directly with the Board through the Chair &amp; Chief Executive Officer by writing to:</b>	
	Chair & Chief Executive Officer c/o Senior Vice President, General Counsel & Corporate Secretary ATCO Ltd. 4th Floor, West Building 5302 Forand Street S.W. Calgary, Alberta, Canada T3E 8B4
<b>For more general investor inquiries and information, please contact Investor Relations:</b>	
	Email: <a href="mailto:investorrelations@ATCO.com">investorrelations@ATCO.com</a>
	Telephone: (403) 292-7500
	Mailing address: Investor Relations, c/o ATCO 3rd Floor, West Building 5302 Forand Street S.W. Calgary, Alberta, Canada T3E 8B4

# COMPENSATION DISCUSSION & ANALYSIS

## OVERVIEW

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

It discloses compensation of the Chief Executive Officer, Chief Financial Officer, and the next three executives that received the highest pay as of December 31, 2023 (our named executives):

- Nancy C. Southern, Chair & Chief Executive Officer
- Brian P. Shkrobot, Executive Vice President & Chief Financial Officer
- Wayne K. Stensby, Chief Operating Officer, ATCO Energy Systems
- Robert (Bob) J. Myles, Chief Operating Officer, ATCO EnPower
- Rebecca (Becky) A. Penrice, Executive Vice President, Corporate Services

Brian P. Shkrobot retired from his role as Executive Vice President & Chief Financial Officer, Canadian Utilities, effective March 1, 2024, and Katherine (Katie) J. Patrick's role at ATCO was broadened to include responsibility as Chief Financial Officer of Canadian Utilities, effective March 1, 2024.

Wayne K. Stensby held the role of President & Chief Executive Officer of LUMA Energy, LLC (LUMA) until June 30, 2023, following which he was appointed Chief Operating Officer, ATCO Energy Systems effective July 1, 2023.

The compensation we report here is compensation received from Canadian Utilities. 100 per cent of the compensation of Wayne K. Stensby and Bob J. Myles is allocated to Canadian Utilities.

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

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

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

	Amount paid and reported by Canadian Utilities	Amount paid by ATCO	Combined total reported by ATCO
2023	89.0 %	11.0 %	100 %
2022	89.0 %	11.0 %	100 %
2021	89.0 %	11.0 %	100 %

## GOVERNANCE

Executive compensation at Canadian Utilities and our subsidiaries is the overall responsibility of GOCOM. GOCOM has three members, all of whom have experience in compensation and business:

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

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

## COMPENSATION APPROACH

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

## Succession Planning for Executives

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

See Page [40](#) for more information about the committee and a summary of its activities in 2023.

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

## Compensation Approach

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

The approach includes three principles:

- Pay competitively
- Pay for performance
- Manage risk

## Pay Competitively

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

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

<b>2023 comparator companies</b>	Algonquin Power & Utilities Corp. AltaGas Ltd. Canadian Natural Resources Limited Canadian Pacific Kansas City Limited Capital Power Corporation Cenovus Energy Inc. Crescent Point Energy Corp. Emera Incorporated Enbridge Inc. ENMAX Corporation EPCOR Utilities Inc. Fortis Inc. Gibson Energy Inc.	Hydro One Limited Imperial Oil Limited Keyera Corp. MEG Energy Corp. Northland Power Inc. Nutrien Ltd. Ovintiv Inc. Pembina Pipeline Corporation Stantec Inc. Suncor Energy Inc. TC Energy Corporation TransAlta Corporation
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## Pay for Performance

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

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

## Manage Risk

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

GOCOM manages risk in the following ways:

- The incentive pool for the short-term incentive ties total compensation to corporate financial performance. This policy ensures that any bonuses paid reflect overall company financial performance during the year, as well as individual and Business Unit performance.
- Total potential payout is tested to ensure it is not a significant part of the Company's earnings.
- GOCOM has the discretion to adjust the size of the incentive pool, or the amount of a senior executive's compensation to ensure total compensation is appropriate and balanced between fixed and variable compensation.
- Long-term incentives focus senior executives on achieving sustainable, profitable growth over the medium and long-term, so they are not encouraged to take excessive risks for short-term gain.
- GOCOM has the discretion to not award incentive compensation

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

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

Senior executives and directors are not allowed to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset the value of their equity compensation and other Canadian Utilities securities held directly or indirectly.

GOCOM is satisfied that:

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

## Operate Independently

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

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

## Independent Advice

GOCOM hires consultants for advice on:

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

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

## Executive Compensation Advisory Services in 2023

GOCOM approved the use of two independent consultants in 2023 for information and advice on compensation.

Willis Towers Watson provided published surveys and studies regarding compensation trends and best practices. The Company has worked with Willis Towers Watson for more than 15 years.

Mercer was first engaged in 1984 and provided the following services in 2023:

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

	<b>Fees in 2023</b>	<b>Fees in 2022</b>
	(\$)	(\$)
<b>Willis Towers Watson</b>		
Executive compensation-related fees	-	-
All other fees	155,962	92,775
<b>Mercer</b>		
Executive compensation-related fees	179,203	171,389
All other fees	401,204	495,037



## DECISION-MAKING PROCESS

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

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

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## COMPONENTS

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

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

Indirect compensation includes a pension plan and other benefits, which are described starting on Page 54.

### Direct Compensation

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

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

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

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

### Fixed Compensation

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

### Variable Compensation

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

### Corporate Performance

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

### Business Unit Performance

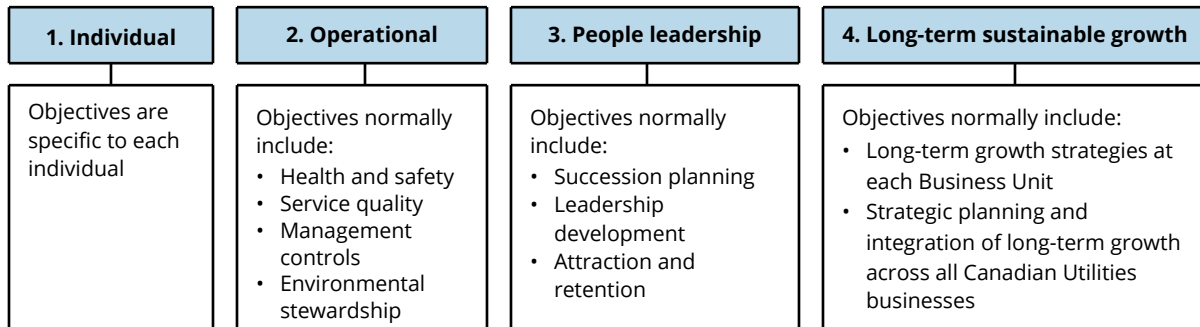
Business Unit performance has a direct impact on the amount allocated from the short-term incentive pool to the Business Unit's incentive pool.

### Individual Performance

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

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

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



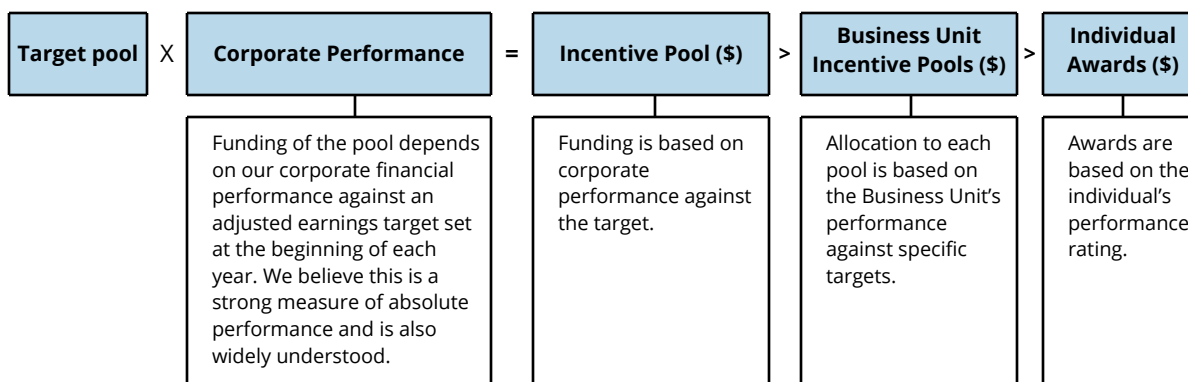
Performance against these objectives results in a performance rating ranging from Did Not Meet to Significantly Exceeding. A rating of Significantly Exceeding receives the maximum payout from the short-term incentive plan. A rating below Meets Expectations does not receive a payout (assuming it is not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

GOCOM also has broad discretion to not make incentive payments.

