



CANADIAN  
UTILITIES LIMITED  
An **ATCO** Company

CANADIAN UTILITIES LIMITED  
MANAGEMENT PROXY CIRCULAR

NOTICE OF ANNUAL MEETING OF SHARE OWNERS

MAY 8, 2019



**CANADIAN UTILITIES LIMITED**

An **ATCO** Company

# NOTICE OF ANNUAL MEETING OF SHARE OWNERS

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When

**Wednesday, May 8, 2019  
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, 2018, 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 28, 2019 are entitled to vote at the meeting. The management proxy circular dated March 11, 2019 includes important information about what the meeting will cover and how to vote.

By order of the Board of Directors

*[Signed by C. Gear]*

C. Gear  
Corporate Secretary

Calgary, Alberta  
March 11, 2019



## CANADIAN UTILITIES LIMITED

An **ATCO** Company

March 11, 2019

Dear Share Owner:

I am delighted to invite all holders of Class A non-voting shares and Class B common shares of Canadian Utilities Limited to attend the 92nd annual meeting of Canadian Utilities Limited share owners. The meeting will be held in the Empire Ballroom at the Fairmont Hotel Macdonald, 10065 - 100 Street, Edmonton, Alberta on Wednesday, May 8, 2019 at 10:00 a.m. local time.

In addition to the formal business of the meeting, you will hear management's review of Canadian Utilities' 2018 operational and financial performance. You will have the opportunity to ask questions and to meet with management, your directors and fellow share owners.

Holders of Class B common shares are entitled to vote on the items of business at the meeting. If you are unable to attend the meeting in person, you may vote by telephone, fax, online or by completing your proxy form or voting instruction form. Please refer to Pages 1 to 6 of the accompanying management proxy circular for more information on who can vote and how to vote.

A webcast of the meeting will be available at [www.canadianutilities.com](http://www.canadianutilities.com) shortly after the meeting. Please visit our website during the year for information about our Company.

I hope you will join me after the meeting for light refreshments.

Sincerely,

*[Signed by N.C. Southern]*

N.C. Southern  
Chair & Chief Executive Officer

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# FREQUENTLY USED TERMS

<b>AST Trust Company (Canada)</b>	Canadian Utilities' registrar and transfer agent
<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, 2019
<b>Class A shares</b>	Class A non-voting shares
<b>Class B shares</b>	Class B common shares
<b>Code</b>	Code of Ethics
<b>DAD</b>	Designated Audit Director
<b>GBU</b>	Global Business Unit
<b>GOCOM</b>	Corporate Governance - Nomination, Compensation & Succession Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>MTIP</b>	Mid-term Incentive Plan
<b>Non-Registered Share Owner</b>	Your shares are held in the name of a nominee (usually a bank, broker or trust company)
<b>Proxy Form</b>	Form of Proxy
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Registered Share Owner</b>	Your name appears on your share certificate
<b>SAR</b>	Share Appreciation Right
<b>SEDAR</b>	System for Electronic Document Analysis and Retrieval
<b>Sentgraf</b>	Sentgraf Enterprises Ltd.
<b>VIF</b>	Voting Instruction Form

All information in this management proxy circular is as of March 11, 2019, 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 you own at the close of business on March 28, 2019 entitles you to one vote. The holders of Class A shares are entitled to attend and participate in discussions at share owner meetings but are not entitled to vote.

## SHARE OWNERSHIP RIGHTS

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

## MAJORITY SHARE OWNER

On March 11, 2019, there were 73,752,180 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.

	<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	90.3%

ATCO owns 66,309,246 Class B shares representing approximately 89.9 per cent of the outstanding Class B shares. The Margaret E. Southern Spousal Trust (the "Spousal Trust") is the controlling share owner of Sentgraf Enterprises Ltd. ("Sentgraf") and, together with Sentgraf, controls ATCO. These combined shareholdings represent 90.3 per cent of the outstanding Class B shares. Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. All actions regarding the Class B shares owned by the Spousal Trust require the approval of a majority of the trustees. The Spousal Trust, ATCO and Sentgraf are collectively referred to as the "Majority Share Owner."

## VOTING PROCESS Q&A

### Q. Am I entitled to vote?

- A.** You are entitled to vote if you were a holder of Class B shares at the close of business on March 28, 2019. Each Class B share entitles its holder to one vote.

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



- A.** You are voting on the following matters:
- The election of 10 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, in person or by proxy, will constitute approval of each matter to be voted on.

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

- A.** Voting by proxy means you are giving someone else the authority to attend the meeting and vote on your behalf. Simply follow the instructions provided on your proxy form or voting instruction form ("VIF") in order to ensure it is properly completed. Once completed, submit your proxy form or VIF using one of the methods shown in the next section. Your shares will be voted as you instruct on the proxy form or VIF. If you properly complete and return your proxy form or VIF but do not specify how you wish the votes to be cast, your shares will be voted as your proxyholder or appointee sees fit. If neither you nor your proxyholder or appointee gives specific instructions, your shares will be voted as follows:

	<b>FOR the election as directors of those nominees set out in this Circular</b>
	<b>FOR the appointment of PricewaterhouseCoopers LLP as Canadian Utilities' auditor</b>

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

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

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

## REGISTERED SHARE OWNER VOTING INSTRUCTIONS

### Q. How do I know if I am a registered share owner?

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

### Q. How do I complete my proxy form?

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

**Complete your voting instructions, date and sign the proxy form and return it to AST Trust Company (Canada) using one of the methods shown in the next section.**

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

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

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

### Q. What if my shares are registered in more than one name?

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

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

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









## REGISTERED SHARE OWNER VOTING METHODS AND PROXY DEADLINE DATE (May 6, 2019)

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

### Q. How do I vote?

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

	<p><b>Attend the meeting in person</b></p> <p>If you plan to attend the meeting and vote your shares in person, you do not need to complete and return the proxy form. Please register with the transfer agent, AST Trust Company (Canada), when you arrive at the meeting. Your vote will be recorded and counted at the meeting.</p>
	<p><b>By telephone</b> <span style="float: right;"><b>1 (888) 489-5760</b></span></p> <p>Canadian and U.S. share owners can vote by telephone. Dial the toll free number and follow the voice prompts. You will need to enter the 13-digit control number located on the enclosed proxy form to enter your voting instructions. If you vote by telephone, you cannot appoint anyone other than the persons named on your proxy form as your proxyholder.</p>
	<p><b>By fax</b></p> <p>Fax your completed proxy form to AST Trust Company (Canada):</p> <p style="padding-left: 40px;">Within Canada and the U.S.: <b>1 (866) 781-3111</b></p> <p style="padding-left: 40px;">Outside Canada and the U.S.: <b>1 (416) 368-2502</b></p> <p>You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>
	<p><b>By email</b> <span style="float: right;"><b>proxyvote@astfinancial.com</b></span></p> <p>Sign, scan and email your completed proxy form to AST Trust Company (Canada). You may appoint anyone as a proxyholder using this voting method.</p>
	<p><b>By smartphone</b></p> <p>Scan the QR Code that appears on the reverse side of your proxy form. You will need to enter the 13-digit control number located on the enclosed proxy form to enter your voting instructions. You may appoint anyone as a proxyholder using this voting method.</p>
	<p><b>Online</b> <span style="float: right;"><b>www.ASTvotemyproxy.com</b></span></p> <p>Follow the instructions provided on the proxy voting website. You will need to enter the 13-digit control number located on the enclosed proxy form to enter your voting instructions. You may appoint anyone as a proxyholder using this voting method.</p>
	<p><b>By mail</b></p> <p>Return your completed proxy form in the postage paid envelope provided or mail it to AST Trust Company (Canada), Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1. You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>

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

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

1.	Canadian Utilities' Corporate Secretary at any time up to and including the last business day preceding the day of the meeting or any adjournment of the meeting at:  AST Trust Company (Canada) Attention: Proxy Department P.O. Box 721 Agincourt, Ontario M1S 0A1  or  Canadian Utilities Limited Attention: Corporate Secretary 4th Floor, West Building 5302 Forand Street S.W. Calgary, Alberta T3E 8B4  or
2.	The chair of the meeting before the start of the meeting on May 8, 2019 or any adjournment of the meeting.

## Q. How do I contact the transfer agent?

- A.** Questions may be directed to AST Trust Company (Canada) at [astfinancial.com](http://astfinancial.com) or [inquiries@astfinancial.com](mailto:inquiries@astfinancial.com) or by telephone:

Within Canada and the U.S.:	1 (800) 387-0825
Outside Canada and the U.S.:	1 (416) 682-3860

## NON-REGISTERED SHARE OWNER VOTING INSTRUCTIONS

### Q. Am I a non-registered share owner?

- A.** You are a non-registered share owner when your shares are held in the name of a nominee (usually a bank, broker, or trust company). According to the notice-and-access process (see "Delivery of Meeting Materials" below), you should have received a VIF accompanied by a notice that explains how to access and review the Circular. If you have provided your nominee with a standing instruction (or if you have provided current instructions for 2019) that you prefer to receive a paper copy of the Circular, your VIF will be included in that package.

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

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

## Q. How do I vote?

- A. Follow the voting instructions on your VIF. You are able to vote by telephone, online, fax or mail (a prepaid envelope is provided for you). **If you decide to fax or mail your VIF, please ensure that it is signed and dated in order to validate it.**

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

- A. If you are a non-registered share owner, you should contact your nominee for instructions on how to change your voting instructions.

## DELIVERY OF MEETING MATERIALS

Meeting materials for registered share owners will be mailed on April 8, 2019.

For non-registered share owners, the material delivery process is achieved by using the notice-and-access process ("Notice-and-Access"). Notice-and-Access is an environmentally-friendly and cost-effective way for Canadian Utilities to distribute the Circular.

Notice-and-Access requires us to post the Circular online for our non-registered share owners to access electronically. Non-registered share owners will receive a package in the mail containing a notice that explains how to access and review the Circular, as well as how to request a paper copy at no charge. If you own Class B Shares, you will also receive a VIF.

The Circular is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") website ([www.sedar.com](http://www.sedar.com)) and on AST Trust Company (Canada)'s website ([www.meetingdocuments.com/ASTca/cu](http://www.meetingdocuments.com/ASTca/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 8, 2020.

If you have any questions about Notice-and-Access, you can call our transfer agent, AST Trust Company (Canada):

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

## BUSINESS OF THE MEETING

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

### Review of the Financial Statements

Canadian Utilities' consolidated financial statements for the year ended December 31, 2018, together with the auditor's report, were filed with the Canadian securities regulatory authorities and sent to registered share owners and to beneficial share owners who requested them. The statements are also available on our website at [www.canadianutilities.com](http://www.canadianutilities.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The consolidated financial statements will be received at the annual meeting and you will have the opportunity to discuss the results with management.



### Election of the Directors

The 10 nominees proposed for election as directors of Canadian Utilities are listed on Pages 9-18.

The Board recommends that share owners vote **FOR** the election of these 10 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 38 years.

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

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

# DIRECTOR NOMINEES

With the exception of Mr. Wouters, all the nominees are currently directors and have been for the periods indicated. Mr. Francis resigned from the Board on February 21, 2019.

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, backgrounds, 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 9, 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 35.

## BIOGRAPHIES



### MATTHIAS F. BICHSEL, PhD

Primary residence	Luzern, Switzerland
Director since	2014
Age	64
Independent	

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

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

Skills and experience	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 2018		Attendance	Percentage of meetings attended
	Board	7 of 7	100%
Other public company boards and committee memberships	Company	Since	Position
	Sulzer Management Ltd.	2014	Vice-Chairman and Director, and member of the Strategy Committee
	Petrofac Limited	2015	Director, member of the Audit Committee, Remuneration Committee and Nomination Committee
Shares held	Canadian Utilities		
	Class A non-voting	11,838	
	Class B common	—	
<b>Total compensation in 2018:</b>		<b>\$215,400</b>	



## LORAIN M. CHARLTON

Primary residence	Calgary, Alberta, Canada
Director since	2006
Age	62
Independent	

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

Ms. Charlton is also a director of CU Inc. and AKITA Drilling Ltd.

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	
<b>Primary industry background</b>		
Energy	Governance Human resources/compensation Accounting/finance/economics	Operations Risk management Corporate social responsibility

CU Board/ Committee memberships in 2018		Attendance	Percentage of meetings attended
	Board	7 of 7	100%
	Audit & Risk	4 of 4	100%
	GOCOM	3 of 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 member of the Audit Committee
Shares held	Canadian Utilities		
	Class A non-voting	38,540	
	Class B common	1,050	
<b>Total compensation in 2018:**</b>		<b>\$257,400</b>	

\*CU Inc. is controlled by Canadian Utilities.

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



## ROBERT J. NORMAND

Primary residence	Edmonton, Alberta, Canada
Director since	2008
Age	72
Independent	

Mr. Normand retired in October 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 M.B.A. from Concordia University.

Skills and experience	Functional experience	
<b>Primary industry background</b> Industrials Financial services	CEO experience Governance	Government/regulatory Accounting/finance/economics

CU Board/ Committee memberships in 2018	Attendance		Percentage of meetings attended
	Board	7 of 7	
Audit & Risk	4 of 4	100%	
Pension Fund (Chair)	4 of 4	100%	
Other public company boards and committee memberships	Company	Since	Position
	-	-	-
Shares held	Canadian Utilities		
	Class A non-voting	23,553	
	Class B common	—	
<b>Total compensation in 2018:</b>		<b>\$245,400</b>	





## HECTOR A. RANGEL

Primary residence	Mexico City, Mexico
Director since	2014
Age	71
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 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 also presently a director of GNP Profuturo Afore , GNP Seguros and Nadro S.A. 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	Functional experience	
Primary industry background		
Energy Financial services	CEO experience Governance Human resources/compensation Government/regulatory International business	Accounting/finance/economics Operations Risk management Corporate social responsibility

CU Board/ Committee memberships in 2018	Attendance		Percentage of meetings attended
	Board	7 of 7	100%
	Pension Fund	4 of 4	100%
Other public company boards and committee memberships	Company	Since	Position
	GNP Seguros	2014	Director
Shares held	Canadian Utilities		
	Class A non-voting	11,947	
	Class B common	—	
<b>Total compensation in 2018:</b>		<b>\$221,400</b>	



## LAURA A. REED

Primary residence	Wynn Vale, Australia
Director since	2014
Age	57
Independent	

Ms. Reed is the Chair of ERIC Alpha Holdings Pty Ltd and its subsidiaries, which owns 49 per cent of Ausgrid, an electricity distribution business in Australia. In addition, Ms. Reed is a director of Ausgrid. Ms. Reed is also the Chair of Epic Energy South Australia Pty Ltd, which owns the Moomba to Adelaide gas transmission pipeline in South Australia, as well as a director of ATCO Australia Pty Ltd. In 2018, Ms. Reed was appointed to the board of the Clean Energy Finance Corporation, the federal government corporation (Australia) which assists with the funding of clean energy projects.

