



CANADIAN UTILITIES LIMITED

An **ATCO** Company

NOTICE OF SPECIAL MEETING TO BE HELD ON DECEMBER 14, 2023

**NOTICE OF ORIGINATING APPLICATION
TO THE COURT OF KING'S BENCH OF ALBERTA**

MANAGEMENT INFORMATION CIRCULAR

**CONCERNING AN ARRANGEMENT INVOLVING
CANADIAN UTILITIES LIMITED**

YOUR VOTE IS IMPORTANT. TAKE ACTION AND VOTE TODAY.

The Board of Directors (with five directors who are not independent abstaining), acting on the unanimous recommendation of the Special Committee, unanimously recommends that Class B Share Owners vote

FOR

the Arrangement Resolution

These materials are important and require your immediate attention. They require holders of Class B common shares of Canadian Utilities Limited to make important decisions. If you are in doubt about how to make such decisions, please contact your financial, legal, tax or other professional advisors. No securities regulatory authority has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities being offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offence to claim otherwise. If you hold Class B common shares of Canadian Utilities Limited and have any questions regarding the information contained in this management information circular or require assistance in completing your form of proxy, please contact our strategic shareholder advisor, Kingsdale Advisors, at 1-888-518-1565 (toll-free within North America), or 647-251-9704 (call and text outside of North America) or by email at contactus@kingsdaleadvisors.com. Questions on how to complete the letter of transmittal should be directed to the depositary for the Arrangement, TSX Trust Company, at 1-800-387-0825 (toll-free within North America), or 416-682-3860 (outside of North America) or by email at shareholderinquiries@tmx.com.



CANADIAN UTILITIES LIMITED

An **ATCO** Company

November 15, 2023

Dear Share Owner:

On behalf of our Board of Directors, it is my sincere pleasure to invite all holders of Class A non-voting shares ("**Class A Shares**") and Class B common shares ("**Class B Shares**") of Canadian Utilities Limited ("**Canadian Utilities**") to attend a special meeting of the holders ("**Class B Share Owners**") of Class B Shares. The meeting will be held in a virtual-only format via live audio webcast on Thursday, December 14, 2023 at 1:00 p.m. (Mountain Standard Time). **Details on how to access the meeting can be found beginning on page 55 of the accompanying management information circular of Canadian Utilities dated November 15, 2023 (the "Circular").**

At the meeting, Class B Share Owners will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") approving an arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* involving Canadian Utilities and Class B Share Owners (other than ATCO Ltd. ("**ATCO**") and certain related parties of ATCO (ATCO and such related parties being collectively referred to herein as the "**Excluded Class B Share Owners**"). Pursuant to the Arrangement, among other things, each outstanding Class B Share (other than Class B Shares held by the Excluded Class B Share Owners and Class B Shares held by Class B Share Owners who validly exercise dissent rights in respect of the Arrangement Resolution) will be transferred to Canadian Utilities for cancellation in exchange for the issuance of 1.1 Class A Shares (the "**Consideration**"). The Class B Shares held by the Excluded Class B Share Owners will not be affected by the Arrangement and will remain outstanding following completion of the Arrangement. As a result, upon completion of the Arrangement, the Excluded Class B Share Owners will be the sole holders of Class B Shares.

The accompanying Circular contains a detailed description of the Arrangement, including the background to and reasons for the Arrangement (including, but not limited to, a simplified capital structure, enhanced liquidity and reduced administrative obligations), certain risks associated with the Arrangement, the unanimous recommendations of the Special Committee and the Board of Directors of Canadian Utilities and the conditions required to be satisfied for the Arrangement to be completed. Before deciding how to vote, Class B Share Owners should read and carefully consider the information contained in the accompanying Circular and consult with their financial, legal, tax and other professional advisors.