### Short-Term Incentive

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

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



### Long-Term Incentive

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

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

In September 2023, the Board approved a restricted share unit (RSU) plan pursuant to which restricted share units may be granted to certain officers and employees of the Company and its subsidiaries. The Company intends to begin granting awards under the restricted share unit plan in 2024.

### Equity Compensation Plan – Stock Option Plan

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

Since its inception in 1994, the Stock Option Plan has required the maintenance of a reserve of Class A shares to cover the options granted to participants. This reserve must be replenished from time to time so that the Company has a sufficient number of Class A shares to cover new option grants. In May 2022, share owners approved an ordinary resolution to replenish the share reserve which maintained the fixed maximum number of Class A shares authorized for issuance at 12,800,000. The replenishment of the Class A shares reserved for issuance under the Stock Option Plan was also approved by the TSX.

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

## Indirect Compensation

### Perquisites

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

### Employee Share Purchase Plan

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

## Pension Plans

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

Nancy C. Southern participates in the DB component. Brian P. Shkrobot, Bob J. Myles, and Becky A. Penrice participate in the DC component. Wayne K. Stensby is a suspended participant in the DB component and an active participant in the DC component.

How the DB component works:

- Executives do not contribute to the plan
- Participants can retire with full pension benefits when they turn 62, or if their age plus their years of service equals 90 or more. They can retire as early as age 55. However, if they have not achieved 90 points, their pension benefit is reduced by 3 per cent for every year of retirement before age 62, and by another 3 per cent for every year before age 60
- Pension benefits are paid until the participant dies; then, 60 per cent is paid to the surviving spouse
- Retiree pension benefit payments have historically been increased annually with inflation, to a maximum of 3 per cent

How we calculate the pension benefit:

$$\left[ 1.4\% \times \begin{array}{l} \text{average year's maximum} \\ \text{pensionable earnings} \\ (\$61,840 \text{ in } 2023) \end{array} + 2\% \times \begin{array}{l} \text{average salary (highest five consecutive} \\ \text{years of base salary, not including} \\ \text{short-term incentive) } \textit{minus} \$61,840 \end{array} \right] \times \begin{array}{l} \text{Years of} \\ \text{service} \end{array}$$

How the DC component works:

- Executives do not contribute to the plan
- The Company contributes 10 per cent of base salary up to the maximum permitted by the *Income Tax Act* (Canada) which was \$31,560 in 2023
- Participants are responsible for the investment decisions in the DC plan and may invest contributions in a broad selection of funds

## Supplemental Pension Benefits

Pension benefits under our pension plans are subject to limits imposed by the *Income Tax Act* (Canada). Benefits that are higher than these limits are paid to Nancy C. Southern and Wayne K. Stensby as a supplemental pension. This supplemental pension is provided by Canadian Utilities and benefits are not prefunded; it is also inclusive of the benefit under the Canadian Utilities plan. Wayne K. Stensby's supplemental pension is the amount exceeding these limits had he remained active in the DB provision, with the same survivor benefits and top-up for inflation.

How it works:

- Supplemental pension benefits are provided as a defined benefit plan
- Executives do not contribute to the supplemental plan
- Service is limited to 35 years

Nancy C. Southern's supplemental pension benefit is part of her employment agreement with Canadian Utilities (see Page 63). Her benefits are calculated as 80 per cent of the average of the highest five years of cash compensation (salary and short-term incentives) throughout her career.

# 2023 PERFORMANCE AND AWARDS

## INNOVATION

**2023 Priority** **Explore diversification opportunities that complement our current products, services and assets.**

**Performance** 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.

**2023 Priority** **Encourage creative and innovative approaches to meeting customers' needs.**

**Performance** The 2023 wildfire events affected multiple Canadian Utilities businesses in Alberta and the Northwest Territories, requiring a coordinated mobilization between our teams. Over 50 communities that Canadian Utilities services were evacuated.

Guided by the Incident Command System (ICS) our employees were able to respond quickly while maintaining a high level of response over a long period of time, including the 185 days of incident management team activation for ATCO Electric.

With more than 10,000 customers impacted, our teams worked diligently to protect and repair infrastructure in a manner that highlights our innovation and ingenuity. For the first time ATCO Electric used fire wrap as part of the wildfire response. Field crews raced to stay ahead of the fires and wrapped 7,200 poles to protect them from burning before the fire reached the area. Our northern businesses also successfully navigated the added challenges of major evacuations in remote communities with communications down and smaller teams of employees.

**2023 Priority** **Execute initiatives and projects to drive meaningful progress towards our 2030 ESG targets.**

**Performance** In June 2023, Canadian Utilities launched the Clean Energy Community Fund awards grants to municipalities, non-profits and schools across Alberta, to a maximum of \$15,000 each. In November 2023, it was announced that twelve Alberta schools, community groups and municipalities will receive funding to help them achieve their energy and sustainability goals, with projects that include energy audits, community charging stations, solar panel installations and LED light conversions.

## GROWTH

**2023 Priority** **Support energy transition with strategic regulated and non-regulated capital investments.**

**Performance** In January 2023, ATCO EnPower closed its previously announced acquisition of renewable assets from Suncor Energy Inc. The acquisition includes a majority interest in the 40-MW Adelaide wind facility in Ontario, the 202-MW Forty Mile wind project 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 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. Additionally, uprating work started in 2023 and upon being completed in 2024 is expected to increase Forty Mile Wind generation capacity from 202-MW to 225-MW.

Continuing the progress towards a greener, more sustainable energy landscape in Alberta, the 27-MW Barlow Solar project and 37-MW Deerfoot Solar project reached commercial operations in the second and third quarters, respectively, of 2023.

2023 Priority	<b>Support energy transition with strategic regulated and non-regulated capital investments.</b>
Performance	In September 2023, Canadian Utilities entered into a 12.5-year virtual power purchase agreement with Lafarge Canada Inc (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, showcasing our ability to support the decarbonization needs of our customers. The Empress solar project achieved commercial operations in the fourth quarter of 2023.

## FINANCIAL STRENGTH

2023 Priority	<b>Cultivate the continued financial strength needed to create prosperity and opportunity for generations to come.</b>
Performance	<p>Fitch Ratings affirmed its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.</p> <p>DBRS Limited affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities, and its 'A (high)' long-term corporate credit rating and stable outlook on CU Inc.</p> <p>On September 20, 2023, CU Inc. issued \$340 million of 5.088 per cent 30-year debentures. Proceeds from the issue are being used to finance capital expenditures and for other general corporate purposes.</p>

2023 Priority	<b>Achieve adjusted earnings* as set by the Board of Directors.</b>
Performance	<p>Adjusted earnings of \$596 million was achieved for the year ended December 31, 2023 which was above the performance target set by the Board of Directors at the beginning of the year.</p> <p><small>*Adjusted earnings is a total of segments measure (as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measure Disclosure). Adjusted earnings as reported in the consolidated financial statements for the year ended December 31, 2023, are the earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. For additional information, please see the Non-GAAP and Other Financial Measures Advisory on Page 81.</small></p>

## PEOPLE LEADERSHIP

2023 Priority	<b>Continue to improve labour relations by fostering a productive and collaborative environment with our employee associations and unions.</b>
Performance	<p>In 2023, we successfully negotiated three balanced collective agreements. The unions involved were Canadian Energy Workers Association (CEWA) and United Utility Workers' Association (UUWA).</p> <p>In addition, four companies were engaged in collective bargaining; two with Canadian Energy Workers Association and one each with Natural Gas Employees' Association and the UUWA. Bargaining in these proceedings continue to progress toward resolution.</p>
2023 Priority	<b>Attract top talent by continuing to improve communications on the value proposition of working at ATCO and the candidate experience.</b>
Performance	<p>In 2023, we successfully implemented a hyper-personalized careers site with robust analytics to better equip the Recruitment team in identifying top talent.</p> <p>Human Resources refined the employee value proposition, creating segmented messages to increase the attraction of candidates within five key talent priorities</p> <p>Our parent company, ATCO, was recognized in 2024 as one of Canada's Top Employers for Young People and one of Alberta's Top 80 Employers, marking our third consecutive year for both awards.</p>