Ms. Reed was the Chief Executive Officer/Managing Director of Spark Infrastructure from 2008 until May 2012. Spark Infrastructure owned 49 per cent of three 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	Functional experience	
<b>Primary industry background</b>		
Energy Utilities	CEO experience Governance Government/regulatory	International business Accounting/finance/economics Operations

CU Board/ Committee memberships in 2018	Attendance	Percentage of meetings attended
Board	7 of 7	100%
Other public company boards and committee memberships	Company	Since
	-	-
Shares held	Canadian Utilities	
	Class A non-voting	8,212
	Class B common	—
<b>Total compensation in 2018:*</b>	<b>\$285,703</b>	

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



## JAMES W. SIMPSON

Primary residence	Calgary, Alberta, Canada
Director since	2004
Age	74
Independent	

Mr. Simpson is Lead Director for the Board of Canadian Utilities. Until April 2017, Mr. Simpson was Chair and Director of Suncor Energy Inc. ("Suncor"), having served on its board since 2009. He was a director of Petro Canada from 2004 through to 2009 when it merged with Suncor. A former President of Chevron Canada Resources, he retired after a 30 year career with Chevron Corporation. While President of Chevron Canada, he was involved with several remediation projects including a multi-million dollar program to identify and remediate oil pipeline river and stream crossings from legacy operations.

He is a former Chairman of the Board of Governors of the Canadian Association of Petroleum Producers and actively participated in climate change issues and emerging regulatory policies related to Canada's petroleum industry. He has also participated in the World Petroleum Congress.

Mr. Simpson holds a B.Sc. (Honours) in Geology and a M.Sc. in Geophysics. He is a graduate of the Program for Senior Executives from the Sloan School of Business at M.I.T.

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 Safety and health Climate change and environment

CU Board/ Committee memberships in 2018	Attendance		Percentage of meetings attended
Board	7 of 7		100%
Audit & Risk (Chair)	4 of 4		100%
GOCOM	3 of 3		100%
Other public company boards and committee memberships	Company	Since	Position
-	-	-	-
Shares held	Canadian Utilities		
	Class A non-voting	31,797	
	Class B common	—	
<b>Total compensation in 2018:</b>	<b>\$328,100</b>		



## NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1990
Age	62
Not Independent	Ms. Southern is not independent because she has a material relationship with CU. She is CU's Chair & Chief Executive Officer.

Nancy Southern is Chair & Chief Executive Officer of Canadian Utilities Limited, as well as Chair & Chief Executive Officer of ATCO Ltd. Reporting to the Board of Directors, she has full responsibility for executing the strategic direction and ongoing operations for the Company.

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 named President & Chief Executive Officer in 2003. She serves on the boards of a majority of ATCO subsidiary companies. Ms. Southern also serves as Executive Vice President of Spruce Meadows and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business.

Ms. Southern is a member of The U.S. Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is also a member of the Business Council of Canada, the University of Calgary School of Public Policy Advisory Council, and the South Australian Minerals and Petroleum Expert Group. In 2017, she joined the Government of Canada's Advanced Manufacturing Economic Strategy Table, a collaborative nationwide effort designed to leverage rapid technological advancements to strengthen the country's manufacturing sector.

Skills and experience	Functional experience	
Primary industry background		
Energy Utilities Industrials	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 2018		Attendance	Percentage of meetings attended
	Board (Chair)	7 of 7	100%
Other public company boards and committee memberships	Company	Since	Position
	AKITA Drilling Ltd.	1992	Deputy Chair and Director
	ATCO Ltd.*	1989	Chair and Director
	CU Inc.*	1999	Chair and Director
Shares held	Canadian Utilities**		
	Class A non-voting	197,378	
	Class B common	—	

**Total compensation in 2018:** Ms. Southern does not receive any compensation as the Chair or as a director of CU because she is the Chief Executive Officer. See Page 57 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	56
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. As a former professional equestrian rider, Ms. Southern-Heathcott was a member of the Canadian Equestrian Team for nine years and competed in the 1996 Olympic Summer Games in Atlanta, Georgia. 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 March 2017 and of ATCO in November 2016.

Ms. Southern-Heathcott is a founding director, and currently serves as Board Chair, of AKITA Drilling Ltd. Ms. Southern-Heathcott also serves on the Board of Directors of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program at the Institute of Corporate Directors.

Skills and experience	Functional experience	
Primary industry background		
Energy Utilities Industrials	CEO experience Governance Human resources/compensation Government/regulatory International business	Marketing/sales Operations Risk management Corporate social responsibility

CU Board/ Committee memberships in 2018	Attendance		Percentage of meetings attended
Board (Vice Chair)	7 of 7		100%
Pension Fund	4 of 4		100%
Other public company boards and committee memberships	Company	Since	Position
	AKITA Drilling Ltd.	1992	Chair, Director, and member of the Pension Committee
	ATCO Ltd.*	2012	Vice Chair and Director
	CU Inc.*	2017	Vice Chair and Director
Shares held	Canadian Utilities**		
	Class A non-voting	13,114	
	Class B common	4,159	
<b>Total compensation in 2018:†</b>	<b>\$221,700</b>		

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

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

† Includes fees earned as a director of Canadian Utilities Limited and CU Inc.



## CHARLES W. WILSON

Primary residence	Boulder, Colorado, United States
Director since	2000
Age	79
Independent	

Mr. Wilson is Lead Director for the Board of Directors of ATCO Ltd. and is a director of ATCO Australia Pty Ltd. He was President and Chief Executive Officer of Shell Canada from 1993 to 1999, and Executive Vice President, U.S. Downstream Oil and Chemical of Shell Oil Company from 1988 to 1993. Before 1988, he was Vice President, U.S. Exploration and Production of Shell Oil Company, and also held various executive positions in the domestic and international natural resource operations of Shell.

As the former Head of the Environment Committee of the Canadian Association of Petroleum Producers, Mr. Wilson was actively involved in climate change matters and emerging regulatory policies related to the petroleum industry.

Mr. Wilson holds a B.Sc. in Civil Engineering and an M.Sc. in Engineering.

Skills and experience	Functional experience	
<b>Primary industry background</b>		
Energy Utilities Industrials	CEO experience Governance Human resources/compensation International business Accounting/finance/economics	Operations Risk management Safety and health Climate change and environment

CU Board/ Committee memberships in 2018		Attendance	Percentage of meetings attended
	Board	7 of 7	100%
	GOCOM (Chair)	3 of 3	100%
Other public company boards and committee memberships	Company	Since	Position
	AKITA Drilling Ltd.	2002	Director and Chair of the Corporate Governance – Nomination, Compensation and Succession Committee
	ATCO Ltd.*	2002	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 non-voting	83,152	
	Class B common	—	
<b>Total compensation in 2018:**</b>		<b>\$322,559</b>	

\*Canadian Utilities is controlled by ATCO.

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



## WAYNE G. WOUTERS, PC, OC

Primary residence	Ottawa, Ontario, Canada
Director since	New Nominee
Age	67
Independent	

Mr. Wouters is Strategic and Policy Advisor to the law firm McCarthy Tétrault LLP in Toronto, Ontario. 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.

Mr. Wouters 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 MA in Economics from Queen's University. He holds several honorary degrees.

Skills and experience	Functional experience	
Primary industry background		
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 2018	Attendance		Percentage of meetings attended
Board		N/A	
Other public company boards and committee memberships	Company	Since	Position
	Blackberry Ltd.	2015	Director and a member of the Audit Committee
	Champion Iron Ltd.	2016	Director
Shares held	Canadian Utilities		
	Class A non-voting	—	
	Class B common	—	
<b>Total compensation in 2018: N/A</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. Normand	Hector A. Rangel	Laura A. Reed	James W. Simpson	Nancy C. Southern	Linda A. Southern-Heathcott	Charles W. Wilson	Wayne G. Wouters
<b>Primary industry background</b>										
<b>Energy</b>	✓	✓		✓	✓	✓	✓	✓	✓	✓
<b>Utilities</b>					✓		✓	✓	✓	
<b>Industrials</b>	✓		✓			✓	✓	✓	✓	✓
<b>Financial Services</b>			✓	✓						
<b>Science and Technology</b>	✓					✓				✓
<b>Functional experience</b>										
<b>CEO Experience</b> Experience as a CEO for a publicly listed company or for a major organization with international operations or similar complexity. Possesses leadership qualities and the ability to identify and develop those qualities in others. Demonstrates a practical understanding of strategy and risk management and know how to drive change and growth.	✓		✓	✓	✓	✓	✓	✓	✓	✓
<b>Governance</b> Significant experience overseeing governance practices, may have been gained through significant work on a corporate governance committee or through experience serving as a senior executive of a public company.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Human Resources/Compensation</b> Significant experience overseeing human resources and compensation design for a large organization. Understands the various components of executive compensation structure and how they inter-relate when attracting, motivating and retaining top candidates.	✓	✓		✓		✓	✓	✓	✓	✓
<b>Government/Regulatory</b> Significant experience working with local, provincial, national or international governments or gained public relations or government experience as a senior executive. Strong understanding of regulatory and non-governmental organizations that affect the Company's business.	✓		✓	✓	✓	✓	✓	✓		✓



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

## INDEPENDENCE

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

Under CU's current leadership structure, the offices of Chair & Chief Executive Officer are held by Ms. Southern. The Board continues to ensure that it can function independently and objectively from management with the appointment of Mr. Simpson as the independent Lead Director.

The following table summarizes the independence status of each director and new 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	✓		
Lorraine M. Charlton	✓		
Robert J. Normand	✓		
Hector A. Rangel	✓		
Laura A. Reed	✓		
James W. Simpson	✓		
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.
Charles W. Wilson	✓		
Wayne G. Wouters*	✓		

\* New Nominee

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 convening in camera sessions of only the independent directors, without management present, at every regularly-scheduled meeting 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. The in camera 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 2018. As an employee, the Chair & Chief Executive Officer is not a member of any committee but attends committee meetings as required. At the discretion of the committee chair, directors may attend meetings of committees of which they are not members.

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

Director	Board of Directors		Audit & Risk Committee		GOCOM		Pension Fund Committee		Total
Matthias F. Bichsel	7 of 7	100%							100%
Loraine M. Charlton	7 of 7	100%	4 of 4	100%	3 of 3	100%			100%
Robert B. Francis	6 of 7	86%							86%
Robert J. Normand	7 of 7	100%	4 of 4	100%			4 of 4	100%	100%
Hector A. Rangel	7 of 7	100%					4 of 4	100%	100%
Laura A. Reed	7 of 7	100%							100%
James W. Simpson	7 of 7	100%	4 of 4	100%	3 of 3	100%			100%
Nancy C. Southern	7 of 7	100%							100%
Linda A. Southern-Heathcott	7 of 7	100%					4 of 4	100%	100%
Charles W. Wilson	7 of 7	100%			3 of 3	100%			100%

## SERVING ON AFFILIATED PUBLIC COMPANY BOARDS

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

Director	ATCO Ltd.	CU Inc.	AKITA Drilling Ltd.
Lorraine M. Charlton		Director	Director
Nancy C. Southern	Chair	Chair	Deputy Chair
Linda A. Southern-Heathcott	Vice Chair	Vice Chair	Chair
Charles W. Wilson	Director		Director

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

# GOVERNANCE

## OVERVIEW

Effective corporate governance is an essential element for the well-being of Canadian Utilities and its share owners. The Board strives to ensure that its corporate governance practices provide for the effective stewardship of the Company and it regularly evaluates its 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, it complies 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 the Company 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 between share owners.

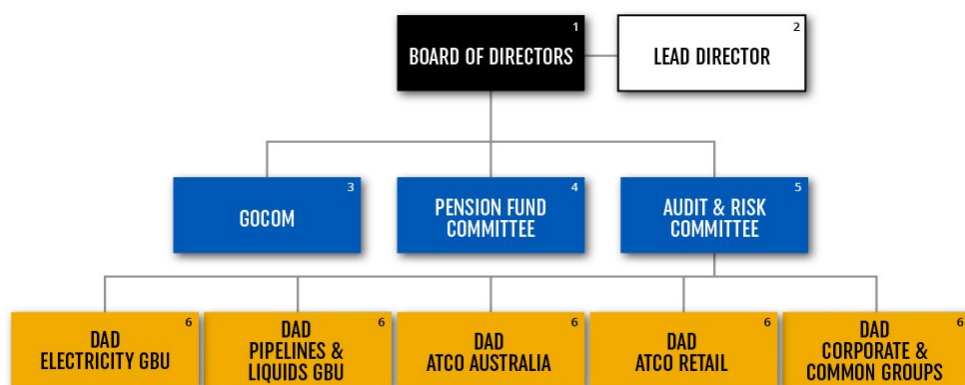
The Company has been fortunate to have a consistently high-performing Board and senior management team that creates long-term value for our share owners.

## MAJORITY CONTROLLED COMPANY

Canadian Utilities is a majority controlled company as defined in the TSX Company Manual. As such, there is no requirement for, and we do not have, a majority voting policy. The Majority Share Owner (see Page 1) has control over 66,598,854 Class B shares which represents 90.3 per cent of the voting rights. Due to the level of control exercised by the Majority Share Owner, we are of the view that the introduction of a majority voting policy would introduce unnecessary complexity into the director selection process while having no impact on the outcome.

## THE BOARD AND ITS COMMITTEES

The role of the Board has evolved to provide oversight to an organization with diverse and distinct Global Business Units ("GBUs"). The system's key elements consist of the oversight and diligence provided by the Board, the Lead Director, the Audit & Risk Committee, 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.