RECOMMENDATION OF THE BOARD OF DIRECTORS AND SPECIAL COMMITTEE

The Board of Directors of Canadian Utilities, having undertaken a thorough review of, and having carefully considered, among other things: the unanimous recommendation of the Special Committee; information concerning Canadian Utilities, including its share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of Canadian Utilities; the Arrangement and its impact on Canadian Utilities and all relevant stakeholders; the alternatives to the Arrangement available to Canadian Utilities, including the status quo; the fairness opinion delivered by BMO Nesbitt Burns Inc.; and such other matters it considered necessary or appropriate, including the factors set out below under the heading "*The Arrangement – Reasons for the Arrangement and Related Considerations*" (with five directors of Canadian Utilities who are not independent in respect of the Arrangement abstaining) unanimously: (a) determined that the Arrangement is in the best interests of Canadian Utilities and fair to Class B Share Owners (excluding the Excluded Class B Share Owners); (b) approved the Arrangement; and (c) directed that the Arrangement be submitted to Class B Share Owners for approval and recommended that Class B Share Owners vote FOR the Arrangement Resolution.

THE BOARD OF DIRECTORS OF CANADIAN UTILITIES (WITH FIVE DIRECTORS ABSTAINING) UNANIMOUSLY RECOMMENDS THAT CLASS B SHARE OWNERS VOTE FOR THE ARRANGEMENT RESOLUTION. THE ARRANGEMENT WILL NOT PROCEED UNLESS THE ARRANGEMENT RESOLUTION IS APPROVED AT THE MEETING.

REASONS FOR THE ARRANGEMENT AND RELATED CONSIDERATIONS

In recommending that Class B Share Owners vote FOR the Arrangement Resolution, the Special Committee and the Board of Directors of Canadian Utilities took into consideration, among other things, the following:

- **Fair Exchange Ratio**: The Consideration payable pursuant to the Arrangement represents a 10% premium based on the closing price of the Class B Shares on the Toronto Stock Exchange as of October 30, 2023, the date prior to the announcement of the Arrangement.
- **Premium to Existing Conversion Rights**: As the share terms of the Class B Shares provide holders the right to convert Class B Shares into Class A Shares at any time at a ratio of 1.0:1.0, the Consideration also represents an effective premium of 10% relative to the existing conversion right.
- **Tax Free Exchange**: Class B Share Owners can generally achieve a deferral for Canadian tax purposes of the capital gain that would otherwise have been realized upon a disposition of Class B Shares. See "*Certain Canadian Federal Income Tax Considerations*" in the accompanying Circular.
- **Continued Participation in the Growth and Income Opportunities of Canadian Utilities**: Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise dissent rights in respect of the Arrangement Resolution) will receive Class A Shares pursuant to the Arrangement and will therefore be able to continue to participate in the benefits of equity ownership in Canadian Utilities, including the right to continue to receive the same dividend per share as is paid in respect of Class B Shares and to participate in the anticipated growth opportunities being pursued by Canadian Utilities as a diversified global energy infrastructure business.
- **Simplified Capital Structure**: The expected delisting of the Class B Shares from the TSX following the completion of the Arrangement will simplify Canadian Utilities' capital structure, making investment decisions more straightforward for investors.
- **Enhanced Liquidity**: The Arrangement will provide Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise dissent rights in respect of the Arrangement Resolution) with immediate access to the enhanced liquidity provided through ownership of Class A Shares, at a premium represented by the Consideration, and without incurring any transaction costs.
- **Reduced Administrative Obligations for Canadian Utilities**: The expected delisting of the Class B Shares from the TSX will also enable Canadian Utilities to eliminate certain administrative obligations.
- **Limited Value of Class B Share Voting Rights**: As a result of the Excluded Class B Share Owners currently holding approximately 97.4% of the outstanding Class B Shares, other holders of Class B Shares both collectively and individually have limited proportionate voting rights in respect of the ordinary course business and affairs of Canadian Utilities, and completion of the Arrangement will have an immaterial effect on the existing control of Canadian Utilities by the Excluded Class B Share Owners.
- **Fairness Opinion**: BMO Nesbitt Burns Inc. has provided an opinion that, as of October 26, 2023 and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the consideration to be received by Class B Share Owners (other than the Excluded Class B Share Owners) pursuant to the Arrangement is fair, from a financial point of view, to such Class B Share Owners. A copy of such opinion is attached as Appendix "C" to the accompanying Circular.