2023 Priority	<b>Continue advancing programs to retain people.</b>
Performance	<p>Enhanced employee listening strategies and analytics to have a greater understanding of employee sentiment, engagement, retention and belonging. In 2023, our parent company, ATCO, had 90 per cent employee participation in the global engagement survey with an engagement score of 80 per cent, that places ATCO within the top global 75th percentile benchmark.</p> <p>Evolved succession &amp; talent review program with expanded talent intelligence analytics throughout Canadian Utilities in 2023. Succession plans were created for critical positions. Achieved a high retention rate for identified top talent.</p> <p>Improved pre-boarding and onboarding activities, ensuring new employees have the tools and system access on their first day which positively impacted time to productivity for new employees.</p>

2023 Priority	<b>Provide leadership development and learning opportunities across our parent company, ATCO, to increase the capabilities of our people.</b>
Performance	<p>Delivered five levels of leadership development programming, from emerging leaders to executive leaders, with an average Net Promoter Score of 85 per cent (global benchmark is 67 per cent).</p> <p>In 2023, focused on providing development plan training, having employees create individual development plans, and investments were made to provide employees with learning and development opportunities. This resulted in improved employee sentiment on the availability of learning and development, placing our parent company, ATCO, 7 per cent above the global norm benchmark.</p>

2023 Priority	<b>Deliver on well-being strategies to improve productivity, engagement, retention and attraction</b>
Performance	<p>Invested in both physical and mental well-being by implementing a more comprehensive Employee &amp; Family Assistance Program that offers services to support achieving health and wellness goals. Increased access to healthcare professionals, a range of mental health supports, nutrition coaching, fitness resources, Medical second opinion services and more.</p> <p>Improved the knowledge of our people on financial well-being and retirement-readiness through evolving our education offerings, leveraging various media, approaching and delivering timely topics relevant to our employees.</p>

## OPERATIONAL EXCELLENCE

2023 Priority	<b>Compare favourably to safety benchmarks.</b>
Performance	<p>In 2023, our lost time incident frequency (LTIF) was 0.10/200,000 hours worked and our total recordable incident frequency (TRIF) was 0.97 incidents/200,000 hours worked.</p> <p>Our LTIF and TRIF compare favourably to many benchmarks, including Alberta Occupational Health and Safety, US private industry, and industry best practice rates. While our results are favourable to benchmarks, we continue to strive to have best-in-class safety programs that prioritize the safety of our people.</p> <p>LUMA Energy has driven significant improvements in all safety measures across the business. In 2023, LUMA Energy achieved a TRIF of 2.25, a 26 per cent improvement from the prior operator and had a severity rate of 19.4, a 30 per cent improvement from the prior operator.</p> <p>In the second year of operations, over 71,100 hours of mentorship, safety and technical training have been completed by employees and contractors at LUMA Energy.</p>

2023 Priority	<b>Achieve high service satisfaction levels for the customers and communities we serve</b>
Performance	<p>LUMA Energy had a year-over-year increase of 4 per cent in overall customer satisfaction, a 1.13 per cent increase in the area of billing and payment, and a 4.8 per cent increase in Customer Care as measured by J.D. Power CSAT scoring.</p>



## COMMUNITY INVOLVEMENT

2023 Priority	<b>Committed to reconciliation with Indigenous communities and the maximizing of benefits.</b>
Performance	<p>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.</p>
2023 Priority	<b>Be a leader in supporting initiatives and charitable organizations within the communities we live and work.</b>
Performance	<p>In May 2023, ATCO made a \$100,000 corporate donation to the Canadian Red Cross 2023 Alberta Fire Appeals and the Northwestern Alberta Emergency Recovery Fund. We also established the ATCO Family Fire Relief Program – a dedicated fund to assist ATCO employees and their families who have been affected by the fires.</p> <p>ATCO Energy Systems hosted the first ATCO Women in Trades &amp; Technology event in October 2023. Twenty female high school students from across ATCO Electric's Alberta service area were selected to attend the two-day event in Leduc, Alberta, where they learned and experienced firsthand what careers in trades and technology at ATCO have to offer.</p> <p>LUMA Energy completed 20 community events and donated over 500 employee hours, with one example being their collaboration with the Scuba Dogs Society to support the Playita Community and collected over 200 pounds of trash. LUMA Energy also made contributions to the Puerto Rican Diabetes Association, the Boys and Girls Club of Puerto Rico, the Make-a-Wish Foundation, and the Hogar Abrazo de Amo.</p>
2023 Priority	<b>Continue to administer the employee-led campaign to give employees the opportunity to contribute to charitable organizations in the communities in which they work.</b>
Performance	<p>With the combined efforts of our employees and our parent company, ATCO, through ATCO's donation match program, ATCO pledged more than \$3.1 million combined to support hundreds of community charities in 2023. The annual ATCO Employees Participating In Communities (EPIC) campaign has a cumulative fundraising total of nearly \$57 million since its inception in 2006.</p>

# 2023 COMPENSATION SUMMARY

## Compensation in 2023

The table below is a summary of total direct compensation awarded to the named executives in 2023.

Please see Page 68 for the summary compensation table, which shows total compensation for the past three years, and the assumptions used for the long-term incentive values.

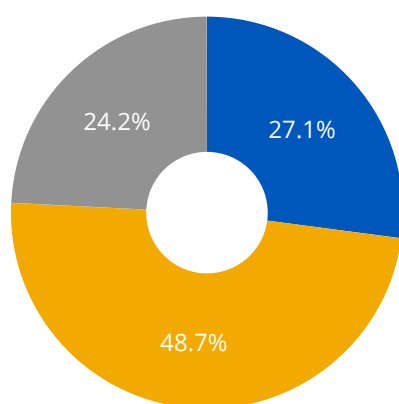
	Total cash compensation (\$)		Equity (\$)	Total direct compensation (\$)
	Salary	Short-term incentive	Long-term incentive	
Nancy C. Southern	890,000	1,602,000	796,000	3,288,000
Brian P. Shkrobot <sup>1</sup>	450,563	373,800	238,800	1,063,163
Wayne K. Stensby <sup>2</sup>	706,923	800,000	318,400	1,825,323
Bob J. Myles	679,167	750,000	278,600	1,707,767
Becky A. Penrice	478,375	534,000	119,400	1,131,775

<sup>1</sup> Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.

<sup>2</sup> The compensation amounts for Wayne K. Stensby reflect his full compensation both during his time as President & Chief Executive Officer of LUMA until June 30, 2023, and as Chief Operating Officer of ATCO Energy Systems effective July 1, 2023. Mr. Stensby's compensation with LUMA was subject to service, affiliate service, and secondment arrangements between Canadian Utilities Limited, its affiliates, its joint venture partner in LUMA, and LUMA, pursuant to which management compensation costs were shared by the parties.