The activities of each of these bodies in 2018 were as follows:

1. **Board of Directors:** The Board held five regularly-scheduled meetings and two additional meetings. The frequency and length of meetings and the agenda items depended on the circumstances. Meetings were highly detailed and well attended. They were conducted in an atmosphere that encouraged participation and independence. The independent directors also held in camera sessions, without management present, at all regularly-scheduled meetings of the Board, Audit & Risk Committee and GOCOM. Additional in camera meetings may be requested through the Lead Director at any time.

In addition to regularly-scheduled Board and committee meetings, directors attended a comprehensive four day strategy session.

2. **Lead Director:** In 1995, Canadian Utilities was among the first public companies in Canada to introduce the concept of a lead director. Mr. Simpson is the current Lead Director for the Company and was appointed to this position on May 4, 2006. The Lead Director provides the Board with the leadership necessary to ensure independent oversight of management. The Lead Director is an independent director and must be a member of GOCOM.
3. **GOCOM:** This committee oversees our corporate governance. 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 persons as director nominees for approval by the Board and election by the share owners.
4. **Pension Fund Committee:** The primary responsibilities of the Pension Fund Committee are to oversee the governance structure of the pension plans (defined benefit and defined contribution) and approve policy decisions for benefit design and liability management, funding and investment of the plans, and to select and monitor the investment managers 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.
5. **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 SEDAR at [www.sedar.com](http://www.sedar.com).

The committee also reviews risks that could materially affect the Company's ability to achieve strategic and operational objectives. The committee satisfies itself that management is addressing risks identified as significant to Canadian Utilities and that appropriate mitigation measures are implemented. The committee satisfies itself that each GBU has adequate systems to monitor and comply with applicable environmental legislation and conform to industry standards. The committee receives information regarding risks and significant trends and reviews the summary of our safety and environmental performance. The committee may seek advice from Canadian Utilities' officers who provide expertise and support for their specific areas of responsibility. Canadian Utilities' Chief Executive Officer reports to the Audit & Risk Committee.

6. **DADs:** Each GBU or business unit is assigned a DAD who is a director of either Canadian Utilities or ATCO. The purpose of the DAD is to provide oversight using the strengths and experience of directors from various industry sectors. The Audit & Risk Committee annually reviews the mandate of the DADs.

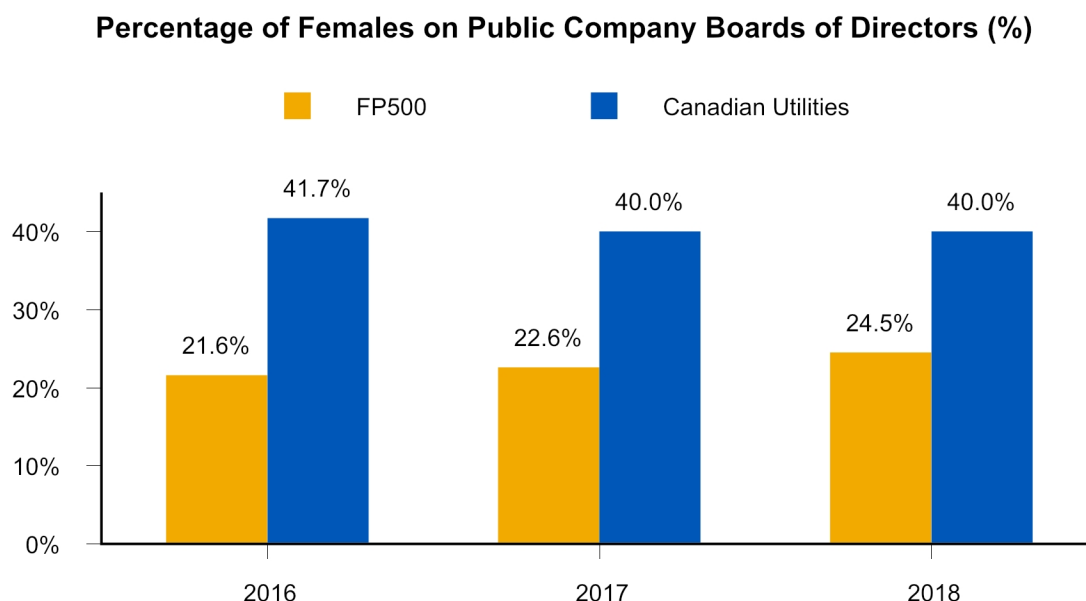
DADs perform both audit and risk functions. DADs meet quarterly with members of their respective GBU or business unit management, and annually with internal and external auditors. DADs review the financial statements and operating results quarterly, review risks twice yearly, and report on both operating results and risks to the Audit & Risk Committee.

## BOARD DIVERSITY AND TERM LIMITS

Canadian Utilities believes 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. Directors are selected for their experience and expertise and we seek the most qualified persons regardless of gender or other characteristics that are unrelated to expertise and performance. Accordingly, we do not have written policies or set targets regarding the representation of women and we have no set term limits on directors. We have been a leader in women representation on our Board and have outperformed the Financial Post 500 ("FP500") for many years.

We want to be able to select from the most qualified pool of talent and consider candidates based on merit. Our approach enables us to make important decisions regarding the composition of our Board and our senior management team based on the best interests of the Company and its share owners.

We have consistently had a higher proportion of women in high profile positions compared to the average for Canadian public companies. In 2018, Canadian Utilities had four women on the Board, representing 40 per cent of the directors. In contrast, members of the FP500 in 2018 had an average female representation on their boards of directors of 24.5 per cent. The following is the percentage of women on our Board compared to the FP500 average from 2016 to 2018:



As of December 31, 2018, the Company had 12 female senior executive officers, representing 22 per cent of our senior executive officers. Appointments to the executive level are determined on merit, performance, expertise and experience of the individual. We voluntarily make public disclosure of information on gender diversity within the organization in our Sustainability Report, which is available on our website ([www.canadianutilities.com](http://www.canadianutilities.com)).

GOCOM reviews the size and composition of the Board from time to time and evaluates the need for change to Board and committee composition based on an analysis of the skills, expertise and industry experience that align with the Company's strategic objectives. Along with our Board Chair, GOCOM considers potential candidates who have competencies believed to complement the Board or senior management.

Several mechanisms have been adopted by GOCOM and the Board in order to promote an appropriate level of Board renewal, while attributing high value to relevant industry experience, continuity and a solid track record of service in potential Board members. GOCOM spends a significant amount of time reviewing Board succession and recruitment (see "Performance Assessment" and "Director Retirement" below).

We have found that having long-standing directors on our Board does not negatively impact board effectiveness, but instead contributes to boardroom dynamics that have resulted in a consistently high-performing Board and corporate performance.

## DIRECTOR ORIENTATION AND CONTINUING EDUCATION

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

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

Throughout each year, management makes presentations to our Board and its committees on key business decisions and topical issues, including reviews of annual business plans, significant contracts, strategic transactions, financing, and major capital expenditures. Presentations are also made by management in response to directors' requests. An electronic resource centre, which is updated with timely relevant information, is available to all directors. Key information and education sessions that were attended by our directors in 2018 are listed below:

Date	Event
April 16-19	Strategy Conference
July 11	Urban Pipeline Replacement Site Tour
November 7	Business Planning

Our directors also attend and participate in seminars and other continuing education programs. Ms. Charlton and Ms. Southern-Heathcott have obtained certification from the Director Education Program at the Institute of Corporate Directors.

## PERFORMANCE ASSESSMENT

The performance of our Board, Board committees and directors is assessed at least annually. These assessments are facilitated by our Lead Director on behalf of our Chair. Board and Board committee 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 a report on the committee questionnaire.

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

## DIRECTOR RETIREMENT

Any director who turns 70 years of age tenders a letter of resignation to our Chair. Our Chair, together with GOCOM, evaluates whether and when to accept the resignation depending on the Company's needs. The resignation will remain on file until it is accepted by our Chair. When it is accepted, it becomes effective at the next annual meeting of share owners.



## **ETHICAL BUSINESS CONDUCT**

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

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

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

We did not file any material change reports in 2018 relating to a director's or executive officer's departure from the Code. No waivers of the Code have ever been granted to any Canadian Utilities director, officer or employee.

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

A copy of the Code can be accessed on our website ([www.canadianutilities.com](http://www.canadianutilities.com)), on SEDAR ([www.sedar.com](http://www.sedar.com)) or by written request to our 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 of 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, 2018.

### Audit & Risk Committee

#### Members

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**J.W. Simpson,  
Chair**  
Independent

**2018 Meeting  
Attendance**  
4 of 4 (100%)



**L.M. Charlton**  
Independent

**2018 Meeting  
Attendance**  
4 of 4 (100%)



**R.J. Normand**  
Independent

**2018 Meeting  
Attendance**  
4 of 4 (100%)

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The Audit & Risk Committee is responsible for contributing to the effective stewardship of the Company by assisting the Board in fulfilling its oversight of: the integrity of our financial statements; compliance with applicable legal and regulatory requirements; independence, qualifications and appointment of our external auditor; performance of our internal auditor and external auditor; our accounting and financial reporting processes; audits of our financial statements; and our risk management processes.

The following highlights the actions taken by the Audit & Risk Committee in fulfilling its mandate in 2018:

#### 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 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

## 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 the external auditor's non-audit services
- Reviewed the external auditor's report on its internal quality control procedures
- Reviewed and assessed the external auditor's independence
- Received reports from the external auditor on quarterly and annual consolidated financial statements and management's discussion and analysis

The following table shows the fees billed for services provided by PwC for the past two years.

<b>For the year ended December 31</b>	<b>2018 \$MM</b>	<b>2017 \$MM</b>
Audit <sup>1</sup>	3.7	3.2
Audit related <sup>2</sup>	0.1	0.1
Tax <sup>3</sup>	0.5	0.3
<b>Total</b>	<b>4.3</b>	<b>3.6</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.

## Internal Audit

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

## Risk Management

- Reviewed and considered our risk-taking philosophy
- Reviewed our risk inventory and related mitigation plans
- Received presentations, reports and other information regarding risks and significant trends
- Reviewed reports from the DADs 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, 2018.

## Corporate Governance – Nomination, Compensation and Succession Committee

### Members

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

**2018 Meeting Attendance**  
3 of 3 (100%)



**L.M. Charlton**  
Independent

**2018 Meeting Attendance**  
3 of 3 (100%)



**J.W. Simpson**  
Independent

**2018 Meeting Attendance**  
3 of 3 (100%)

---

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 2018:

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

GOCOM is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2018.

## Pension Fund Committee

### Members

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

**2018 Meeting Attendance**  
4 of 4 (100%)



**H.A. Rangel**  
Independent

**2018 Meeting Attendance**  
4 of 4 (100%)



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

**2018 Meeting Attendance**  
4 of 4 (100%)

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

The following highlights the actions taken by the Pension Fund Committee in fulfilling its mandate in 2018:

- 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, 2018.

# 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.

## FEES AND RETAINERS

The table below shows the annual retainers and meeting attendance fees paid to our directors in 2018. Retainers for our Lead Director, committee chairs and committee members are paid in addition to the annual directors' retainer. Effective January 1, 2019, non-employee directors will receive flat fee retainers and will no longer receive meeting fees.

<b>Directors' remuneration</b>	<b>(\$)</b>
<b>Annual retainers</b>	
Director	195,000
Lead Director	75,000
Audit & Risk Committee Chair	25,000
Audit & Risk Committee Members	7,500
GOCOM Chair	8,500
Pension Fund Committee Chair	8,500
<b>Meeting fees</b>	
Board Meeting, Strategy, and Briefing Session (per day)	2,000
Board Meeting for routine administrative matters where the nature of the discussion is brief	800
Committee Meeting per day (Audit & Risk Committee)	2,000
Committee Meeting per day (GOCOM and Pension Fund)	1,500

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 and retainers paid to our non-employee directors for the year ended December 31, 2018. Fees and retainers are paid quarterly. "**Other fees**" includes retainers and attendance fees paid to those directors who also serve on the boards and committees of ATCO Australia Pty Ltd and CU Inc., as well as retainers and fees related to serving as DADs for the GBUs or business units. Fees are shared proportionately when meetings are held on the same day to consider group projects that require more than one level of board approval. No other forms of compensation were provided to the directors for the year ended December 31, 2018.

As our CEO, Ms. Southern is considered to be an employee of Canadian Utilities and did not receive compensation as the Chair or as a director. Ms. Southern's compensation is shown on Page 57 of this Circular.

Name	Director retainer <sup>1</sup> (\$)	Committee chair retainer (\$)	Committee member retainer (\$)	Board attendance fee (\$)	Committee attendance fee (\$)	Other fees <sup>2,3,4</sup> (\$)	Total fees earned (\$)
Matthias F. Bichsel	195,000	—	—	12,400	—	8,000	215,400
Loraine M. Charlton	195,000	—	7,500	12,400	8,500	34,000	257,400
Robert B. Francis	195,000	—	—	10,400	—	8,000	213,400
Robert J. Normand	195,000	8,500	7,500	12,400	14,000	8,000	245,400
Hector A. Rangel	195,000	—	—	12,400	6,000	8,000	221,400
Laura A. Reed	195,000	—	—	12,400	—	78,303	285,703
James W. Simpson	270,000	25,000	—	12,400	12,500	8,200	328,100
Linda A. Southern-Heathcott	195,000	—	—	12,400	4,500	9,800	221,700
Charles W. Wilson	195,000	8,500	—	12,400	2,250	104,409	322,559
<b>Total</b>	<b>1,830,000</b>	<b>42,000</b>	<b>15,000</b>	<b>109,600</b>	<b>47,750</b>	<b>266,712</b>	<b>2,311,062</b>

1 **Director retainer:** Includes retainer for Lead Director for Mr. Simpson.

2 **Other fees:** Includes fees for attending the annual strategy conference and business plan meetings. It also includes meeting fees and directors' retainers for CU's subsidiaries, and DAD retainers and meeting fees.

3 **Other fees:** Ms. Charlton and Ms. Southern-Heathcott received annual retainers and meeting attendance fees as directors of CU Inc.

4 **Other fees:** Ms. Reed and Mr. Wilson received annual retainers, meeting attendance fees and superannuation contributions as directors of ATCO Australia Pty Ltd.