- Securityholder Approval: In order for the Arrangement to proceed, the Arrangement Resolution must be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").
- Determination of Fairness and Reasonableness by Court: The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court of King's Bench of Alberta determines that the Arrangement is fair and reasonable.
- Dissent Rights: Registered Class B Share Owners (other than Excluded Class B Share Owners) have been granted the right to dissent in respect of the Arrangement Resolution ("**Dissent Rights**").
- No Anticipated Impact of Arrangement on Other Stakeholders: There is no or an immaterial anticipated impact of the Arrangement on Canadian Utilities' other stakeholders, including holders of Class A Shares or Series Second Preferred Shares, its creditors, customers, suppliers, employees, unions and regulators. As Canadian Utilities' incentive compensation arrangements, including stock options and share appreciation rights, are exchangeable for, or paid out by reference to the trading price of, as applicable, Class A Shares, the Arrangement and resulting delisting of Class B Shares will have an immaterial impact on such arrangements. In addition, assuming that no Class B Share Owners exercise Dissent Rights, 1,943,000 Class A Shares will be issued to Class B Share Owners pursuant to the Arrangement. Relative to the number of Class A Shares that would be issued to such Class B Share Owners on the exchange of their Class B Shares for Class A Shares in accordance with the terms of the Class B Shares, the number of Class A Shares to be issued pursuant to the Arrangement represents dilution to the Class A Share Owners of just 0.09%.

REQUIRED APPROVALS

In order to become effective, the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting. In addition, the Arrangement Resolution must also be approved by a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101. In addition to the approval of Class B Share Owners, the Arrangement must be approved by the Court of King's Bench of Alberta and the Toronto Stock Exchange. Subject to the receipt of all necessary approvals in a timely manner and the satisfaction (or, where applicable, waiver) of certain other customary conditions to completion of the Arrangement in the sole discretion of the Special Committee of the Board of Directors of Canadian Utilities, the Arrangement is currently expected to be completed on or about December 15, 2023.

VOTING PROCEDURES

Your vote is important, regardless of how many Class B Shares you own.

If you are unable to attend and vote at the meeting, you can vote by smart phone, via the Internet, or by completing and returning (by mail, email or fax) the enclosed form of proxy or voting instruction form, as applicable. Please refer to the information under the heading "*General Proxy and Meeting Matters – Voting Process*" in the accompanying Circular for more information. **If you are unable to attend and vote at the meeting, to ensure that your vote is counted, you must vote your Class B Shares in the prescribed manner by no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023 (or, if the meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting).**

If you hold your Class B Shares through a broker or other intermediary, to ensure that your vote is counted at the meeting, follow the instructions provided by such broker or other intermediary in voting your Class B Shares. The broker or other intermediary may establish earlier deadlines for voting your Class B Shares.

Any questions regarding voting your Class B Shares should be directed to our strategic shareholder advisor, Kingsdale Advisors, at 1-888-518-1565 (toll-free within North America), or 647-251-9704 (call and text outside of North America), or by email at contactus@kingsdaleadvisors.com.

DISSENT RIGHTS

Registered Class B Share Owners (other than Excluded Class B Share Owners) have been granted the right to dissent in respect to the Arrangement Resolution. Please review the accompanying Circular carefully if you are contemplating exercising this right.