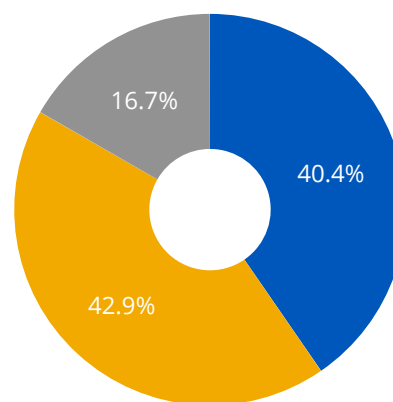
## 2023 Pay Mix

### CEO



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

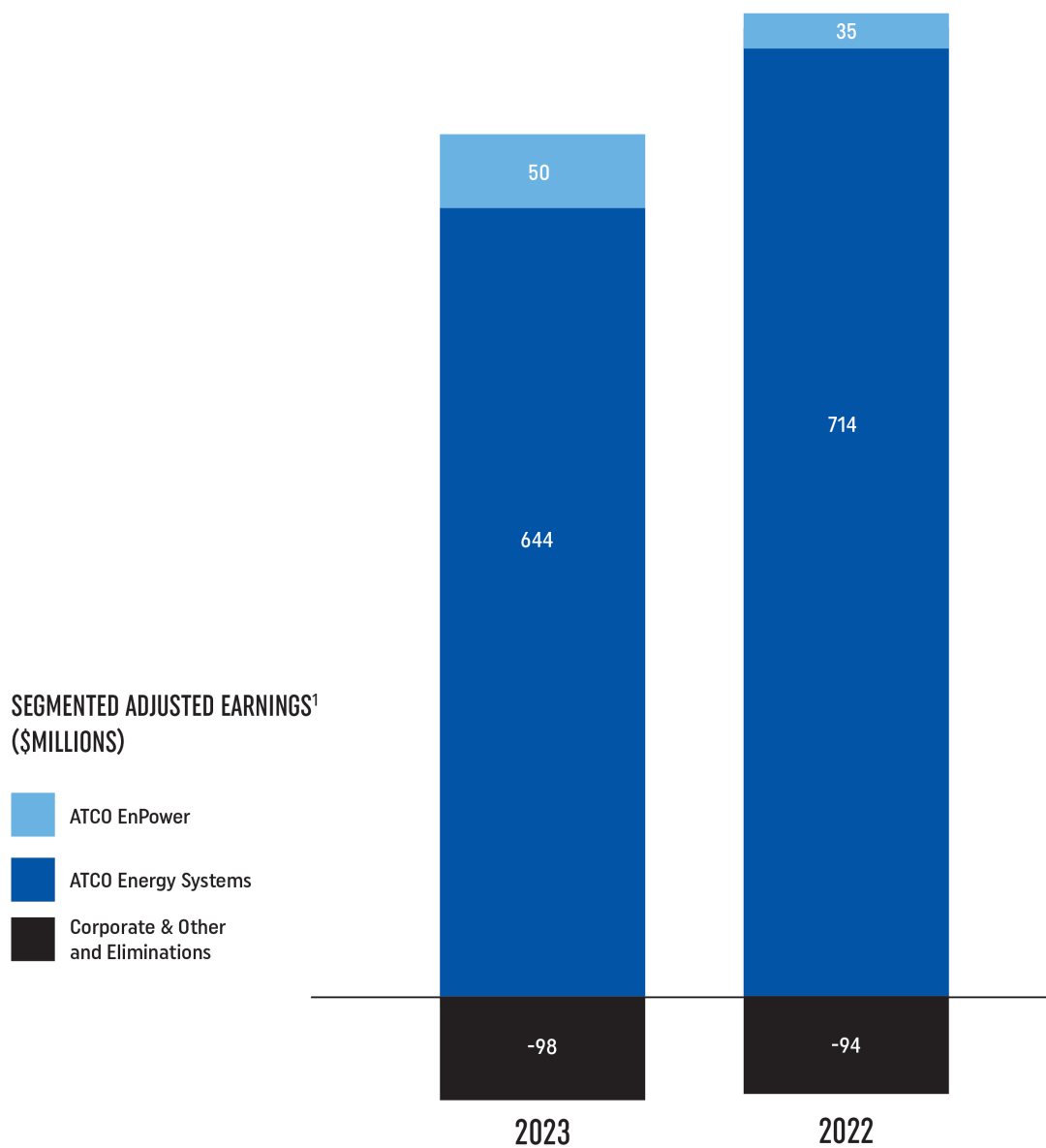
### Other Named Executives



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

## Compensation Linked To Financial Performance

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



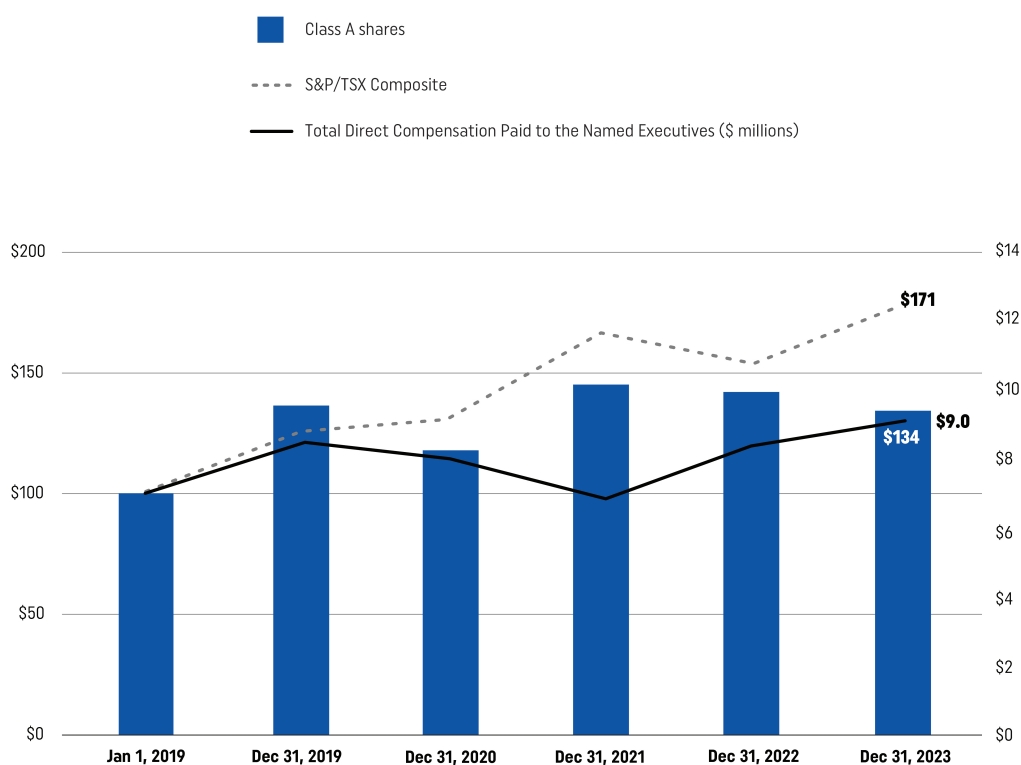
(\$millions)	2023	2022
Adjusted earnings <sup>1</sup>	596	655
Total direct compensation paid to the named executives	9.0	8.6
As a % of adjusted earnings	1.5%	1.3%

<sup>1</sup> For additional information, please see the Non-GAAP and Other Financial Measures Advisory on Page 81.

## Compensation Linked to Share Owner Return

The graph below compares the cumulative value of \$100 invested in Class A shares (assuming reinvestment of dividends) on January 1, 2019, with the cumulative value of \$100 invested in the S&P/TSX Composite Index over the same period. The chart also shows the total direct compensation paid to the named executives in each of the past five years.

### Total Shareholder Return (TSR) (\$) and Total Direct Compensation Paid to the Named Executives (\$ millions)



Total direct compensation includes:

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

The above performance graph shows how an investment of \$100 on January 1, 2019 in Class A shares at the closing price of \$31.89 would equate to \$134, respectively, on December 31, 2023, whereas the same \$100 investment in the S&P/Composite Index over the same period would equate to \$171. Our compensation program ensures that the compensation we pay to our executive officers is related to factors that influence share owner value. Share price performance, however, is not the only predictor or outcome of the success of our executive team. It is one of many considerations that influence our NEO compensation decisions. As shown in the above performance graph, TSR and NEO compensation decreased in 2020. In 2021, TSR increased significantly while NEO compensation levels continued to decrease. TSR decreased modestly year-over-year for 2022 while NEO compensation levels increased, and in 2023 TSR decreased year-over-year while NEO compensation increased.



## NANCY C. SOUTHERN

Chair & Chief Executive Officer

Calgary, Canada

Years of Service 34

Age 67

Ms. Southern is Chair & Chief Executive Officer of Canadian Utilities and ATCO. Ms. Southern reports to the Board of Directors and has been a director of Canadian Utilities since 1990. She has full responsibility for Canadian Utilities' strategic direction and operations and has been instrumental in executing the Company's global growth strategy. Under her leadership, Canadian Utilities acquired WA Gas Networks in Western Australia in 2011; completed the award-winning Fort McMurray 500-kV West Transmission Project in Alberta in 2019; and won a competitive bid to transform and operate Puerto Rico's electric system in 2020. She has also positioned the Company at the forefront of Indigenous economic reconciliation and the energy transition, with a focus on clean fuels, electricity, and critical energy infrastructure, and champions a diverse and inclusive environment.

### COMPENSATION

	2023 (\$)	2022 (\$)	2021 (\$)
<b>Cash</b>			
Base salary	890,000	890,000	890,000
Short-term incentive	1,602,000	1,602,000	0
<b>Total cash compensation</b>	<b>2,492,000</b>	<b>2,492,000</b>	<b>890,000</b>
<b>Equity</b>			
Mid-term incentive	N/A	N/A	N/A
Long-term incentive: Stock Options	796,000	1,002,750	606,000
<b>Total equity</b>	<b>796,000</b>	<b>1,002,750</b>	<b>606,000</b>
<b>Total direct compensation</b>	<b>3,288,000</b>	<b>3,494,750</b>	<b>1,496,000</b>

### EMPLOYMENT AGREEMENT

Ms. Southern has an employment agreement with Canadian Utilities that is reviewed and approved regularly. It is currently extended to February 28, 2025. The agreement includes insurance benefits if Ms. Southern dies or becomes disabled before she retires or employment is terminated. The amount is based on her salary, using formulas that take into account the amounts payable to her under Canadian Utilities' group life insurance policies and disability income programs. It also includes supplemental pension benefits, which are described on Page 55. A certain portion of Ms. Southern's supplemental pension benefits are payable to her surviving spouse in the event of her death.