## 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 2.0 times the value of the annual board retainer within five years of being appointed to the Board, or within five years of any change to the required market value holdings. A minimum of \$30,000 of the annual board retainer is paid in Class A shares. Until the minimum share ownership requirement is met, directors are required to receive a minimum of \$50,000 of their annual board retainer in Class A shares. A director may, with the approval of the chair of GOCOM, have this minimum contribution amount reduced if he or she makes alternative arrangements to meet the minimum share ownership requirement within the five year timeframe.

All of our directors are in compliance with the share ownership requirement. Directors have the option of receiving up to 50 per cent of their annual board retainer in Class A shares and/or in Class I Non-Voting Shares of ATCO.

The following table sets out each director's ownership of Class B shares and Class A shares in Canadian Utilities as at March 11, 2019, and shows any change in the ownership interest since the previous proxy circular dated March 7, 2018.

Name	Equity Ownership as at March 7, 2018		Equity Ownership as at March 11, 2019		Net Change in Ownership		Equity at risk <sup>1</sup>	
	Class B shares	Class A shares	Class B shares	Class A shares	Class B shares	Class A shares	Value (\$)	Multiple of 2018 annual director retainer
Matthias F. Bichsel	—	8,415	—	11,838	—	3,423	423,682	2.2
Loraine M. Charlton	1,050	35,743	1,050	38,540	—	2,797	1,416,937	7.3
Robert J. Normand	—	21,583	—	23,553	—	1,970	842,962	4.3
Hector A. Rangel	—	8,520	—	11,947	—	3,427	427,583	2.2
Laura A. Reed	—	4,914	—	8,212	—	3,298	293,907	1.5
James W. Simpson	—	29,727	—	31,797	—	2,070	1,138,015	5.8
Nancy C. Southern <sup>2,3</sup>	—	188,102	—	197,378	—	9,276	7,064,159	n/a
Linda A. Southern-Heathcott <sup>3</sup>	4,159	10,599	4,159	13,114	—	2,515	618,242	3.2
Charles W. Wilson	—	81,289	—	83,152	—	1,863	2,976,010	15.3
<b>Total</b>	<b>5,209</b>	<b>388,892</b>	<b>5,209</b>	<b>419,531</b>	<b>—</b>	<b>30,639</b>	<b>15,201,497</b>	

<sup>1</sup> Equity at risk is shown as at March 11, 2019, and is the market value determined by reference to the closing price of Class A shares (\$35.79) and Class B shares (\$35.80) 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 does not receive a retainer as a director or Chair. Her shareholdings and values are provided for information purposes only.

<sup>3</sup> The Spousal Trust owns 8 Class B shares and 621,940 Class A shares and is the controlling share owner of Sentgraf Enterprises Ltd., which owns 289,600 Class B shares and 245,875 Class A shares. Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret Southern are the trustees of the Spousal Trust. These shareholdings are excluded. See "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 the non-employee directors as at December 31, 2018.

## **HOW TO COMMUNICATE WITH THE BOARD**

You may communicate directly with the Board through the Chair by writing to:

Chair  
c/o Corporate Secretary  
Canadian Utilities Limited  
4th Floor, West Building  
5302 Forand Street S.W.  
Calgary, Alberta  
T3E 8B4

# COMPENSATION DISCUSSION & ANALYSIS

## OVERVIEW

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

It discloses compensation of the Chief Executive Officer, Chief Financial Officer and the next four executives that received the highest pay as of December 31, 2018 (our named executives):

- Nancy C. Southern, Chair & Chief Executive Officer
- Dennis A. DeChamplain, Senior Vice President & Chief Financial Officer
- Siegfried W. Kiefer, President & Chief Strategy Officer
- Marshall F. Wilmot, President, ATCOenergy and Chief Digital Officer
- Wayne K. Stensby, Managing Director, Electricity Global Business Unit
- George J. Lidgett, Managing Director, Pipelines & Liquids Global Business Unit

In 2018, all of the named executives had a dual role for Canadian Utilities and for ATCO, our parent company. The exceptions are Marshall F. Wilmot, Wayne K. Stensby and George J. Lidgett. The compensation we report here is the compensation they receive from Canadian Utilities.

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

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

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

	Amount paid and reported by Canadian Utilities	Amount paid by ATCO	Combined total reported by ATCO
2018	87.5%	12.5%	100%
2017	88.1%	11.9%	100%
2016	86.8%	13.2%	100%

Marshall F. Wilmot, Wayne K. Stensby and George J. Lidgett's compensation expenses are 100 per cent allocated to Canadian Utilities.

## GOVERNANCE

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

<b>Charles W. Wilson (Chair) Independent</b>	<ul style="list-style-type: none"><li>• Held senior executive positions with a large international energy corporation including being CEO for seven years</li><li>• Substantial experience recommending total executive compensation and dealing with other compensation issues</li><li>• Several years of service on public boards and compensation committees</li></ul>
<b>Loraine M. Charlton Independent</b>	<ul style="list-style-type: none"><li>• 30 years experience in the oil and gas industry and currently serves as Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company</li><li>• Sits on the boards of CU Inc. and AKITA Drilling Ltd.</li><li>• B. Comm. (Finance), Corporate Director Designation (ICD.D)</li></ul>
<b>James W. Simpson Independent</b>	<ul style="list-style-type: none"><li>• 30 years experience as senior executive of a large international energy corporation including being the President</li><li>• Direct experience working with compensation advisors regarding executive performance and compensation issues</li><li>• Extensive experience recommending total executive compensation and dealing with other compensation issues</li></ul>

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

## COMPENSATION

- Annually review and determine executive compensation packages for senior executives (salary, short, mid 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 31 for more information about the committee and a summary of its activities in 2018.

GOCOM is also responsible for compensation of the directors on Canadian Utilities' Board. You can read about its approach starting on Page 33.

### 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 a comparator group of companies established for each business unit. The committee uses several consultant sources, including the Willis Towers Watson General Industry Compensation Survey, the Willis Towers Watson Energy Compensation Survey, the Mercer Benchmark Database and the Mercer Total Compensation Survey for the Energy Sector, to ensure the comparator groups are appropriate.

Two main comparator groups were used in order to reflect the relevant marketplace for executive talent, consistent with our previous reviews:

1. Positions with corporate responsibility: National Utility & Alberta General Industry
2. Positions with divisional responsibility: Gas, Energy & Power Utility

Where the number of matches for any one position in a comparator group is insufficient, a broader sample of capital intensive or general industry companies has been used.

<b>Industries</b>	Oil and gas, utilities, energy, general industry and capital intensive organizations	
<b>Locations</b>	Alberta, national and global	
<b>Relevance</b>	<p>Companies are selected based on their similarity to our operations. A comparator group is established for each business unit based on:</p> <ul style="list-style-type: none"> <li>• Industry revenue</li> <li>• Number of employees</li> <li>• Market capitalization</li> </ul> <p>When necessary, data is adjusted to reflect the appropriate size and scope.</p>	
<p><b>2018 comparator companies</b></p> <p>Willis Towers Watson used several companies including those in this list to create a customized comparator group for each business unit.</p> <p>For a full list of all comparator companies used, please refer to Schedule B.</p>	<p>Alberta Electric System Operator  BC Hydro Power &amp; Authority  Bruce Power LP  Calgary Co-operative Association Limited  Canadian Natural Resources Ltd.  Canadian Pacific Railway Ltd.  Capital Power Corporation  Cenovus Energy Inc.  Crescent Point Energy  Emera Inc.  Enbridge Inc.  Encana Corporation  Energir  ENMAX Corporation  EPCOR Utilities Inc.  FortisAlberta Inc.  Graham Management Services LP  Husky Energy Inc.  Hydro One</p>	<p>Hydro Quebec  Imperial Oil Ltd.  MEG Energy  Newfoundland Power Inc.  Nova Scotia Power  Nutrien, Ltd.  Ontario Power Generation  Pembina Pipeline Corporation  Precision Drilling Corporation  SaskPower  Schneider Electric Canada  Shaw Communications Inc.  Stantec Consulting, Inc.  Suncor Energy Inc.  Syncrude Canada Ltd.  Toronto Hydro Electric  TransAlta Corporation  TransCanada Corp.  United Farmers of Alberta Co-operative Ltd.</p>

## 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 only when performance criteria and objectives are met or exceeded, at the discretion of GOCOM
- Mid-term incentives are linked to both corporate and individual performance
- 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, regardless of individual and business unit performance, bonuses paid reflect overall company financial performance during the year.

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 appropriately balanced between fixed and variable compensation.

Mid and 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 variable incentives in any year if an executive commits fraud, damages the Company's reputation or is directly involved in a material restatement of financial statements.

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

- The CEO holds more than 7 times her salary in Canadian Utilities shares
- While senior executives are not required to hold Canadian Utilities shares, a significant portion of their total compensation is in equity-based compensation

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

GOCOM is satisfied that:

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

## Operate Independently

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

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

## Independent Advice

GOCOM hires independent consultants for advice on:

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

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

## Executive compensation advisory services in 2018

GOCOM approved the use of two independent consultants in 2018 for information and advice on compensation.

Willis Towers Watson provided compensation, benefits consulting services, as well as published surveys and studies. Compensation services included:

- Reviewing total compensation of executive positions to comparable roles in the marketplace
- Gathering information on competitive executive compensation practices
- Recommending an approach to our executive compensation program
- Providing surveys and studies

Mercer provided the following services:

- Advising on non-executive compensation
- Providing actuarial consulting services for pension and benefits
- Performing consulting services for regulatory hearings
- Providing surveys and studies

	Fees in 2018 (\$)	Fees in 2017 (\$)
<b>Willis Towers Watson</b>		
Executive compensation-related fees	121,162	320,604
All other fees	163,323	166,624
<b>Mercer</b>		
Executive compensation-related fees	-	-
All other fees	634,123	917,270

## 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.

<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 will make 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 and mid-term incentive plan payouts 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, mid and long-term incentives for each executive</li></ul> <p>GOCOM reviews this information, along with market data provided by independent advisors and approves each senior executive's compensation.</p>



## COMPONENTS

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

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

Indirect compensation includes a pension plan and other benefits, which are described starting on Page 48.

### 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
	Mid-term incentive	Rewards dedication to long term business growth and success, and encourages retention	Equity Canadian Utilities Class A shares	Two or three-year term with vesting at the end of the term based on performance criteria
	Long-term incentive	Rewards sustainable, profitable growth	Equity Options to buy Canadian Utilities Class A shares Share appreciation rights – cash equal to the increase in the market price of Canadian Utilities Class A shares	Ten-year term, with one-fifth 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.

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	25% to 40%	35% to 50%
Variable	Cash	Short-term incentive plan	35% to 75%	35% to 60%
	Equity	Mid-term incentive plan	0% to 35%	0% to 25%
	Equity	Long-term incentive plan	0% to 35%	0% to 25%
<b>Total pay at risk</b>			<b>75% to 60%</b>	<b>65% 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, and is one of the performance criteria for mid-term incentive plan payouts.

### Business Unit Performance

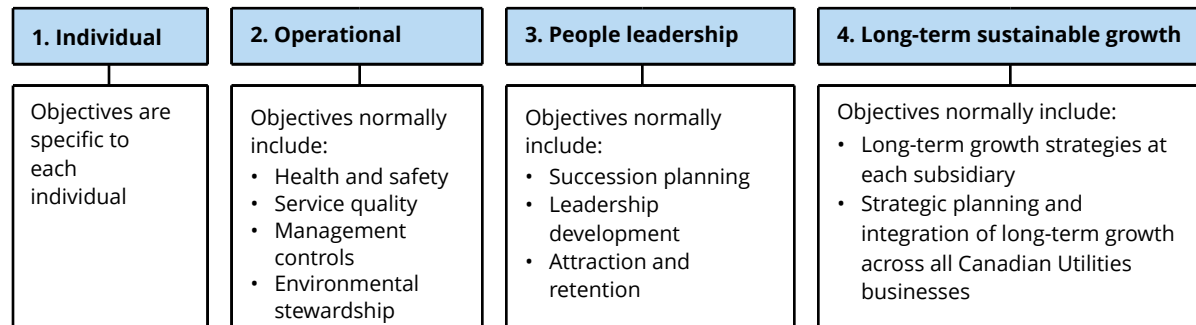
Business unit performance has a direct impact on the amount allocated from the short-term incentive pool to the business unit's incentive pool.

### 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 mid-term and long-term incentives
- Regarded as one of two performance criteria for the mid-term incentive payout

Each executive's performance is measured against both individual and business unit objectives in four categories. Specific objectives are set for each category based on the executive's areas of responsibility.



Performance against these objectives results in a performance rating of 1 to 5. A rating of 5 gets the maximum payout from the short-term incentive plan. A rating below 3 means there is no payout (assuming it is not a new role).

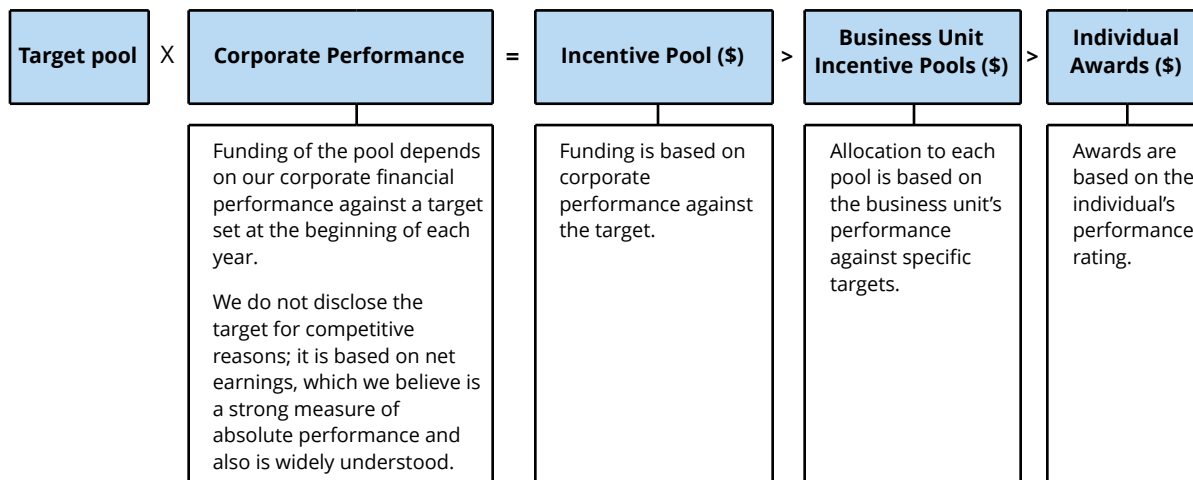
GOCOM also has broad discretion to not make incentive payments when, for example, a senior executive:

- Acts in a way that is detrimental to the reputation of the business
- Is directly involved in a material restatement of our consolidated financial statements or management's discussion and analysis
- Commits fraud of any kind

## 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 first 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.



### Mid-Term Incentive

GOCOM awards mid-term incentives at its discretion, based on a senior executive's total direct compensation and individual performance.