PROCEDURE FOR RECEIVING CLASS A SHARES

If you are a registered Class B Share Owner, enclosed is a letter of transmittal explaining how to deposit your Class B Shares in order to receive Class A Shares pursuant to the Arrangement. Prior to issuing you any Class A Shares pursuant to the Arrangement, TSX Trust Company, the depositary for the Arrangement, must receive your completed letter of transmittal, together with the certificates representing your Class B Shares, if you are a registered Class B Share Owner.

If you hold your Class B Shares through a broker or other intermediary, to ensure that you receive the Class A Shares to which you are entitled pursuant to the Arrangement, follow the instructions provided by such broker or other intermediary in depositing your Class B Shares.

Class B Share Owners with questions about depositing their Class B Shares, including with respect to completing a letter of transmittal, should contact the depositary for the Arrangement, TSX Trust Company, at 1-800-387-0825 (toll-free within North America), or at 416-682-3860 (outside of North America), or by email at shareholderinquiries@tmx.com.

We greatly look forward to hosting you at our virtual meeting. A webcast of the meeting will be available at www.canadianutilities.com shortly after the meeting.

Sincerely,

[Signed by N.C. Southern]

N.C. Southern
Chair & Chief Executive Officer

NOTICE OF SPECIAL MEETING OF HOLDERS OF CLASS B COMMON SHARES

When

Thursday, December 14, 2023
1:00 p.m. (MST)

Where

Virtual Meeting
Via live audio Webcast
Online at
<https://web.lumiagm.com/403629376>

BUSINESS OF THE MEETING

The meeting's purpose is to:

1. consider, pursuant to an interim order (the "**Interim Order**") of the Court of King's Bench of Alberta dated November 15, 2023 and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") approving an arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* involving Canadian Utilities Limited ("**Canadian Utilities**") and the holders ("**Class B Share Owners**") of Class B common shares of Canadian Utilities (other than ATCO Ltd. ("**ATCO**") and certain related parties of ATCO (ATCO and such related parties being collectively referred to herein as the "**Excluded Class B Share Owners**")), as more particularly described in the accompanying management information circular of Canadian Utilities dated November 15, 2023 (the "**Circular**"); and
2. transact such further and other business as may properly be brought before the meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Circular contains a detailed description of the Arrangement and instructions for voting your Class B Shares. The full text of the Arrangement Resolution and the plan of arrangement effecting the Arrangement are attached as Appendix "A" and Appendix "B" to the accompanying Circular, respectively. A copy of the Interim Order is attached as Appendix "D" to the Circular.

Class B Share Owners as at the close of business on November 8, 2023 are entitled to vote at the meeting.

By order of the Board of Directors

[Signed by K.M. Brunner]

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

Calgary, Alberta
November 15, 2023

NOTICE OF ORIGINATING APPLICATION

Court File Number 2301-14913

IN THE COURT OF KING'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CANADIAN UTILITIES LIMITED

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of Canadian Utilities Limited ("**Canadian Utilities**"), with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended ("**CBCA**"), involving Canadian Utilities and the holders (the "**Class B Share Owners**") of Class B common shares (the "**Class B Shares**") of Canadian Utilities (other than ATCO Ltd. ("**ATCO**") and certain related parties of ATCO (ATCO and such related parties being collectively referred to herein as the "**Excluded Class B Share Owners**"). The Arrangement is described in greater detail in the management information circular of Canadian Utilities dated November 15, 2023, which accompanies this Notice of Originating Application. At the hearing of the Application, Canadian Utilities intends to seek, among other things, the following:

- (a) a declaration that, except for the Excluded Class B Share Owners, all Class B Share Owners (Class B Share Owners other than the Excluded Class B Share Owners being collectively referred to herein as the "**Affected Class B Share Owners**") shall have dissent rights with respect to the Arrangement pursuant to the provisions of section 190 of the CBCA, as modified by the interim order of the Court dated November 15, 2023 (the "**Interim Order**") and the plan of arrangement effecting the Arrangement (the "**Plan of Arrangement**");
- (b) a declaration that the terms and conditions of the Arrangement, and the procedures related to it, are fair and reasonable to the Affected Class B Share Owners, as well as any other persons affected, both from a substantive and procedural point of view;
- (c) a final order approving the Arrangement (the "**Final Order**") pursuant to the provisions of section 192 of the CBCA and the terms and conditions of the Plan of Arrangement; and
- (d) a declaration that the Arrangement will, upon the filing of the articles of arrangement in accordance with the CBCA and the issuance of the certificate of arrangement by the director appointed under the CBCA, be effective pursuant to the CBCA in accordance with its terms.