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



## BRIAN P. SHKROBOT

Executive Vice President & Chief Financial Officer

Calgary, Canada

Years of service 23

Age 51

Mr. Shkrobot was Executive Vice President & Chief Financial Officer of Canadian Utilities until his retirement on March 1, 2024. He was responsible for the overall financial management of Canadian Utilities including Finance, Accounting, Treasury, Taxation, Risk Management, Investor Relations and the administration of Internal Audit. He was also responsible for ATCO's Sustainability and Information Technology functions and Regulatory Affairs for ATCO's utilities divisions. Mr. Shkrobot joined the Company in 2000 and held a variety of leadership positions across Canadian Utilities.

### COMPENSATION

	2023 (\$)	2022 (\$)	2021 (\$)
<b>Cash</b>			
Base salary	450,563	389,375	363,658
Short-term incentive	373,800	578,500	337,167
<b>Total cash compensation</b>	<b>824,363</b>	<b>967,875</b>	<b>700,825</b>
<b>Equity</b>			
Mid-term incentive	N/A	N/A	N/A
Long-term incentive: Stock Options	238,800	343,800	49,620
<b>Total equity</b>	<b>238,800</b>	<b>343,800</b>	<b>49,620</b>
<b>Total direct compensation</b>	<b>1,063,163</b>	<b>1,311,675</b>	<b>750,445</b>



## WAYNE K. STENSBY

Chief Operating Officer, ATCO Energy Systems

Calgary, Canada

Years of service 35

Age 57

Mr. Stensby is Chief Operating Officer of ATCO Energy Systems. He is responsible for the strategic direction and operations of Canadian Utilities' natural gas and electric utilities, including the company's interests in Puerto Rico. Collectively, these businesses provide safe, efficient, and reliable energy to millions of homes and businesses in hundreds of communities. Mr. Stensby joined the Company in 1989 and has held a variety of leadership positions across multiple operating jurisdictions. He was appointed to his current role in July 2023.

### COMPENSATION

	2023 (\$)	2022 (\$)	2021 (\$)
<b>Cash</b>			
Base salary	706,923	537,500	496,250
Short-term incentive	800,000	1,000,000	500,000
<b>Total cash compensation</b>	<b>1,506,923</b>	<b>1,537,500</b>	<b>996,250</b>
<b>Equity</b>			
Mid-term incentive	N/A	N/A	N/A
Long-term incentive: Stock Options	318,400	286,500	262,600
<b>Total equity</b>	<b>318,400</b>	<b>286,500</b>	<b>262,600</b>
<b>Total direct compensation</b>	<b>1,825,323</b>	<b>1,824,000</b>	<b>1,258,850</b>

*The compensation amounts for Wayne K. Stensby reflect his full compensation both during his time as President & Chief Executive Officer of LUMA until June 30, 2023, and as Chief Operating Officer of ATCO Energy Systems effective July 1, 2023. Mr. Stensby's compensation with LUMA was subject to service, affiliate service, and secondment arrangements between Canadian Utilities Limited, its affiliates, its joint venture partner in LUMA, and LUMA, pursuant to which management compensation costs were shared by the parties.*



## ROBERT J. MYLES

Chief Operating Officer, ATCO EnPower

Calgary, Canada

Years of service 24

Age 59

Mr. Myles is Chief Operating Officer, ATCO EnPower. He has operational, financial and strategic oversight of Canadian Utilities' non-regulated energy businesses. Mr. Myles is responsible for leading the energy transition with renewable energy solutions, energy storage and water facilities, hydrogen, ammonia and carbon capture sequestration projects. He has held a variety of progressively senior roles in ATCO and Canadian Utilities. Mr. Myles was appointed to his current role in July 2023.

### COMPENSATION

	2023 (\$)	2022 (\$)	2021 (\$)
<b>Cash</b>			
Base salary	679,167	472,813	411,625
Short-term incentive	750,000	667,500	489,500
<b>Total cash compensation</b>	<b>1,429,167</b>	<b>1,140,313</b>	<b>901,125</b>
<b>Equity</b>			
Mid-term incentive	N/A	N/A	N/A
Long-term incentive: Stock Options	278,600	286,500	80,800
<b>Total equity</b>	<b>278,600</b>	<b>286,500</b>	<b>80,800</b>
<b>Total direct compensation</b>	<b>1,707,767</b>	<b>1,426,813</b>	<b>981,925</b>





## REBECCA A. PENRICE

Executive Vice President, Corporate Services

Calgary, Canada

Years of service 4

Age 49

Ms. Penrice is Executive Vice President, Corporate Services for Canadian Utilities and ATCO. She has overall responsibility for leading key corporate functions, including: IT, Human Resources, Corporate Security, Common Services, Supply Chain, Governance & Legal, Marketing, Brand & Communications and Aviation. She is involved in strategic decisions which guide the evolution of the corporate culture as well as supporting the Executive leadership team and the Board of Directors. Ms. Penrice joined the Company in 2020.

### COMPENSATION

	2023 (\$)	2022 (\$)	2021 (\$)
<b>Cash</b>			
Base salary	478,375	436,100	401,613
Short-term incentive	534,000	667,500	445,000
<b>Total cash compensation</b>	<b>1,012,375</b>	<b>1,103,600</b>	<b>846,613</b>
<b>Equity</b>			
Mid-term incentive	N/A	N/A	N/A
Long-term incentive: Stock Options	119,400	143,250	12,120
<b>Total equity</b>	<b>119,400</b>	<b>143,250</b>	<b>12,120</b>
<b>Total direct compensation</b>	<b>1,131,775</b>	<b>1,246,850</b>	<b>858,733</b>

# 2023 COMPENSATION DETAILS

## Compensation Table

The table below summarizes the total compensation each of the named executives received or was awarded for the years ended December 31, 2021, 2022, and 2023. All of the named executives, with the exception of Wayne K. Stensby and Bob J. Myles, had responsibilities for both Canadian Utilities and for ATCO, our parent company. Wayne K. Stensby's and Bob J. Myles' compensation is 100 per cent allocated to Canadian Utilities. The table below shows how the compensation expense for executives with dual roles has been shared over the past three years.

	Amount paid by Canadian Utilities	Amount paid by ATCO	Combined total reported in ATCO proxy circular
2023	89.0 %	11.0 %	100 %
2022	89.0 %	11.0 %	100 %
2021	89.0 %	11.0 %	100 %

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

	Salary	Share based awards <sup>1</sup>	Option based awards <sup>2,3</sup>	Non-equity incentive plan compensation		Pension value <sup>4</sup>	All other compensation <sup>5</sup>	Total compensation
				Annual incentive plans	Long term incentive plans			
<b>Nancy C. Southern</b>								
Chair & Chief Executive Officer								
2023	890,000	N/A	796,000	1,602,000	N/A	1,606,474	31,150	4,925,624
2022	890,000	N/A	1,002,750	1,602,000	N/A	1,148,914	31,150	4,674,814
2021	890,000	N/A	606,000	0	N/A	1,411,080	31,150	2,938,230
<b>Brian P. Shkrobot<sup>6</sup></b>								
Executive Vice President & Chief Financial Officer								
2023	450,563	N/A	238,800	373,800	N/A	28,088	7,885	1,099,136
2022	389,375	N/A	343,800	578,500	N/A	27,394	97,285	1,436,354
2021	363,658	N/A	49,620	337,167	N/A	28,139	12,729	791,313
<b>Wayne K. Stensby<sup>7</sup></b>								
Chief Operating Officer, ATCO Energy Systems								
2023	706,923	N/A	318,400	800,000	N/A	545,615	134,742	2,505,680
2022	537,500	N/A	286,500	1,000,000	N/A	187,386	180,063	2,191,449
2021	496,250	N/A	262,600	500,000	N/A	198,646	156,015	1,613,511
<b>Bob J. Myles</b>								
Chief Operating Officer, ATCO EnPower								
2023	679,167	N/A	278,600	750,000	N/A	31,560	16,990	1,756,317
2022	472,813	N/A	286,500	667,500	N/A	27,394	11,820	1,466,027
2021	411,625	N/A	80,800	489,500	N/A	25,997	10,290	1,018,212
<b>Becky A. Penrice</b>								
Executive Vice President, Corporate Services								
2023	478,375	N/A	119,400	534,000	N/A	28,088	11,959	1,171,822
2022	436,100	N/A	143,250	667,500	N/A	27,394	10,903	1,285,147
2021	401,613	N/A	12,120	445,000	N/A	25,997	10,040	894,770