#### Form of Award

Time-vesting Canadian Utilities Class A shares which earn dividends.

#### Performance Criteria

Shares vest at the end of two or three years based on performance criteria including:

- Executive's performance is rated 3 (out of 5) or higher in each of the years
- Corporate financial target or in some cases the business unit financial target, set when the award was granted is met at the time of vesting

### Long-Term Incentive

GOCOM awards long-term incentives at its discretion, based on a senior executive's total direct compensation and individual performance.

#### Form of Award

Stock options or share appreciation rights for Canadian Utilities Class A shares.

#### Performance Criteria

Options and share appreciation rights only have value if the price of the underlying shares is higher at the time of exercise than it was at the time of the grant.

	Stock option plan	Share appreciation rights plan
<b>Assignment and conversion</b>	Not allowed	Not allowed
<b>Term</b>	10 years	10 years
<b>Vesting</b>	One-fifth vest each year starting on the first anniversary of the grant.	One-fifth vest each year starting on the first anniversary of the grant.
<b>Exercise price</b>	<p>The weighted average of the trading price of the shares on the TSX for the five trading days immediately before the day they were granted.</p> <p>If the options expire during a blackout period, the expiry date will be 10 days after the last day of the blackout period.</p> <p>Stock options cannot be repriced.</p> <p>We withhold income tax at the time of exercise (including exercise and sell, exercise and hold, and cashless exercises).</p>	<p>The weighted average of the trading price of the shares on the TSX for the five trading days immediately before the day they were granted.</p> <p>If the SARs expire during a blackout period, the expiry date will be 10 days after the last day of the blackout period.</p> <p>SARs cannot be repriced.</p> <p>We withhold income tax at time of exercise.</p>

The plans do not limit insider participation and there is no limit on the number of awards to any one person. GOCOM can suspend or terminate either plan at any time. It can add, remove or modify any term of a plan or a grant without share owner approval as long as the change:

- Will not materially affect the holders' rights under the plan
- Does not require share owner approval under the rules of the TSX for the stock option plan

## 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 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 the senior executive's contribution.

## Pension Plan

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

How the DB component works:

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

How we calculate the pension benefit:

$$\left[ 1.4\% \times \begin{array}{l} \text{average year's maximum} \\ \text{pensionable earnings} \\ (\$54,440 \text{ in } 2018) \end{array} + 2\% \times \begin{array}{l} \text{average salary (highest five consecutive} \\ \text{years of base salary, not including} \\ \text{short-term incentive) minus } \$54,440 \end{array} \right] \times \begin{array}{l} \text{Years of} \\ \text{service} \end{array}$$

Dennis A. DeChamplain, Marshall F. Wilmot and Wayne K. Stensby participate in the DC component.

How the DC component works:

- Executives do not contribute to the plan
- The Company contributes 10 per cent of base salary up to the maximum permitted by the Income Tax Act (\$26,500 in 2018)
- 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 the Canadian Utilities plan are subject to limits imposed by the Income Tax Act (Canada). Benefits that are higher than these limits are paid to each of the named executives except Dennis A. DeChamplain and Marshall F. Wilmot as a supplemental pension. This supplemental pension is provided by Canadian Utilities and benefits are not pre-funded.

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
- Supplemental benefits are not paid if the named executive is terminated or dies before age 55

Nancy C. Southern's supplemental pension benefit is part of her employment agreement (see Page 57). Her benefits are calculated as 80 per cent of the average of the highest five years of cash compensation (salary and short-term incentives) during her last 10 years before retirement.

Nancy C. Southern's pension is inclusive of the benefit under the Canadian Utilities plan. Benefits are paid on the same terms as the Canadian Utilities plan, with the same survivor benefits and top-up for inflation.

# 2018 PERFORMANCE AND AWARDS

## Performance in 2018

Key accomplishments included the following:

- In September, ATCO Energia entered Mexico's wholesale electricity market after receiving approval from the National Center for Energy Control. The company is able to provide electricity and related services as a Qualified Supplier.
- In December, we sold 42 acres of land in east London, UK. This is the location of the former Barking Power Station that was mothballed in 2014. The total proceeds received from the sale of the Barking Power assets were \$219 million.
- We continued construction on the 500 km Fort McMurray West 500-kV Project. The capital investment of \$664 million in 2018 was mainly due to tower foundation installation and tower assembly, and the target energization date has been advanced to March 2019.
- In February, we completed the acquisition of Electricidad del Golfo, which owns a long-term contracted, 35 MW hydroelectric power station based in the state of Veracruz, Mexico. The transaction was recorded for an aggregate purchase price of \$112 million.
- In March, we partnered with RANMAN Energy to build a 26 MW cogeneration project, known as the La Laguna Cogeneration facility in Mexico. This facility will provide low-carbon and cost-effective electricity and heat under a long-term agreement. The total investment is approximately \$70 million and the facility is expected to be operational in 2020.
- We recorded \$35 million in earnings in the third quarter of 2018 related to the termination of the Battle River unit 5 Power Purchase Arrangement by the Alberta Balancing Pool and the associated availability incentive and performance earnings. Higher earnings were also due to improved market conditions for Independent Power Plants.
- We completed construction on two more salt caverns, doubling the capacity at the ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta. Long-term contracts have been secured for all four caverns, which have a combined hydrocarbon storage capacity of 400,000 cubic metres. The two new caverns began contributing earnings in the second quarter of 2018.
- In July, the Dominion Bond Rating Service affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities subsidiary CU Inc.
- On January 10, 2019, the Board of Directors declared a first quarter dividend of 42.27 cents per share. Dividends paid to Class A and Class B share owners totaled \$365 million in 2018. We have increased our common share dividend each year since 1972.

## INNOVATION

### OBJECTIVE



**Explore and test new products and methods of energy delivery to meet the needs of our customers now and into the future.**

- We installed three electric vehicle charging stations in Calgary, Red Deer and Edmonton, Alberta.
- We began installing shared energy infrastructure for apartment buildings in Australia through a mix of solar technology and energy from the grid, alleviating some of the high capital costs of investing in renewable energy.
- We completed work on Battle River unit 4 to enable the unit to co-fire with natural gas. Natural gas can now be used for approximately half of the unit's 155 MW total electricity generation capacity.
- Through our Inter-pipeline agreement, we have invested more than \$70 million in Alberta's Industrial Heartland to develop a multi-user industrial water system that leverages common infrastructure to provide a range of water services including transportation, storage and clarification to industrial customers in this region.
- We installed a combined heat and power (CHP) system at Mount Royal University providing 26 per cent of the campus' electricity generation needs. This system is 30 per cent more efficient at generating electricity compared to traditional power generation, lowers total operating costs by \$400,000 annually, and lowers GHG emissions by roughly 2,000 tonnes annually or about equal to removing 425 vehicles from the road.
- The Clean Energy Innovation Hub (CEIH), supported by funding from the Australian Renewable Energy Agency (ARENA), will be a test bed for hybrid energy solutions that integrate natural gas, solar and battery storage.

## GROWTH

### OBJECTIVE



**Continued driving growth through regulated and long-term contracted capital investment.**

- We expanded our portfolio in Mexico with the announcement of a new cogeneration power project in partnership with RANMAN Energy. The 26 MW project uses cogeneration technology to simultaneously produce electricity and recover waste heat, making it a highly efficient method of generating power while significantly lowering CO2 emissions.
- We continue to work towards the completion of Alberta PowerLine, a partnership with Quanta Services, to build the Fort McMurray West 500 kilovolt (kV) Transmission Project stretching 500 km northeast from Wabamun, near Edmonton to Fort McMurray. This project is a critical addition to the province's transmission system and will enable continued growth in northern Alberta, with the region consuming about the same amount of power as either of Alberta's major cities, Edmonton and Calgary.
- We completed the acquisition of Electricidad del Golfo, which owns a long-term contracted, 35 MW hydroelectric power station based in the state of Veracruz, Mexico. The transaction was recorded for an aggregate purchase price of \$112 million.
- We advanced the Pembina-Keephills project, a 59-km natural gas pipeline to support coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta. Construction is expected to be complete by the fourth quarter of 2019.


### OBJECTIVE



**Achieve growth through diversification into new geographies and new lines of business.**


- ATCO Energia entered Mexico's wholesale electricity market after receiving approval from the National Center for Energy Control. The company is able to provide electricity and related services as a Qualified Supplier.

## FINANCIAL STRENGTH

<b>OBJECTIVE</b>		<b>Achieve adjusted earnings * as set by the Board of Directors.</b>
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- Adjusted earnings of \$607 million for the year ended December 31, 2018 which was below the performance target set by the Board of Directors at the beginning of the year.

*\*Adjusted earnings as reported in the consolidated financial statements for the year ended December 31, 2018 are earnings attributable to equity owners of the Corporation after adjusting for the timing of revenues and expenses associated with the rate regulated activities and dividends on equity preferred shares of the Corporation. Adjusted earnings also exclude one-time gains and losses, significant impairments and items that are not in the normal course of business or a result of day-to-day operations.*

<b>OBJECTIVE</b>		<b>Maintain investment grade credit rating.</b>
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- In 2018, we maintained an 'A' credit rating with a stable trend from DBRS and an 'A-' credit rating with a stable outlook from Standard & Poor's.


<b>OBJECTIVE</b>		<b>Maintain access to capital markets at attractive rates.</b>
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- In 2018, we raised \$385 million in 30 year debentures at 3.95 per cent, one of the lowest long-term coupons achieved in the Company's history.

<b>OBJECTIVE</b>		<b>Maintain and enhance management and financial processes and controls to ensure that no reportable weaknesses in control over financial reporting exist.</b>
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- Testing conducted in 2018 revealed no reportable weaknesses in internal control over financial reporting.

## PEOPLE LEADERSHIP

<b>OBJECTIVE</b>		<b>Continue to improve labour relations by fostering a productive and collaborative environment with our employee associations.</b>
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- We successfully negotiated two balanced collective agreements between the Canadian Energy Workers Association (CEWA), and the United Utility Workers' Association (UUWA). As well in 2018, four Canadian Utilities companies were engaged in collective bargaining with the Canadian Energy Workers Association (CEWA), Natural Gas Employees Association, and the Australian Services Union. Those proceedings continue to progress toward resolution.


<b>OBJECTIVE</b>		<b>Continue to build our leadership capability and foster a high performing culture.</b>
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- Over 70 per cent of our employees participated in our first Global Employee Engagement Pulse Check which provided invaluable insights into areas of significant strength and areas for improvement.
- We launched our 360 Feedback process to continue to support the growth and development of our leaders to improve their leadership effectiveness.




- We supported developing employee and leadership competencies through various learning programs: Leading Breakthrough Change, Managing Change and Transition, Taking Action During times of Change and Uncertainty, Facilitation First, Foundations of Leadership, Ivey Executive Leadership, and the Indigenous Relations Leadership Certificate Program. We also have 34 Lumina Spark Practitioners that help build high performing teams through leveraging individual differences.

## OPERATIONAL EXCELLENCE


<b>OBJECTIVE</b>		<b>Improve the health and safety of our employees and contractors by striving for an incident-free environment, while continuing to be a strong advocate for the safety of our customers.</b>
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- We achieved a 16 per cent reduction in the lost time incident rate in 2018 to 0.21 cases/200,000 hours worked.
- We achieved a total recordable incident rate of 1.53 cases/200,000 hours worked. This was achieved through awareness and incident prevention campaigns and we continue to compare favourably to industry benchmarks.
- Our natural gas transmission business has reported zero lost-time injuries for the past 16 years.
- We rolled out the Not Myself Today campaign focusing on mental well-being. Over 100 champions continually help to create awareness and break down the stigma of mental health.

<b>OBJECTIVE</b>		<b>Continue to provide exceptional customer service to our municipal, residential, commercial and industrial customers around the world.</b>
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- Within the Alberta electricity and natural gas distribution businesses, more than 95 per cent of customers agreed that Canadian Utilities provides good service. Within the energy retail operations, 76 per cent of customers who interact with call centres are "very satisfied" compared with an industry average of 72 per cent.

## COMMUNITY INVOLVEMENT

<b>OBJECTIVE</b>		<b>Continue to establish meaningful partnerships with Indigenous communities that drive economic and social development.</b>
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- The Alberta Powerline partnership with Quanta Services has included extensive Indigenous consultation and engagement, and the development of a comprehensive Indigenous contracting strategy. We have awarded \$85 million worth of contracts to Indigenous communities and contractors engaged on the project. These contracts are helping to create jobs and training opportunities.
- ATCO piloted the Indigenous Youth Leadership & Career Development program across Alberta. Grade 9 students from seven Indigenous communities participated. They traveled the province and learned about education, career opportunities and resources available to help them succeed. Professionals and community leaders helped to broaden their perspectives on the future. The four-day program ended with releasing a rehabilitated eagle back into the wild.
- We continued with the Canada-wide expansion of the Indigenous Education Awards program, providing 50 awards totaling \$65,500 in 2018.
- The focus of our Indigenous Reconciliation Action Plan in Australia is to strengthen our relationships with Aboriginal and Torres Strait Islander Peoples. Our action plan outlines our commitment to Reconciliation, including the development of employment practices and supplier selection to build employment and grow business opportunities in our communities.

- Eight communities and 119 youth engaged in the inaugural Governor General Indigenous Youth Leadership Program (now called ATCO Explore for 2019).