AND NOTICE IS FURTHER GIVEN that the Application for a Final Order is scheduled to be heard before a Justice of the Court, virtually via Webex video conference (<https://albertacourts.webex.com/meet/virtual.courtroom60>), on December 15, 2023 at 10:00 a.m. (Mountain Standard Time), or as soon thereafter as counsel may be heard. Any Class B Share Owner, holder of Class A non-voting shares of Canadian Utilities ("**Class A Shares**") or other interested party (any such person being referred to herein as an "**Interested Party**") that wishes to appear and make submissions at the Application for the Final Order is required to file with the Court a notice of intention to appear (the "**Notice of Intention to Appear**"). The Notice of Intention to Appear must include the following information:

- (a) the Interested Party's physical address for service or, alternatively, an email address for service;
- (b) whether the Interested Party intends to support or oppose the Application for the Final Order;

- (c) whether the Interested Party intends to make submissions at the Application for the Final Order;
- (d) a summary of the position that the Interested Party intends to advocate before the Court; and
- (e) any evidence or materials that are to be presented to the Court by the Interested Party.

A filed copy of any Notice of Intention to Appear must be served on Canadian Utilities' legal counsel at the address set out below by 5:00 p.m. (Mountain Standard Time) on December 1, 2023. If an Interested Party does not attend the Application for the Final Order, either in person or through legal counsel, the Court may, without further notice, approve the Arrangement as presented, approve the Arrangement subject to such terms and conditions that the Court deems fit, or refuse to approve the Arrangement.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application for the Final Order will be provided by Canadian Utilities. If the Application for the Final Order is adjourned, the only parties that shall receive notice of the rescheduled Application for the Final Order are those parties appearing before the Court as part of the original Application for the Final Order, as well as any Interested Party that validly served a Notice of Intention to Appear prior to the original Application for the Final Order.

AND NOTICE IS FURTHER GIVEN that, as part of the Interim Order, the Court has made directions for the calling and holding of a special meeting of Class B Share Owners (the "**Meeting**"). At the Meeting, Class B Share Owners will vote on a special resolution to approve the Arrangement (the "**Arrangement Resolution**"), as well as such other business as may be properly brought before the Meeting. The Affected Class B Share Owners will, subject to the provisions of the Interim Order and the Arrangement, have the right to dissent under section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, with respect to the Arrangement Resolution, and the right to be paid the fair value of their Class B Shares.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements pursuant to Section 3(a)(10) of the United States *Securities Act of 1933*, as amended, with respect to the issuance of the Class A Shares pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the Application for the Final Order and its related documents will be provided upon the written request of any Interested Party. Any such written request must be delivered to Canadian Utilities' legal counsel at the following address:

Canadian Utilities Limited c/o Blake, Cassels & Graydon LLP
3500, 855 - 2 Street S.W., Calgary, Alberta T2P 4J8
Attention: David Tupper and Matthew Summers
Email: david.tupper@blakes.com / matthew.summers@blakes.com

DATED November 15, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF
CANADIAN UTILITIES LIMITED**

[Signed by K.M. Brunner]

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

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APPENDICES

Appendix "A"	–	Arrangement Resolution
Appendix "B"	–	Plan of Arrangement
Appendix "C"	–	Fairness Opinion
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Appendix "E"	–	Dissent Rights

QUESTIONS AND ANSWERS

The following questions and answers are designed to help Class B Share Owners understand the meeting, the Arrangement and the procedures for voting their Class B Shares in more detail. The information contained below is of a summary nature and therefore is not complete and is qualified in its entirety by the more detailed information contained in, or incorporated by reference into, the Circular, including the appendices thereto, all of which are important and should be reviewed carefully. Capitalized terms used but not otherwise defined herein have the meanings set forth under "Glossary of Terms" in the Circular.