- 1 The share based awards value includes the dividends received during the respective calendar years. Canadian Utilities did not grant units under the mid-term incentive plan during the past three years.
- 2 The option values shown for the last three years are the grant date fair values determined using the Black-Scholes method, the same method used for determining the accounting fair values. The assumptions used were as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>	
	<b>September</b>	<b>September</b>	<b>October</b>	<b>June</b>
<b>Option Assumptions</b>				
Expected life (years)	6.7	6.8	6.8	6.8
Risk free rate of return	3.82%	3.20%	1.56%	1.06%
Volatility	22.81%	21.44%	24.01%	24.09%
Dividend yield	5.69%	4.41%	4.91%	4.89%

- 3 Total Canadian Utilities stock options.
- 4 Estimated using a prescribed formula based on several assumptions. Also includes other compensatory items. For additional information, please see the disclosure under Pension and Retirement Benefits starting on Page 74.
- 5 Employer contribution to the Employee Share Purchase Plan. Mr. Stensby's 2023 compensation includes \$110,000 related to expatriate premiums while at LUMA. The value in the table reflects the Canadian Utilities portion of the compensation expense.
- 6 Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.
- 7 The compensation amounts for Wayne K. Stensby reflect his full compensation both during his time as President & Chief Executive Officer of LUMA until June 30, 2023, and as Chief Operating Officer of ATCO Energy Systems effective July 1, 2023. Mr. Stensby's compensation with LUMA was subject to service, affiliate service, and secondment arrangements between Canadian Utilities Limited, its affiliates, its joint venture partner in LUMA, and LUMA, pursuant to which management compensation costs were shared by the parties.

## Outstanding Option-Based Awards

The table below shows each named executive's outstanding incentive plan awards for both Canadian Utilities and ATCO as of December 31, 2023.

							Option-based awards			
Number of securities underlying unexercised options (#)					Option exercise price /SARs base value (\$)		Option / SARs expiration date	Value of unexercised in-the-money options / SARs <sup>3</sup> (\$)		
Canadian Utilities			ATCO							
Options <sup>1</sup>	SARs <sup>2</sup>	Options <sup>3</sup>	SARs <sup>4</sup>	Canadian Utilities	ATCO		Canadian Utilities	ATCO		
<b>Nancy C. Southern</b>										
2023	200,000	N/A	300,000	N/A	31.28	36.41	2031-09-15	122,000	678,000	
2022	175,000	N/A	275,000	N/A	40.89	47.54	2030-09-15	0	0	
2021	150,000	N/A	250,000	N/A	35.76	45.38	2029-06-15	0	0	
2020	140,000	N/A	200,000	N/A	32.09	38.40	2028-12-15	0	54,000	
2019	65,000	65,000	65,000	65,000	38.97	49.51	2029-11-15	0	0	
2018	65,000	65,000	65,000	65,000	34.13	42.08	2028-03-15	0	0	
2017	65,000	65,000	65,000	65,000	38.07	48.82	2027-03-15	0	0	
2016	62,500	62,500	62,500	62,500	36.08	38.93	2026-03-25	0	0	
2015	50,000	50,000	50,000	50,000	40.78	46.98	2025-03-15	0	0	
2014	50,000	50,000	50,000	50,000	39.45	51.96	2024-03-15	0	0	
<b>Brian P. Shkrobot<sup>6</sup></b>										
2023	60,000	N/A	N/A	N/A	31.28	N/A	2031-09-15	36,600	0	
2022	60,000	N/A	N/A	N/A	40.89	N/A	2030-09-15	0	0	
2021	6,000	N/A	N/A	N/A	35.44	N/A	2029-10-30	0	0	
2021	6,000	N/A	N/A	N/A	35.76	N/A	2029-06-15	0	0	
2020	4,500	N/A	N/A	N/A	32.09	N/A	2028-12-15	0	0	
2019	3,000	3,000	N/A	N/A	38.97	N/A	2029-11-15	0	0	
2018	200	200	200	200	34.13	42.08	2028-03-15	0	0	
2017	1,200	1,200	N/A	N/A	38.07	N/A	2027-03-15	0	0	
2015	200	200	N/A	N/A	40.78	N/A	2025-03-15	0	0	
<b>Wayne K. Stensby</b>										
2023	80,000	N/A	20,000	N/A	31.28	36.41	2031-09-15	48,800	45,200	
2022	50,000	N/A	10,000	N/A	40.89	47.54	2030-09-15	0	0	
2021	65,000	N/A	20,000	N/A	35.76	45.38	2029-06-15	0	0	
2020	65,000	N/A	20,000	N/A	32.09	38.40	2028-12-15	0	5,400	
2019	5,000	5,000	2,500	2,500	38.97	49.51	2029-11-15	0	0	
2018	5,000	5,000	5,000	5,000	34.13	42.08	2028-03-15	0	0	
2017	5,000	5,000	5,000	5,000	38.07	48.82	2027-03-15	0	0	
2016	2,500	2,500	2,500	2,500	36.08	38.93	2026-03-25	0	0	
2015	1,000	1,000	N/A	N/A	36.78	N/A	2025-05-15	0	0	
2014	2,000	2,000	N/A	N/A	39.45	N/A	2024-03-15	0	0	
<b>Bob J. Myles</b>										
2023	70,000	N/A	15,000	N/A	31.28	36.41	2031-09-15	42,700	33,900	
2022	50,000	N/A	10,000	N/A	40.89	47.54	2030-09-15	0	0	
2021	20,000	N/A	10,000	N/A	35.76	45.38	2029-06-15	0	0	
2020	20,000	N/A	10,000	N/A	32.09	38.40	2028-12-15	0	2,700	
<b>Becky A. Penrice</b>										
2023	30,000	N/A	30,000	N/A	31.28	36.41	2031-09-15	18,300	67,800	
2022	25,000	N/A	25,000	N/A	40.89	47.54	2030-09-15	0	0	
2021	3,000	N/A	3,000	N/A	35.76	45.38	2029-06-15	0	0	
2020	3,000	N/A	3,000	N/A	32.09	38.40	2028-12-15	0	810	

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

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

<sup>3</sup> Options to buy ATCO Class I Shares.

<sup>4</sup> Share appreciation rights based on ATCO Class I Shares.

<sup>5</sup> The difference between the market value as of December 31, 2023, of Canadian Utilities Class A shares (\$31.89) and ATCO Class I Shares (\$38.67) underlying the option-based awards and the exercise price of the option-based awards.

<sup>6</sup> Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.

The table below shows the total holdings and value of options and SARs held by the named executives at the end of the year, and the options and SARs they exercised in 2023.

Aggregate holdings and value of options and SARs held on December 31, 2023					Options and SARs exercised in 2023	
Number of unexercised options/SARs (#)		Value of unexercised in-the-money options/SARs (\$)		Securities acquired on exercise (#)	Aggregate value realized (\$)	
Exercisable	Unexercisable	Exercisable	Unexercisable			
<b>Nancy C. Southern</b>						
Ms. Southern did not exercise any options or SARs in 2023						
Canadian Utilities Class A						
Options	568,250	454,250	0	122,000	N/A	N/A
SARs	344,500	13,000	0	0	N/A	N/A
ATCO Class I						
Options	688,250	694,250	40,500	691,500	N/A	N/A
SARs	344,500	13,000	0	0	N/A	N/A
<b>Brian P. Shkrobot<sup>1</sup></b>						
Mr. Shkrobot did not exercise any options or SARs in 2023						
Canadian Utilities Class A						
Options	28,000	113,100	0	36,600	N/A	N/A
SARs	4,000	600	0	0	N/A	N/A
ATCO Class I						
Options	200	0	0	0	N/A	N/A
SARs	200	0	0	0	N/A	N/A
<b>Wayne K. Stensby</b>						
Mr. Stensby did not exercise any options or SARs in 2023						
Canadian Utilities Class A						
Options	113,250	167,250	0	48,800	N/A	N/A
SARs	19,500	1,000	0	0	N/A	N/A
ATCO Class I						
Options	42,000	43,000	4,050	46,550	N/A	N/A
SARs	14,500	500	0	0	N/A	N/A
<b>Bob J. Myles</b>						
Mr. Myles did not exercise any options in 2023						
Canadian Utilities Class A						
Options	37,500	122,500	0	42,700	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A
ATCO Class I						
Options	15,000	30,000	2,025	34,575	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A
<b>Becky A. Penrice</b>						
Ms. Penrice did not exercise any options in 2023						
Canadian Utilities Class A						
Options	10,000	51,000	0	18,300	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A
ATCO Class I						
Options	10,000	51,000	608	68,003	N/A	N/A
SARs	N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.