<b>OBJECTIVE</b>		<b>Continue to support the communities we have the privilege to serve around the world through community investment, partnerships and volunteerism.</b>
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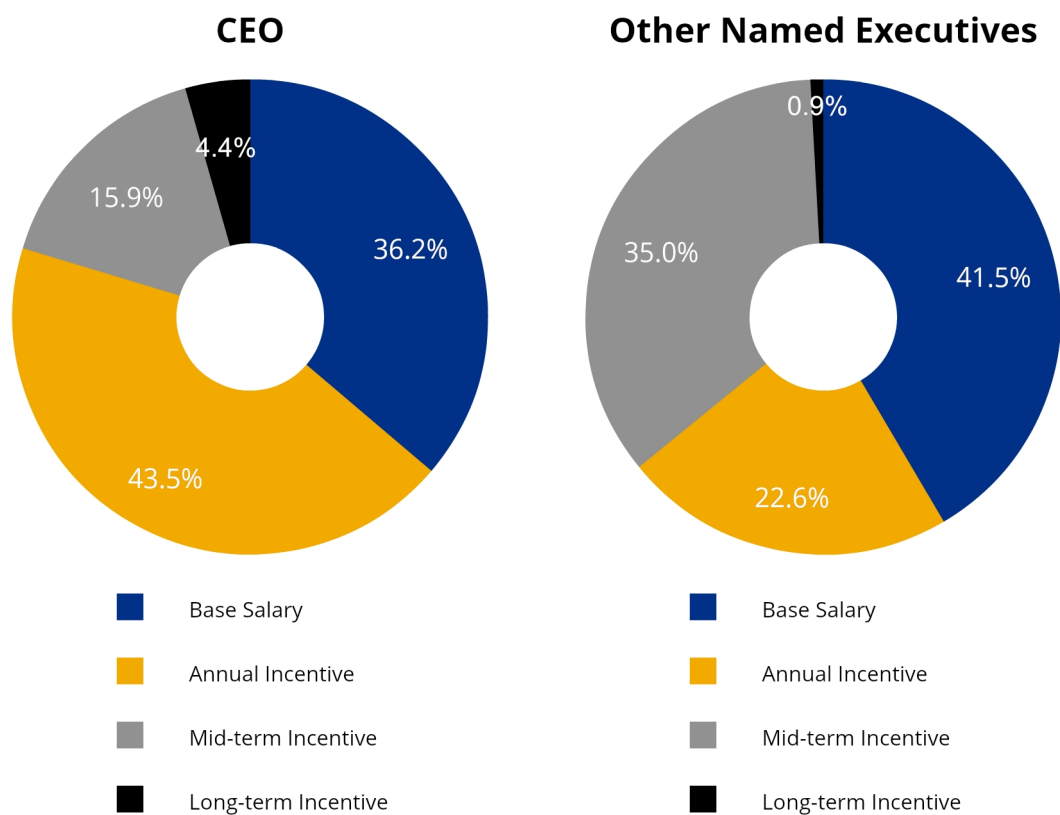
- With the combined efforts of our employees around the world, ATCO donated more than \$2.72 million to support hundreds of community charities through our annual ATCO EPIC (Employees Participating in Communities) campaign, taking the program's cumulative fundraising total to more than \$41.3 million since its inception in 2006. The administration of the employee-led campaign is funded by ATCO, ensuring 100 per cent of the employee donations go towards employees' charity of choice.
- The Blue Flame Kitchen hosted a Blue Flame Kitchen Skills program, visiting seven communities and engaging with 539 students.
- Thirty-four communities were visited with 4,570 students involved and 38 schools engaged in the Spirit North program, supported by Canadian Utilities.

## Compensation in 2018

The table below is a summary of total direct compensation awarded to the named executives in 2018. Please see Page 63 for the summary compensation table, which shows total compensation for the past three years, and the assumptions used for the mid and long-term incentive values.

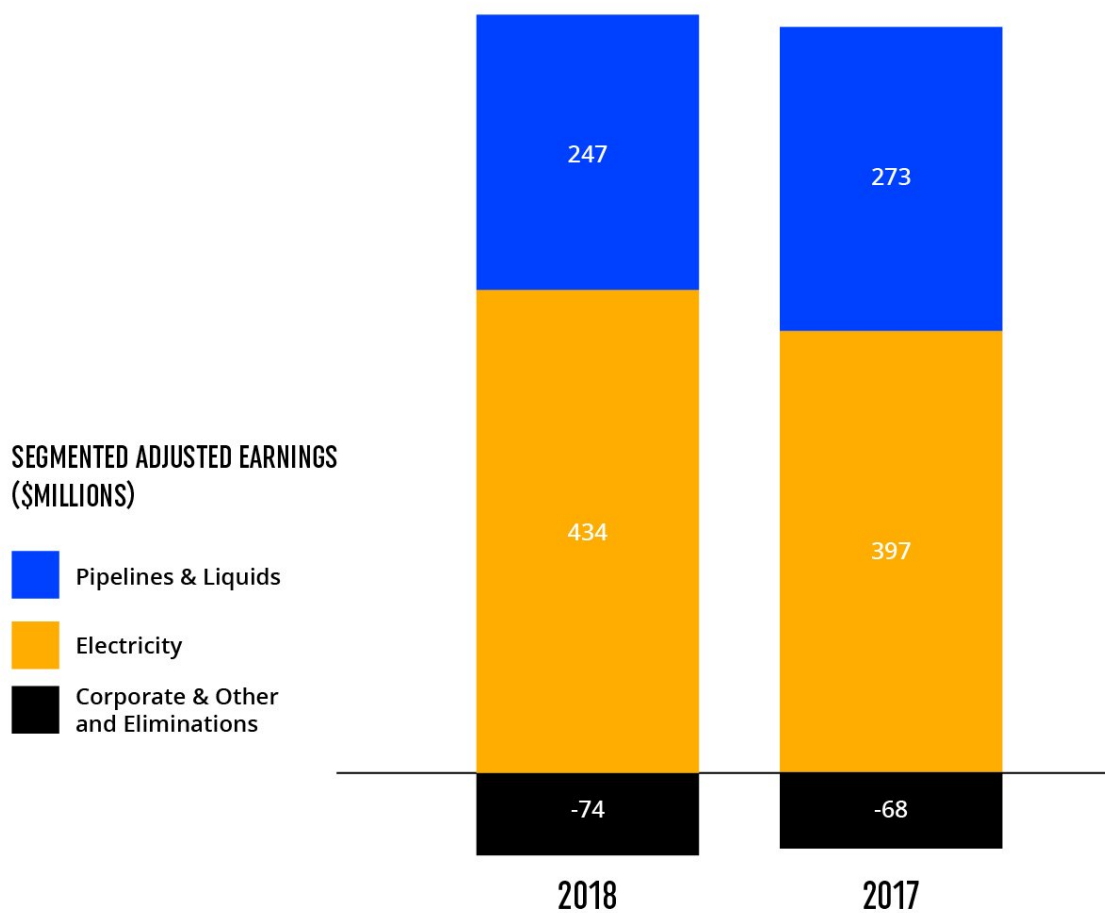
	Total cash compensation (\$)				Equity (\$)	Total direct compensation (\$)
	Salary	Short-term incentive	Mid-term incentive	Long-term incentive		
Nancy C. Southern	875,000	1,050,000	384,596	106,486		2,416,082
Dennis A. DeChamplain	333,267	240,625	260,723	8,192		842,807
Siegfried W. Kiefer	732,813	437,500	518,694	16,382		1,705,389
Marshall F. Wilmot	375,000	125,000	698,397	8,192		1,206,589
Wayne K. Stensby	450,000	250,000	257,970	8,192		966,162
George J. Lidgett	468,750	230,000	254,037	8,192		960,979

## 2018 Pay Mix



## 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.



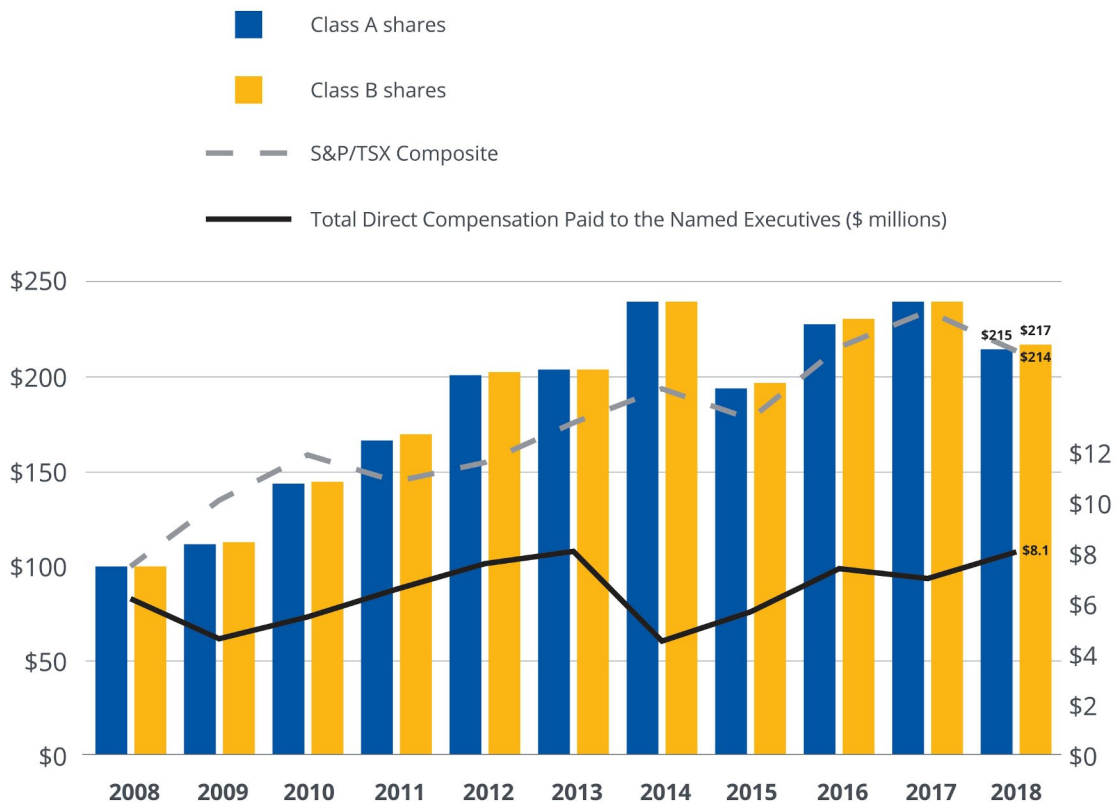
(\$millions)	2018	2017
Adjusted earnings	607	602
Total direct compensation paid to the named executives	8.1	7.0
As a % of adjusted earnings	1.3%	1.2%

## Compensation Linked to Share Owner Return

The graph below compares the cumulative value of \$100 invested in Canadian Utilities Class A shares and Class B shares (assuming reinvestment of dividends) on January 1, 2008, 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 eleven 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
- Grant date value of long-term incentives



## NANCY C. SOUTHERN

Chair & Chief Executive Officer

Calgary, Canada

Years of Service 29

Age 62

Ms. Southern is Chair & Chief Executive Officer of Canadian Utilities and ATCO and has full responsibility for Canadian Utilities' strategic direction and operations. She reports to the Board of Directors and has been a director of Canadian Utilities since 1990.

Under Ms. Southern's guidance, adjusted earnings have increased from \$403 million in 2008 to \$607 million in 2018 (an increase of 51 per cent). Canadian Utilities' total assets have grown from approximately \$8 billion in 2008 to \$22 billion in 2018.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	875,000	881,000	868,000
Short-term incentive	1,050,000	881,000	1,388,800
<b>Total cash compensation</b>	<b>1,925,000</b>	<b>1,762,000</b>	<b>2,256,800</b>
<b>Equity</b>			
Mid-term incentive	384,596	295,109	276,770
Long-term incentive			
Stock options	53,243	113,829	184,910
Share appreciation rights	53,243	113,829	184,910
<b>Total equity</b>	<b>491,082</b>	<b>522,767</b>	<b>646,590</b>
<b>Total direct compensation</b>	<b>2,416,082</b>	<b>2,284,767</b>	<b>2,903,390</b>

### EMPLOYMENT AGREEMENT

Ms. Southern has an employment agreement with Canadian Utilities that is reviewed and approved on an annual basis. It is currently extended to February 28, 2020. 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 48.