ABOUT THE MEETING

Q. Where is the meeting being held?

A. There is no physical location for the meeting. To give all Share Owners an equal opportunity to participate in the meeting regardless of their geographic location or particular constraints that could otherwise prohibit their participation at the meeting, we will hold our meeting in a virtual-only format, which will be conducted using a live audio webcast. Class B Share Owners who participate in the meeting online will be able to listen to the meeting, ask questions and vote by completing a ballot online during the meeting. Class A Share Owners who participate in the meeting online will be able to listen to the meeting and ask questions, but will not be entitled to vote at the meeting.

Q. Am I entitled to vote?

A. You are entitled to vote at the meeting if you were a Class B Share Owner at the close of business on November 8, 2023. Each Class B Share entitles the holder thereof to one vote in respect of the Arrangement Resolution.

Q. What will I be voting on?

A. Class B Share Owners are being asked to vote on the Arrangement Resolution to approve the Arrangement in accordance with the terms of the Plan of Arrangement. The Plan of Arrangement provides for the exchange of the Class B Shares held by Affected Class B Share Owners (other than Dissenting Share Owners) for Class A Shares. If the Arrangement is completed, Affected Class B Share Owners (other than Dissenting Share Owners) will receive 1.1 Class A Shares in exchange for each Class B Share held.

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

- A.** In order for the Arrangement to become effective, the Arrangement Resolution must (subject to further order of the Court) be approved by:
- (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and
 - (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.

The full text of the Arrangement Resolution is set forth in Appendix "A" to the Circular. Also see "*Certain Legal and Regulatory Matters – Class B Share Owner Approval*".

Management of the Company is soliciting proxies of the Class B Share Owners to vote FOR the Arrangement Resolution.

ABOUT THE ARRANGEMENT

Q. What is a plan of arrangement?

- A. A plan of arrangement is a statutory procedure under Canadian corporate law that allows companies to carry out transactions with the approval of shareholders and the court. The Plan of Arrangement you are being asked to consider will provide for, among other things, the exchange by Affected Class B Share Owners (other than Dissenting Share Owners) of their Class B Shares for Class A Shares.

See "*Details of the Arrangement – Effects of the Arrangement*" and "*Details of the Arrangement – Plan of Arrangement*".

Q. What are the anticipated benefits of the Arrangement?

- A. In recommending that Class B Share Owners vote FOR the Arrangement Resolution, the Special Committee and the Board took into consideration, among other things, the following:
- Fair Exchange Ratio: The Consideration payable pursuant to the Arrangement represents a 10% premium based on the closing price of the Class B Shares on the TSX as of October 30, 2023, the date prior to the announcement of the Arrangement.
 - Premium to Existing Conversion Rights: As the share terms of the Class B Shares provide holders the right to convert Class B Shares into Class A Shares at any time at a ratio of 1.0:1.0, the Consideration also represents an effective premium of 10% relative to the existing conversion right.
 - Tax Free Exchange: Class B Share Owners can generally achieve a deferral for Canadian tax purposes of the capital gain that would otherwise have been realized upon a disposition of Class B Shares. See "*Certain Canadian Federal Income Tax Considerations*".
 - Continued Participation in the Growth and Income Opportunities of Canadian Utilities: Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) will receive Class A Shares pursuant to the Arrangement and will therefore be able to continue to participate in the benefits of equity ownership in Canadian Utilities, including the right to continue to receive the same dividend per share as is paid in respect of Class B Shares and to participate in the anticipated growth opportunities being pursued by Canadian Utilities as a diversified global energy infrastructure business.
 - Simplified Capital Structure: The expected delisting of the Class B Shares from the TSX following the completion of the Arrangement will simplify Canadian Utilities' capital structure, making investment decisions more straightforward for investors.
 - Enhanced Liquidity: The Arrangement will provide Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) with immediate access to the enhanced liquidity provided through ownership of Class A Shares, at a premium represented by the Consideration, and without incurring any transaction costs.
 - Reduced Administrative Obligations for Canadian Utilities: The expected delisting of the Class B Shares from the TSX will also enable Canadian Utilities to eliminate certain administrative obligations.
 - Limited Value of Class B Share Voting Rights: As a result of the Excluded Class B Share Owners currently holding approximately 97.4% of the outstanding Class B Shares, other holders of Class B Shares both collectively and individually have limited proportionate voting rights in respect of the ordinary course business and affairs of Canadian Utilities, and completion of the Arrangement will have an immaterial effect on the existing control of Canadian Utilities by the Excluded Class B Share Owners.