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

The table below shows incentive plan awards that have vested or were earned for each named executive during 2023.

Year ended December 31, 2023	Option-based awards				Non-equity incentive plan compensation
	Value vested during the year (\$)		Value vested during the year (\$)		Value earned during the year (\$)
	Canadian Utilities		ATCO		
	Options <sup>1</sup>	SARs <sup>2</sup>	Options <sup>3</sup>	SARs <sup>4</sup>	
Nancy C. Southern	31,330	31,330	0	0	1,602,000
Brian P. Shkrobot <sup>5</sup>	482	482	0	0	373,800
Wayne K. Stensby	2,410	2,410	0	0	800,000
Bob J. Myles	0	N/A	0	N/A	750,000
Becky A. Penrice	0	N/A	0	N/A	534,000

1 Options to buy Canadian Utilities Class A shares.

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

3 Options to buy ATCO Class I Shares.

4 Share appreciation rights based on ATCO Class I Shares.

5 Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.

## Equity compensation plan information

	Non-voting shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Non-voting shares remaining available for future issuance under equity compensation plans (not including outstanding options)	Total number of outstanding shares	Non-voting shares to be issued upon exercise of outstanding options (as a % of total outstanding shares)	Non-voting shares available for future issuance (as a % of total outstanding shares)
<b>December 31, 2023</b>						
Canadian Utilities	2,535,850	\$35.40	10,220,250	270,926,582	0.9 %	3.8 %
<b>March 11, 2024</b>						
Canadian Utilities	2,492,250	\$35.35	10,263,850	271,264,214	0.9 %	3.8 %

## Incentive Plan Awards

### Plan details for Stock Option Plans

	Canadian Utilities
<b>Maximum number of shares that can be issued:</b>	<ul style="list-style-type: none"><li>• 12,800,000 Class A shares</li><li>• (4.7% of outstanding Class A and Class B shares as of December 31, 2023)</li></ul>
<b>Number of outstanding securities awarded:</b>	<ul style="list-style-type: none"><li>• Options to purchase 2,535,850 Class A shares as of December 31, 2023</li><li>• (0.9% of outstanding Class A and Class B shares as of December 31, 2023)</li></ul>
<b>Activity in 2023:</b>	<ul style="list-style-type: none"><li>• 698,500 options were granted</li><li>• 17,000 Class A shares were issued on the exercise of options</li><li>• 63,350 options were cancelled</li><li>• 80,900 options expired</li></ul>

### Dilution Measure

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

	December 31, 2023	December 31, 2022	December 31, 2021
Canadian Utilities	0.26%	0.20%	0.19%

## Pension and Retirement Benefits

### Defined Benefit

The table below shows the pension benefits and accrued obligations under all registered pension plans and supplemental arrangements for Nancy C. Southern and Wayne K. Stensby. See Page 55 for more information about our pension plans.

	Number of years credited service (#)	Annual benefits payable (\$)		Opening present value of defined benefit obligation (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Closing present value of defined benefit obligation (\$)
		At year end	At Age 65				
Nancy C. Southern	28.00	1,865,440	1,865,440	27,873,258	1,606,474	3,223,533	32,703,265
Wayne K. Stensby	34.08	256,786	263,013	4,467,679	514,055	563,207	5,544,941

Number of years of credited service is the time the executive has been a member of the pension plan, and is used to calculate the pension.

Annual pension benefits payable at year end is based on the defined benefit credited service and actual average pensionable earnings at December 31, 2023. The benefits are reduced if a named executive is eligible for early retirement.

Annual pension benefits payable at age 65 is based on actual average pensionable earnings at December 31, 2023 and their projected service at age 65, to a maximum of 35 years service.

The Company calculates the accrued pension obligation using the method prescribed by IFRS and based on management's best estimate of future events that affect the cost of pensions, including assumptions about adjustments to base salary in the future.

The compensatory change includes the service cost, differences between actual and estimated earnings, the impact of plan amendments and past service benefits, as well as changes in expected future retirement dates.

The non-compensatory change includes interest on the obligation and the impact of assumption changes in 2023. See Note 15, Retirement Benefits, in our 2023 annual consolidated financial statements for more information about the methods and assumptions used to calculate accrued obligations.

### Defined Contribution

The table below shows the defined contribution disclosure for the named executives.

	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Brian P. Shkrobot	636,564	28,088	763,475
Wayne K. Stensby	1,027,843	31,560	1,234,073
Bob J. Myles	72,691	31,560	121,762
Becky A. Penrice	80,529	28,088	121,443

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



## Termination and Change of Control

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

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

We have an employment agreement with Ms. Southern, Chair & Chief Executive Officer, Canadian Utilities and ATCO. See Page [63](#) for more information.

<b>Retirement</b>	<ul style="list-style-type: none"> <li>• Salary ends</li> <li>• Retiring allowance is typically based on years of service to a maximum of one month's salary unless something different is approved by GOCOM in connection with an executive's retirement</li> <li>• Retiree health benefits coverage starts when he or she retires, and continues until six months after the pensioner dies</li> <li>• Annual incentive is paid on a pro rata basis to the retirement date</li> <li>• All options granted after 2019 will continue to vest over the four-year term and expire eight years after the grant date</li> <li>• All unvested options and share appreciation rights granted in or prior to 2019 are forfeited on the retirement date</li> <li>• All vested options and share appreciation rights granted in or prior to 2019 can be exercised within 24 months of the retirement date, or on the expiry date if earlier</li> <li>• Pension benefits are provided based on membership in the Pension Plan and Supplemental Pension Benefits, as applicable) as more fully described on Page <a href="#">55</a></li> </ul>
<b>Resignation</b>	<ul style="list-style-type: none"> <li>• All salary and benefits end</li> <li>• Annual incentive for the current year is forfeited</li> <li>• All vested options and share appreciation rights can be exercised within 90 days of the resignation date, or on the expiry date if earlier</li> <li>• All unvested options and share appreciation rights are forfeited on the resignation date</li> <li>• Pension is paid as a commuted value or deferred benefit</li> </ul>
<b>Change of control</b>	<ul style="list-style-type: none"> <li>• No changes to salary, incentives or benefits</li> <li>• All vested options and share appreciation rights can be exercised upon a change of control. These awards can be exercised until the earlier of their scheduled expiry and 90 days after the date of any termination of the participant's status with the Company</li> <li>• All unvested options and share appreciation rights vest upon a change of control. These awards can be exercised until the earlier of their scheduled expiry and 90 days after the date of any termination of the participant's status with the Company</li> </ul>

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

The table below shows incremental amounts that would be paid to the named executives based on differing scenarios - retirement, resignation, termination without cause and change of control without termination, assuming the triggering event took place on December 31, 2023.

Incremental Amounts	Retirement (\$)	Resignation (\$)	Termination Without Cause (\$) <sup>1</sup>	Change of Control Without Termination (\$) <sup>2</sup>
<b>Nancy C. Southern</b>				
Cash payment			5,874,000	
Option-based awards <sup>3</sup>			122,000	122,000
Pension				
Benefits			267,000	
Perquisites			113,665	
<b>Total</b>			<b>6,376,665</b>	<b>122,000</b>
<b>Brian P. Shkrobot<sup>4</sup></b>				
Cash payment				
Option-based awards <sup>3</sup>				36,600
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>36,600</b>
<b>Wayne K. Stensby</b>				
Cash payment				
Option-based awards <sup>3</sup>				48,800
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>48,800</b>
<b>Bob J. Myles</b>				
Cash payment				
Option-based awards <sup>3</sup>				42,700
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>42,700</b>
<b>Becky A. Penrice</b>				
Cash payment				
Option-based awards <sup>3</sup>				18,300
Pension				
Benefits				
Perquisites				
<b>Total</b>				<b>18,300</b>

1 The named executives are not entitled to any incremental payments in the event of termination for cause. For Ms. Southern, the values in this column also apply in the event of termination for "Good Reason" as more fully described on Page 76.

2 The cash payment that would be made upon termination in the event of change of control is the same value as shown under "Termination Without Cause".

3 Assumes the exercise of all unvested options and share appreciation rights. Shows the estimated value of accelerated awards based on \$31.89, the closing price of Canadian Utilities Class A shares on December 31, 2023.