## DENNIS A. DECHAMPLAIN

Senior Vice President & Chief Financial Officer

Calgary, Canada

Years of service 26

Age 55

Mr. DeChamplain is Senior Vice President & Chief Financial Officer of Canadian Utilities and ATCO. He is responsible for Finance, Accounting, Treasury, Taxation, Regulatory Strategy, Corporate Governance & Secretarial, Pension & Risk Management and the administration of Internal Audit. He joined ATCO in 1992 and has held progressively senior roles in ATCO and Canadian Utilities. He was appointed to his current role in 2017.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	333,267	321,885	310,000
Short-term incentive	240,625	162,852	180,000
<b>Total cash compensation</b>	<b>573,892</b>	<b>484,737</b>	<b>490,000</b>
<b>Equity</b>			
Mid-term incentive	260,723	291,122	204,516
Long-term incentive			
Stock options	4,096	7,567	8,876
Share appreciation rights	4,096	7,567	8,876
<b>Total equity</b>	<b>268,915</b>	<b>306,256</b>	<b>222,268</b>
<b>Total direct compensation</b>	<b>842,807</b>	<b>790,993</b>	<b>712,268</b>



## SIEGFRIED W. KIEFER

President & Chief Strategy Officer

Calgary, Canada

Years of service 36

Age 60

Mr. Kiefer is President & Chief Strategy Officer of Canadian Utilities and ATCO. He is responsible for recommending and executing strategic initiatives that ensure the Company's profitable growth and achievement of its business objectives. He joined ATCO in 1983 and has held progressively senior roles in ATCO and Canadian Utilities. He was appointed to his current role in 2016.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	732,813	695,990	659,680
Short-term incentive	437,500	330,375	520,800
<b>Total cash compensation</b>	<b>1,170,313</b>	<b>1,026,365</b>	<b>1,180,480</b>
<b>Equity</b>			
Mid-term incentive	518,694	565,189	280,020
Long-term incentive			
Stock options	8,191	17,512	22,189
Share appreciation rights	8,191	17,512	22,189
<b>Total equity</b>	<b>535,076</b>	<b>600,213</b>	<b>324,398</b>
<b>Total direct compensation</b>	<b>1,705,389</b>	<b>1,626,578</b>	<b>1,504,878</b>





## MARSHALL F. WILMOT

President, ATCOenergy and Chief Digital Officer

Calgary, Canada

Years of service 1

Age 58

Mr. Wilmot is President, ATCOenergy and Chief Digital Officer for Canadian Utilities and ATCO. He is responsible for the operational and financial performance of ATCOenergy and in his role as Chief Digital Officer, he is responsible for creating a holistic digital strategy. Mr. Wilmot joined ATCO in March 2018.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	375,000	-	-
Short-term incentive	125,000	-	-
<b>Total cash compensation</b>	<b>500,000</b>	-	-
<b>Equity</b>			
Mid-term incentive	698,397	-	-
Long-term incentive			
Stock options	4,096	-	-
Share appreciation rights	4,096	-	-
<b>Total equity</b>	<b>706,589</b>	-	-
<b>Total direct compensation</b>	<b>1,206,589</b>	-	-



## WAYNE K. STENSBY

Managing Director, Electricity Global Business Unit

Calgary, Canada

Years of service 30

Age 52

Mr. Stensby is Managing Director of the Electricity Global Business Unit of Canadian Utilities and ATCO which encompasses electricity generation, transmission and distribution. Mr. Stensby is tasked with leading the strategy and development for the Business Unit's long-term products and services growth. He joined ATCO in 1988 and has held a number of senior operational and engineering management roles during his tenure. He was appointed to his current role in 2015.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	450,000	442,500	411,250
Short-term incentive	250,000	200,000	400,000
<b>Total cash compensation</b>	<b>700,000</b>	<b>642,500</b>	<b>811,250</b>
<b>Equity</b>			
Mid-term incentive	257,970	274,370	130,585
Long-term incentive			
Stock options	4,096	8,756	7,396
Share appreciation rights	4,096	8,756	7,396
<b>Total equity</b>	<b>266,162</b>	<b>291,882</b>	<b>145,377</b>
<b>Total direct compensation</b>	<b>966,162</b>	<b>934,382</b>	<b>956,627</b>



## GEORGE J. LIDGETT

Managing Director, Pipelines & Liquids Global Business Unit

Calgary, Canada

Years of service 33

Age 57

Mr. Lidgett is Managing Director of the Pipelines & Liquids Global Business Unit of Canadian Utilities and ATCO which encompasses Gas Distribution, Gas Transmission and Storage and Liquids. Mr. Lidgett is tasked with leading the strategy and development for the Business Unit's long-term products and services growth. He joined ATCO in 1985 and has held a number of senior operational and commercial management roles during his tenure. He was appointed to his current role in 2015.

### COMPENSATION

	2018 (\$)	2017 (\$)	2016 (\$)
<b>Cash</b>			
Base salary	468,750	441,250	415,000
Short-term incentive	230,000	275,000	450,000
<b>Total cash compensation</b>	<b>698,750</b>	<b>716,250</b>	<b>865,000</b>
<b>Equity</b>			
Mid-term incentive	254,037	270,080	75,881
Long-term incentive			
Stock options	4,096	8,756	4,438
Share appreciation rights	4,096	8,756	4,438
<b>Total equity</b>	<b>262,229</b>	<b>287,592</b>	<b>84,757</b>
<b>Total direct compensation</b>	<b>960,979</b>	<b>1,003,842</b>	<b>949,757</b>

# 2018 COMPENSATION DETAILS

## Summary Compensation Table

The table below summarizes the total compensation of each of the named executives received or awarded for the years ended December 31, 2016, 2017 and 2018. In 2018, all of the named executives have a dual role for Canadian Utilities and for ATCO, our parent company. The exceptions are Mr. Wilmot, Mr. Stensby and Mr. Lidgett. 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
2018	87.5%	12.5%	100%
2017	88.1%	11.9%	100%
2016	86.8%	13.2%	100%

Mr. Wilmot, Mr. Stensby and Mr. Lidgett compensation expenses are 100 per cent allocated to Canadian Utilities. 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								
2018	875,000	384,596	106,486	1,050,000	-	1,049,206	30,625	3,495,913
2017	881,000	295,109	227,658	881,000	-	2,123,597	30,835	4,439,199
2016	868,000	276,770	369,820	1,388,800	-	902,172	30,380	3,835,942
<b>Dennis A. DeChamplain</b>								
Senior Vice President & Chief Financial Officer								
2018	333,267	260,723	8,192	240,625	-	23,188	6,207	872,202
2017	321,885	291,122	15,134	162,852	-	24,420	0	815,413
2016	310,000	204,516	17,752	180,000	-	26,010	1,447	739,725
<b>Siegfried W. Kiefer</b>								
President & Chief Strategy Officer								
2018	732,813	518,694	16,382	437,500	-	382,851	25,649	2,113,889
2017	695,990	565,189	35,024	330,375	-	339,222	24,360	1,990,160
2016	659,680	280,020	44,378	520,800	-	277,595	23,089	1,805,562
<b>Marshall F. Wilmot</b>								
President, ATCOenergy and Chief Digital Officer								
2018	375,000	698,397	8,192	125,000	-	22,083	2,813	1,231,485
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
<b>Wayne K. Stensby</b>								
Managing Director, Electricity Global Business Unit								
2018	450,000	257,970	8,192	250,000	-	83,278	15,750	1,065,190
2017	442,500	274,370	17,512	200,000	-	412,069	15,488	1,361,939
2016	411,250	130,585	14,792	400,000	-	2,631,887	14,394	3,602,908
<b>George J. Lidgett</b>								
Managing Director, Pipelines & Liquids Global Business Unit								
2018	468,750	254,037	8,192	230,000	0	251,971	3,516	1,216,466
2017	441,250	270,080	17,512	275,000	0	3,793,756	2,531	4,800,129
2016	415,000	75,881	8,876	450,000	0	65,325	-	1,015,082

- 1 The grant date fair value for MTIP granted in the last three years was determined in consultation with our independent advisors. The accounting fair value is based on the full value share price at the time of grant and the grant date fair value used for compensation benchmarking purposes reflects a discount applied to account for performance hurdles that have to be met in order for the MTIP to vest. The share based awards value includes the dividends received during the respective calendar year.

	2018		2017		2016
	March	March	June	March	
<b>MTIP Assumptions</b>					
Grant date fair value	22.10	25.22	27.00		23.45
Accounting fair value	34.00	38.80	41.54		36.08

In 2017, Mr. DeChamplain was granted share-based awards for performance in his previous role as Senior Financial Officer. He was granted additional share-based awards following his appointment to the Senior Vice President & Chief Financial Officer role.

- 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:

	2018		2017		2016
	March	March	June	March	
<b>Option Assumptions</b>					
Expected life (years)	6.9	6.9	6.9		6.9
Risk free rate of return	1.96%	1.21%	1.12%		0.73%
Volatility	9.92%	13.09%	10.91%		18.65%
Dividend yield	4.61%	3.76%	3.44%		3.60%

The SAR 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:

	2018		2017		2016
	March	March	June	March	
<b>SAR Assumptions</b>					
Expected life (years)	6.1	6.1	6.1		6.1
Risk free rate of return	1.96%	1.21%	1.12%		0.73%
Volatility	7.69%	10.17%	8.27%		15.23%
Dividend yield	4.61%	3.76%	3.44%		3.60%

In 2017, Mr. DeChamplain was granted SARs and option-based awards for performance in his previous role as Senior Financial Officer. He was granted additional SARs and option-based awards following his appointment to the Senior Vice President & Chief Financial Officer role.

- 3 Total Canadian Utilities stock options and share appreciation rights.  
 4 Estimated using a prescribed formula based on several assumptions. Also includes other compensatory items. Mr. Stensby and Mr. Lidgett joined the supplemental pension plan for all service, effective 2016 and 2017 respectively.  
 5 Employer contribution to the Employee Share Purchase Plan.

## Outstanding Option-Based and Share-Based Awards

The table below shows each named executive's outstanding incentive plan awards as of December 31, 2018.

	Option-based awards					Share-based awards		
	Number of securities underlying unexercised options (#)		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>3</sup> (\$)	Number of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>4</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	Options <sup>1</sup>	SARs <sup>2</sup>				MTIP		
<b>Nancy C. Southern</b>								
2018	65,000	65,000	34.13	15-03-28	0	15,000	469,800	-
2017	65,000	65,000	38.07	15-03-27	0	10,000	313,200	-
2016	62,500	62,500	36.08	25-03-26	0	10,000	313,200	-
2015	50,000	50,000	40.78	15-03-25	0	-	-	-
2014	50,000	50,000	39.45	15-03-24	0	-	-	-
2013	60,000	60,000	39.04	15-03-23	0	-	-	-
2012	50,000	50,000	33.18	15-03-22	0	-	-	-
2011	25,000	25,000	24.74	15-03-21	329,250	-	-	-
2010	75,000	75,000	23.65	15-03-20	1,151,250	-	-	-
<b>Dennis A. DeChamplain</b>								
2018	5,000	5,000	34.13	15-03-28	0	10,000	313,200	-
2017	4,000	4,000	41.54	25-06-27	0	8,000	250,560	-
2017	1,000	1,000	38.07	15-03-27	0	2,000	62,640	-
2016	3,000	3,000	36.08	25-03-26	0	6,000	187,920	-
2015	1,000	1,000	40.78	15-03-25	0	-	-	-
2014	1,500	1,500	39.45	15-03-24	0	-	-	-
2013	2,000	2,000	39.04	15-03-23	0	-	-	-
2012	2,000	2,000	33.18	15-03-22	0	-	-	-
2011	2,000	2,000	24.74	15-03-21	26,340	-	-	-
<b>Siegfried W. Kiefer</b>								
2018	10,000	10,000	34.13	15-03-28	0	20,000	626,400	-
2017	10,000	10,000	38.07	15-03-27	0	20,000	626,400	-
2016	7,500	7,500	36.08	25-03-26	0	10,000	313,200	-
2015	7,500	7,500	40.78	15-03-25	0	-	-	-
2014	10,000	10,000	39.45	15-03-24	0	-	-	-
2013	10,000	10,000	39.04	15-03-23	0	-	-	-
2012	7,500	7,500	33.18	15-03-22	0	-	-	-
2011	5,000	5,000	24.74	15-03-21	65,850	-	-	-
2010	5,000	5,000	23.65	15-03-20	76,750	-	-	-
<b>Marshall F. Wilmot</b>								
2018	5,000	5,000	34.13	15-03-28	0	30,000	939,600	-
<b>Wayne K. Stensby</b>								
2018	5,000	5,000	34.13	15-03-28	0	10,000	313,200	-
2017	5,000	5,000	38.07	15-03-27	0	10,000	313,200	-
2016	2,500	2,500	36.08	25-03-26	0	5,000	156,600	-
2015	1,000	1,000	36.78	15-05-25	0	-	-	-
2014	2,000	2,000	39.45	15-03-24	0	-	-	-
2013	1,000	1,000	39.04	15-03-23	0	-	-	-
2012	1,000	1,000	34.80	15-08-22	0	-	-	-
<b>George J. Lidgett</b>								
2018	5,000	5,000	34.13	15-03-28	0	10,000	313,200	-
2017	5,000	5,000	38.07	15-03-27	0	10,000	313,200	-
2016	1,500	1,500	36.08	25-03-26	0	3,000	93,960	-
2015	1,000	1,000	40.78	15-03-25	0	-	-	-

1 Options to buy Canadian Utilities Class A shares.

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

3 The difference between the market value as of December 31, 2018, of Canadian Utilities Class A shares (\$31.32) underlying the option-based awards and the exercise price of the option-based awards.

4 Based on the market value as at December 31, 2018, of Canadian Utilities Class A shares (\$31.32).

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 2018.

Aggregate holdings and value of options and SARs held on December 31, 2018					Options and SARs exercised in 2018		
		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 2018.							
Class A non-voting Options	318,000	184,500	740,250	0	-	-	-
SARs	318,000	184,500	740,250	0	-	-	-
<b>Dennis A. DeChamplain</b>							
• Mr. DeChamplain did not exercise any options or SARs in 2018.							
Class A non-voting Options	10,000	11,500	13,170	0	-	-	-
SARs	10,000	11,500	13,170	0	-	-	-
<b>Siegfried W. Kiefer</b>							
In 2018, Mr. Kiefer exercised:							
• 20,000 options and 20,000 SARs on Canadian Utilities Class A non-voting shares							
Class A non-voting Options	45,000	27,500	71,300	0	20,000	236,600	
SARs	45,000	27,500	71,300	0	-	239,600	
<b>Marshall F. Wilmot</b>							
• Mr. Wilmot did not exercise any options or SARs in 2018							
Class A non-voting Options	0	5,000	0	0	-	-	-
SARs	0	5,000	0	0	-	-	-
<b>Wayne K. Stensby</b>							
• Mr. Stensby did not exercise any options or SARs in 2018							
Class A non-voting Options	6,200	11,300	0	0	-	-	-
SARs	6,200	11,300	0	0	-	-	-
<b>George J. Lidgett</b>							
• Mr. Lidgett did not exercise any options or SARs in 2018							
Class A non-voting Options	2,200	10,300	0	0	-	-	-
SARs	2,200	10,300	0	0	-	-	-

## 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 2018.

Year ended December 31, 2018	Option-based awards		Share-based awards	Non-equity incentive plan compensation
	Options <sup>1</sup>	SARs <sup>2</sup>	Value vested during the year (\$)	Value earned during the year (\$)
Nancy C. Southern	0	0	53,096	1,050,000
Dennis A. DeChamplain	0	0	205,723	240,625
Siegfried W. Kiefer	0	0	590,894	437,500
Marshall F. Wilmot	—	—	35,397	125,000
Wayne K. Stensby	0	0	36,970	250,000
George J. Lidgett	0	0	33,037	230,000

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

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

## 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 non-voting shares	Non-voting shares to be issued upon exercise of outstanding options (as a % of total outstanding non-voting shares)	Non-voting shares available for future issuance (as a % of total outstanding non-voting shares)
<b>December 31, 2018</b>						
Canadian Utilities	797,200	\$35.09	5,146,900	199,366,495	0.4%	2.6%
<b>March 11, 2019</b>						
Canadian Utilities	796,400	\$35.08	5,147,700	199,389,295	0.4%	2.6%



## 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 Canadian Utilities Class A non-voting shares</li><li>• (4.7% of outstanding Canadian Utilities Class A shares and Class B shares as of December 31, 2018)</li></ul>
<b>Number of outstanding securities awarded:</b>	<ul style="list-style-type: none"><li>• 9,239,250 Canadian Utilities Class A non-voting shares</li><li>• (3.4% of outstanding Canadian Utilities Class A shares and Class B shares as of December 31, 2018)</li></ul>
<b>Activity in 2018:</b>	<ul style="list-style-type: none"><li>• 128,250 options were granted</li><li>• 39,000 Canadian Utilities Class A non-voting shares were issued on the exercise of options</li><li>• 24,300 options were cancelled</li></ul>

## Dilution Measure

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

December 31, 2018	December 31, 2017	December 31, 2016
0.05%	0.05%	0.04%

## Pension and Retirement Benefits

### Defined benefit

The table below shows the pension benefits and accrued obligations under all registered pension plans and supplemental arrangements for each of the named executives. See Page 48 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	23.00	1,736,000	1,736,000	25,070,280	1,049,206	(22,298)	26,097,188
Siegfried W. Kiefer	35.00	467,747	467,747	11,150,769	382,851	(272,419)	11,261,201
Wayne K. Stensby	29.08	145,793	171,202	4,150,869	56,778	2,950	4,210,597
George J. Lidgett	33.17	271,581	286,593	6,509,329	251,971	25,480	6,786,780

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 benefits payable at year end is based on the defined benefit credited service and actual average pensionable earnings at December 31, 2018. The benefits are reduced if a named executive is eligible for early retirement.