- **Fairness Opinion:** BMO Capital Markets has provided an opinion that, as of October 26, 2023 and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement is fair, from a financial point of view, to the Affected Class B Share Owners. A copy of the Fairness Opinion is attached as Appendix "C" to the Circular.
- **Securityholder Approval:** In order for the Arrangement to proceed, the Arrangement Resolution must be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.
- **Determination of Fairness and Reasonableness by Court:** The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court of King's Bench of Alberta determines that the Arrangement is fair and reasonable.
- **Dissent Rights:** Registered Class B Share Owners (other than Excluded Class B Share Owners) have been granted the right to dissent in respect of the Arrangement Resolution.
- **No Anticipated Impact of Arrangement on Other Stakeholders:** There is no or an immaterial anticipated impact of the Arrangement on Canadian Utilities' other stakeholders, including holders of Class A Shares or Series Second Preferred Shares, its creditors, customers, suppliers, employees, unions and regulators. As Canadian Utilities' incentive compensation arrangements, including stock options and share appreciation rights, are exchangeable for, or paid out by reference to the trading price of, as applicable, Class A Shares, the Arrangement and resulting delisting of Class B Shares will have an immaterial impact on such arrangements. In addition, assuming that no Class B Share Owners exercise Dissent Rights, 1,943,000 Class A Shares will be issued to Class B Share Owners pursuant to the Arrangement. Relative to the number of Class A Shares that would be issued to such Class B Share Owners on the exchange of their Class B Shares for Class A Shares in accordance with the terms of the Class B Shares, the number of Class A Shares to be issued pursuant to the Arrangement represents dilution to the Class A Share Owners of just 0.09%.

See "*The Arrangement – Reasons for the Arrangement and Related Considerations*".

Q. When will the Arrangement be completed?

- A.** The Arrangement will be completed when the required Class B Share Owner, Court and TSX approvals have been obtained and certain other customary conditions to completion of the Arrangement have been satisfied (or, where applicable, waived), in the sole discretion of the Special Committee, the Articles of Arrangement have been filed and the Certificate of Arrangement has been issued by the Director. Provided that such approvals and conditions are satisfied in a timely manner, the Company currently expects the Arrangement to become effective on or about December 15, 2023.

See "*Certain Legal and Regulatory Matters – Timing*" and "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

Q. I own Class B Shares. What will I receive if the Arrangement is approved?

- A.** If the Arrangement is approved, an Affected Class B Share Owner (other than a Dissenting Share Owner) will be entitled to receive, in respect of each outstanding Class B Share held, 1.1 Class A Shares.

See "*Details of the Arrangement—Effects of the Arrangement*".