4 Mr. Shkrobot was Executive Vice President & Chief Financial Officer until his retirement on March 1, 2024.

# OTHER INFORMATION

## Directors and Officers Liability Insurance

Canadian Utilities, ATCO and their subsidiaries have purchased insurance with an annual aggregate limit of \$200 million. Coverage for the directors and officers is \$200 million, with coverage for Canadian Utilities, ATCO and their subsidiaries limited to \$175 million. Canadian Utilities paid a premium of \$607,306 in the financial year ended December 31, 2023. No part of the premium was paid by a director or officer. Canadian Utilities is responsible for the first \$1 million of any securities claim and for the first \$500,000 of any other loss. There is no deductible in respect of claims against any director or officer.

## Indebtedness of Directors, Executive Officers and Employees

No current or proposed director, executive officer or employee of Canadian Utilities, nor any former director, executive officer or employee of Canadian Utilities, nor any associate of the foregoing, is, or was, at any time during 2023, other than routine indebtedness previously outstanding as defined under Canadian securities laws, indebted to Canadian Utilities or its subsidiaries, either in connection with the purchase of Canadian Utilities securities or otherwise. Canadian Utilities does not provide loans to directors, executive officers or employees except for:

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

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

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

Management of Canadian Utilities is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, executive officer, or anyone who has been a director or executive officer of Canadian Utilities at any time since January 1, 2023, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the meeting, other than the election of directors, except for as set forth in this Circular.

## Interest of Informed Persons in Material Transactions

As at the date hereof, there are 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 Spousal Trust. Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. ATCO, Sentgraf, the Spousal Trust and the MES 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.

## **Management Contracts**

No management functions of the Company or any of its subsidiaries are performed by a person or corporation other than the directors or executive officers of the Company or its subsidiaries.

## **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 1, 2023, the Company filed a notice of intention to make a NCIB with the TSX, under which the Company could purchase up to 2,018,434 outstanding Class A shares from September 7, 2023 to September 6, 2024. The aggregate number of Class A shares that the Company may purchase under the NCIB during any trading day is subject to a maximum daily purchase limit of 170,173 Class A shares (being 25% of the average daily trading volume for the six calendar months preceding the date of the acceptance of the notice, which was equal to 680,692 Class A shares). Any Class A shares purchased pursuant to the NCIB will be cancelled. A copy of the Company's notice of intention to make a NCIB, which was accepted by the TSX, can be obtained by the share owners, without charge, by contacting the Company.

## **Share Owner Proposals**

A proposal to be included in the management proxy circular for the next annual meeting of share owners must be received by Canadian Utilities on or before December 10, 2024.

## **Additional Information**

Additional information about Canadian Utilities is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Information about Canadian Utilities' business is provided in its annual information form dated February 28, 2024. Financial information is provided in Canadian Utilities' financial statements and the management's discussion and analysis for the year ended December 31, 2023.

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

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

## **Forward-Looking Information Advisory**

Certain statements contained in this Circular constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this Circular includes, but is not limited to references to: the business and procedure of the meeting; the composition of the Board following the meeting; GOCOM's belief that Canadian Utilities' compensation policies and practices do not encourage any executive to take inappropriate or excessive risks that could have a materially adverse effect on the Company and that Canadian Utilities has proper practices in place to effectively identify and mitigate potential risks; statements relating to strategic plans, goals and targets, including ATCO's ESG targets and the commitment to achieve net zero greenhouse gas (GHG) emissions by 2050; growth plans; expected emissions reductions; the expected decarbonization of operations; statements relating to the Company's continuing

commitment to a diverse and inclusive working environment; the Company's continuing commitment to build and maintain positive and mutually beneficial relationships and partnerships with communities we serve, including Indigenous groups; the 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 purchase and sale of electricity and/or renewable energy; the expected value, term, impact and/or benefits of contracts; the expected timing for commencement, construction, completion or commercial operations of facilities, assets or projects; expected economic and community benefits; and information pertaining to planned but not yet fully developed projects.

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

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; future demand for resources; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; potential termination or breach of contract by contract counterparties; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; global pandemics; 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 "Business Risks and Risk Management" in the Management's Discussion and Analysis for the year ended December 31, 2023 (MD&A), which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

Future-oriented financial information or financial outlook information contained herein was made as of the date of this Circular.

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

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

This Circular includes references to “adjusted earnings”, which is a “total of segments measure” as that term is defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. The most directly comparable measure reported in accordance with IFRS is “earnings attributable to equity owners of the Company”, which was \$707 million as at December 31, 2023 and \$632 million as at December 31, 2022. For additional information, see “Other Financial and Non-GAAP Measures” and “Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company” in the MD&A, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The information provided in the MD&A under the heading “Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company” is incorporated by reference herein.

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

Dated March 11, 2024

*[Signed by K.M. Brunner]*

Kyle M. Brunner  
Senior Vice President, General Counsel & Corporate Secretary

# SCHEDULE A – BOARD OF DIRECTORS MANDATE

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

## COMPOSITION AND OPERATION

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

## RESPONSIBILITIES

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

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



## SPECIFIC DUTIES

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

### 1. Legal Requirements

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

### 2. Independence

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

### 3. Strategic Planning

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

### 4. Risk Management

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

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

The Board is responsible for:

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

## **6. Reporting and Communication**

The Board is responsible for:

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

## **7. Monitoring and Acting**

The Board is responsible for:

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

## **8. Other**

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

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

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

Since its inception in 1994, the Stock Option Plan has required the maintenance of a reserve of Class A shares to cover the options granted to participants. This reserve must be replenished from time to time so that the Company has a sufficient number of Class A shares to cover new option grants. Share owners were last asked to approve the Stock Option Plan in 2022, when share owners approved a resolution to replenish the share reserve by 8,372,850 Class A shares which resulted in the reservation of the maximum number of Class A shares authorized for issuance, being 12,800,000.

Share owners approved general amendment provisions for the Stock Option Plan in May 2007 and prior to that, the Stock Option Plan was approved by share owners in May 2000, at which time the number of Class A shares approved for issuance under the Stock Option Plan was 3,200,000. The Company subsequently completed two stock splits, which changed the fixed maximum of Class A shares reserved for issuance under the Stock Option Plan to 12,800,000.

The table on Page 73 of the Circular shows the number of options to acquire Class A shares currently outstanding as well as the amount available for future grants. The table on Page 73 of the Circular shows the annual burn rate of the Stock Option Plan for the past three years.

## *Eligible Participants and Insider Participation Limits*

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

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

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

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

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

### *Cessation of Entitlements*

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

<b>Event</b>	<b>Treatment of Options</b>
<b>Resignation / termination (with or without cause)</b>	As of the service termination date (as defined in the Stock Option Plan), all unvested options shall immediately terminate. Any vested options shall expire on the date that is the earlier of (a) 90 days after the service termination date and (b) the scheduled expiry of the option.
<b>Retirement</b>	For options granted after 2019: Any unvested options as of the date of retirement (as defined in the Stock Option Plan) shall continue to vest in accordance with the vesting schedule set out in the participant's option agreement(s). Any options vested on, prior to or after the date of retirement, shall be exercisable on or before the last day of the scheduled expiry of the option. Notwithstanding the above, if, following retirement, the participant provides services as an employee or consultant to any competitive business (as defined in the Stock Option Plan) then any unvested options shall immediately terminate and any vested options shall be exercisable on or before the earlier of (a) 90 days after the date of retirement and (b) the scheduled expiry of the option. For options granted in or prior to 2019: Any unvested options as of the date of retirement are forfeited. Any options which have vested as of the date of retirement can be exercised until the earlier of (a) 24 months after the date of retirement, or (b) the scheduled expiry of the option.
<b>Death / permanent disability</b>	Any unvested options as of the date of the participant's death or permanent disability shall immediately expire and terminate. Any vested options shall be exercisable on or before the earlier of (a) 24 months after the date of death or permanent disability and (b) the scheduled expiry of the option.

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

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

### *Amendments*

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

- i any amendment to the vesting provisions of the Stock Option Plan or any option,
- ii any amendment to the termination provisions of the Stock Option Plan or any option, provided that such amendment does not entail an extension beyond the expiry date of the option,
- iii any amendment to the persons eligible to receive options or otherwise relating to the eligibility of anyone to receive options other than an amendment which would have the potential of broadening or increasing insider participation,
- iv any amendment with respect to the method or manner of exercise of any option,
- v any amendment of a "housekeeping" nature, and

- vi any other amendment that under the rules of the TSX (or such other stock exchange on which the Class A shares may be listed) does not require share owner approval, provided that no such addition, repeal, or amendment shall in any manner materially adversely affect the rights of any participant under any options theretofore granted under the Stock Option Plan without such participant's consent.

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

#### *Suspension / Termination*

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



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