Annual benefits payable at age 65 is based on actual average pensionable earnings at December 31, 2018, and their projected service at age 65, to a maximum of 35 years.

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.

The non-compensatory change includes interest on the obligation, the impact of assumption changes, and the impact of changing the Canadian Utilities allocation from 88.1 per cent in 2017 to 87.5 per cent in 2018. See Note 20, Retirement Benefits, in our 2018 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 (\$)
Dennis A. DeChamplain	664,180	23,188	593,569
Marshall F. Wilmot	0	22,083	19,338
Wayne K. Stensby	603,568	26,500	625,664

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 a change in employment status affects the different compensation components.

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

We have an employment agreement with Ms. Southern, our Chair & Chief Executive Officer. See Page 57 for more information.

<b>Retirement</b>	<ul style="list-style-type: none"> <li>• Salary ends</li> <li>• Retiring allowance is based on years of service to a maximum of one month's salary</li> <li>• Retiree health benefits coverage starts when he or she retires, and continues until six months after the pensioner dies</li> <li>• Annual incentive is paid on a pro rata basis to the retirement date</li> <li>• All vested options and share appreciation rights can be exercised within 24 months of the retirement date, or on the expiry date if earlier</li> <li>• All unvested options, share appreciation rights and mid-term incentives are forfeited on the retirement date</li> <li>• Pension benefits are provided based on membership in the plan</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, share appreciation rights and mid-term incentives are forfeited on the resignation date</li> <li>• Pension is paid as a commuted value or deferred benefit</li> </ul>
<b>Termination</b>	<ul style="list-style-type: none"> <li>• All salary and benefits end</li> <li>• Annual incentive for the current year is forfeited</li> <li>• All vested options and share appreciation rights can be exercised within 90 days of the termination date, or on the expiry date if earlier</li> <li>• All unvested options, share appreciation rights and mid-term incentives are forfeited on the termination date</li> <li>• Pension is paid as a commuted value or deferred benefit</li> <li>• If applicable, severance is provided based on employment standards and common law provisions</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 within 90 days of a change of control, or on the expiry date if earlier</li> <li>• All unvested options and share appreciation rights are vested and can be exercised within 90 days of a change of control, or on the expiry date if earlier</li> <li>• All unvested mid-term incentives vest on the date immediately preceding the change of control</li> </ul>

The table below shows incremental amounts that would be paid to the named executives if their employment had been terminated on December 31, 2018, because of retirement, resignation, termination or a change of control.

	Incremental Amounts	Retirement (\$)	Resignation (\$)	Termination (\$)	Change of control (\$)
<b>Nancy C. Southern</b>					
	Cash payment				
	Share-based awards				1,096,200
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>1,096,200</b>
<b>Dennis A. DeChamplain</b>					
	Cash payment				
	Share-based awards				814,320
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>814,320</b>
<b>Siegfried W. Kiefer</b>					
	Cash payment				
	Share-based awards				1,566,000
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>1,566,000</b>
<b>Marshall F. Wilmot</b>					
	Cash payment				
	Share-based awards				939,600
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>939,600</b>
<b>Wayne K. Stensby</b>					
	Cash payment				
	Share-based awards				783,000
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>783,000</b>
<b>George J. Lidgett</b>					
	Cash payment				
	Share-based awards				720,360
	Pension				
	Benefits				
	Perquisites				
	<b>Total</b>				<b>720,360</b>

# 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 \$418,389 in the financial year ended December 31, 2018. 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.

## Loans to Directors and Officers

Canadian Utilities does not provide loans to directors or senior executive officers except for:

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

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

## 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 11, 2019.

## Additional Information

Additional information about Canadian Utilities is available on SEDAR at [www.sedar.com](http://www.sedar.com). Information about Canadian Utilities' business is provided in its annual information form dated February 27, 2019. Financial information is provided in Canadian Utilities' financial statements and the management's discussion and analysis for the year ended December 31, 2018.

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).

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

Dated March 11, 2019

*[Signed by C. Gear]*

Carol Gear  
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 ongoing basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests that other interested parties, such as employees, customers and communities, may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, communication planning, and internal control integrity. More specifically, the Board is responsible for:

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

## SPECIFIC DUTIES

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

### 1. Legal Requirements

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

### 2. Independence

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

### 3. Strategic Planning

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

### 4. Risk Management

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

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

The Board is responsible for:

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

## **6. Reporting and Communication**

The Board is responsible for:

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

## **7. Monitoring and Acting**

The Board is responsible for:

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

## **8. Other**

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



# SCHEDULE B – 2018 COMPARATOR COMPANIES

## General Industry

AbbVie	Banque Laurentienne
Accenture	Barclays
Addenda Capital	Barrick Gold
Adecco	Bell Canada
AFSC	Belron Canada
Agropur, Coopérative agro-alimentaire	BIC Group
AIG Insurance Company of Canada	Bombardier
Aimia	Bombardier Aerospace
Air Canada	Bombardier Transportation
Alberta Electric System Operator	BP Canada Energy
Alberta Energy Regulator	The Brick Group
Alberta Health Services	Brink's
Alberta Investment Management	Bristol-Myers Squibb
Alberta Pacific Forest Industries	British Columbia Hydro and Power Authority
Alberta Teachers' Retirement Fund	British Columbia Investment Management
Board	Brock Group
Alcoa	Brock White Canada
Alithya	Brookfield Global Integrated Solutions
Allstate	Bruce Power
Alorica	Bunge
Altern Savings & Credit Union	Cadillac Fairview Corporation
Altex Energy	CAE
Altus Group	Caisse de dépôt et placement du Québec
American Greetings	Calea & Fresenius Kabi Canada
American Sugar Refining	Calgary Co-operative Association
American Tire Distributors	Campbell Soup
Amgen	Canada Post
Amp Energy	Canadian Hearing Society
Aon Reed Stenhouse	Canadian Imperial Bank of Commerce
Apotex	Canadian National Railway
Arrow Electronics	Canadian Natural Resources
Arup Group	Canadian Pacific Railway
Assomption Vie	Canadian Tire Corporation
ATB Financial	Canadian Western Bank
Atlantic Central	La Capitale groupe financier
Axalta Coating Systems	Capital Power Corporation
AXA Partners	Cargill
Axium Infrastructure	Catalyst Paper
Ball	CDW
Bank of Montreal	Celestica

Cenovus Energy  
CGI- Conseillers en Gestion et Informatique  
Chartwell Retirement Residences  
Chevron Canada Resources (upstream)  
Chubb  
Cimpress  
Citigroup  
C & J Clarks  
CNA Canada  
CN Investment Division  
Cogeco Connexion  
The Commonwell Mutual Insurance Group  
Computershare Trust Company of Canada  
Connect First Credit Union  
Connor, Clark & Lunn Financial Group  
ConocoPhillips  
Co-operators General Insurance  
Corix  
CPP Investment Board  
Credit Suisse  
Crescent Point Energy  
Cushman & Wakefield  
Dali Wireless  
DENSO International  
Devon Canada  
DHL Supply Chain  
Dynacare  
Echelon Insurance  
Ecolab  
Economical Insurance Group. The  
EDF Renewable Energy  
Edward Jones  
Eisai  
Element Fleet Management  
Emera  
Empire Life  
Enbridge  
Encana  
Energir  
ENGIE Energy North America  
ENMAX Corporation  
Entertainment One  
EPCOR Utilities  
Epsilon  
Equifax  
Ernst & Young  
Export Development Canada  
FCT Insurance

Federal Express  
FGF Brands  
FGL Sports  
Finning International  
FirstGroup America  
Fluor  
FortisAlberta Inc.  
Fortune Brands Home & Security  
Four Seasons Hotels  
Fujitsu  
Galderma  
Gateway Casinos & Entertainment  
GE Aviation  
GE Healthcare  
General Dynamics Land Systems Canada  
General Electric  
Genworth Financial  
Gildan Activewear  
Gilead Sciences  
Global Payments  
GL&V  
Goldcorp  
Gore Mutual Insurance Company  
Graham Management Services LP  
Graphic Packaging  
Groupe Cirque du Soleil  
Henry Schein  
Herc Rentals  
Hilton Worldwide  
Holt Renfrew  
Home Trust Company  
HOOPP  
HP Inc.  
HSBC Bank  
Husky Energy  
Husky Injection Molding Systems  
H.W. Siebens Charitable Foundation  
Hydro One  
Hydro-Québec  
IAMGOLD Corporation  
IBM  
IDEX Corporation  
Imperial Oil  
Indigo Books Music & Café  
Insurance Corporation of British Columbia  
Intact Financial Co.  
Intact Investment Management  
Intercontinental Hotels Group

Interfor  
International Game Technology  
Investment Management Corporation of Ontario  
IPEX Management  
Ipsen  
Iron Mountain  
Irving Oil Limited  
Ivari  
Jabil Circuit  
J.M. Smucker  
Johnson & Johnson  
Jones Lang LaSalle  
Kal Tire  
Kantar Group  
Kellogg  
Keurig Green Mountain  
Kinder Morgan  
Kinross Gold  
Kruger  
LafargeHolcim  
Ledcor Group of Companies  
Lehigh Hanson  
Liberty International Underwriters Canada  
Life Labs  
Linedata Services  
Loblaws Inc.  
Loto-Québec  
LoyaltyOne  
L3 Technologies  
Lululemon Athletica  
Manpower  
Manulife Financial  
Maple Leaf Foods  
Mark's Work Warehouse  
Marsh  
Mars North America  
McCain Foods  
McKesson  
MD Financial Management  
MEG Energy  
Merck & Co  
Mercury Marine  
Metrie  
Molson Coors Brewing  
Morgan Stanley  
Mouvement Desjardins  
MTD Products  
Munich Re Group  
Navblue  
NAV Canada  
NDT Global  
Neopost

Newfoundland Power  
Nexen Energy  
Nike  
Nissan North America  
Northbridge  
NOVA Chemicals  
Nova Scotia Power  
Novo Nordisk  
NOW Foods  
Numeris  
Nutrien  
Obsidian Energy Ltd.  
Old Republic Insurance Company of Canada  
OMERS  
Ontario Power Generation  
Ontario Teachers Pension Plan Board  
OPSEU Pension Trust  
Paladin Labs  
Parmalat  
PC Financial  
Pembina Pipeline  
PepsiCo  
PetSmart  
Pet Valu Canada  
Pfizer  
Pilot Flying J  
Power Corporation of Canada  
Precision Drilling  
Preformed Line Products  
Premier Tech  
PSP Investments  
Purolator  
PVH Corp.  
QuadReal  
Randa Accessories  
Rayonier Advanced Materials Canada  
RBC Financial Group  
Reinsurance Group of America (RGA)  
Repsol Gas & Oil  
Restaurant Brands International  
Richardson GMP  
Ricoh Americas  
Riocan Management  
Rio Tinto  
Rocky Mountaineer  
Rogers Communications Canada Inc.  
Roots Canada  
RSA  
Sage  
Saipem  
Samuel, Son & Co. Limited  
Sanimax

Sanofi  
Saputo Produits laitiers Canada s.e.n.c.  
Saskatchewan Blue Cross  
Saskpower  
Schneider Electric Industry  
SCM Insurance Services  
Scotiabank  
SGI Canada  
SGS - Société Générale de Surveillance  
Shaw Communications  
ShawCor  
Shell  
OPSEU Pension Trust  
Shire  
SNC-Lavalin  
Stantec  
Staples  
Stars Group (The)  
Sunbelt Rentals  
Suncor Energy  
Sun Life Financial  
Syncrude Canada  
Sysco Corporation  
Tech Data  
Telus  
Tempur Sealy  
Teranet

Thyssenkrupp  
TJX Companies  
TMX Group Limited  
Toronto Hydro Electric Systems  
TransAlta Corporation  
TransCanada  
TrueBlue  
UAP  
UBS  
UFA - United Farmers of Alberta  
United Rentals  
University of Calgary  
University of Saskatchewan  
Veritiv  
Vestcor Investments  
Via Rail Canada  
Viterra  
Walmart  
Wendy's Group  
Western Forest Products  
Western Union  
Winpak Portion Packaging  
Workers' Compensation Board of Alberta  
Workplace Safety and Insurance Board  
The Workshop  
York University  
Zurich North America



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