Q. How do I receive the Class A Shares that I am entitled to under the Arrangement?

- A. Each registered Affected Class B Share Owner who properly completes and returns the enclosed Letter of Transmittal, together with the certificates representing its Class B Shares and all other required documents, will receive the Class A Shares (together with any cash in lieu of fractional Class A Shares) to which such registered Affected Class B Share Owner is entitled to receive under the Arrangement. If the Arrangement becomes effective, the deposit of Class B Shares pursuant to the Letter of Transmittal will be irrevocable. However, in the event that the Arrangement is not completed, any deposited Class B Shares will be promptly returned to the applicable Affected Class B Share Owner. See "*Details of the Arrangement – Procedure for Exchange of Class B Shares for Class A Shares*".

Only a registered Affected Class B Share Owner should submit a Letter of Transmittal. If you are a non-registered Affected Class B Share Owner holding your Class B Shares through an intermediary (usually a bank, broker, or trust company), you should follow the instructions of your intermediary or contact your intermediary for assistance. It is recommended that non-registered Affected Class B Share Owners who have questions regarding depositing their Class B Shares or receiving Class A Shares contact their intermediary as soon as possible. If you hold your Class B Shares through an intermediary, you should carefully follow the instructions of such intermediary.

Q. What if I don't complete my Letter of Transmittal?

- A. Any certificates formerly representing Class B Shares that are not deposited with all other documents as required by the Plan of Arrangement, on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of, or a claim by, any former Affected Class B Share Owner of any kind or nature against the Company. On such date, the Class A Shares (together with any cash in lieu of fractional Class A Shares) to which the former holders of the certificates referred to in the preceding sentence were ultimately entitled shall be deemed to have been surrendered and forfeited to the Company, together with all entitlements to dividends or distributions thereon held for such former registered holders, for no consideration, and such Class A Shares and rights shall thereupon terminate and be cancelled and the names of the former registered holders shall be removed from the register of holders of Class A Shares. See "*Details of the Arrangement – Procedure for Exchange of Class B Shares for Class A Shares*".

Q. I own Class A Shares. How will the Arrangement affect me if approved?

- A. Class A Share Owners and the Class A Shares will not be affected by the Arrangement. Class A Share Owners will continue to hold the same number of Class A Shares following the Arrangement, and the terms of the Class A Shares will not change or be affected in any way.

See "*Details of the Arrangement—Effects of the Arrangement*".

RECOMMENDATION OF THE BOARD

Q. How does the Board recommend I vote?

- A. The Board (with five directors of the Company who are not independent in respect of the Arrangement abstaining) unanimously recommends that Class B Share Owners vote FOR the Arrangement Resolution.

See "*The Arrangement – Recommendations*".

Q. Why is the Board recommending the Arrangement?

- A. Prior to making its unanimous (subject to abstentions) recommendation that Class B Share Owners vote FOR the Arrangement Resolution, the Board undertook a thorough review of, and carefully considered, among other things: the unanimous recommendation of the Special Committee; information concerning the Company, including its share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of the Company; the Arrangement and its impact on the Company and all relevant stakeholders;

the alternatives to the Arrangement available to the Company, including the status quo; the BMO Fairness Opinion delivered by BMO Capital Markets; and such other matters it considered necessary or appropriate. See "*The Arrangement—Background to the Arrangement*" and "*The Arrangement—Reasons for the Arrangement and Related Considerations*".

Q. Has the Special Committee received a fairness opinion?

- A. Yes. In connection with its evaluation of the Arrangement, the Special Committee received an opinion from BMO Capital Markets in respect of the fairness, from a financial point of view, of the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement. The BMO Fairness Opinion is summarized in the Circular under "*The Arrangement—BMO Fairness Opinion*", and a copy of the BMO Fairness Opinion, which sets forth the assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken, is attached as Appendix "C" to the Circular. Class B Share Owners are urged to read the BMO Fairness Opinion carefully and in its entirety. BMO Capital Markets provided the BMO Fairness Opinion solely for the information and assistance of the Special Committee in connection with its consideration of the Arrangement. The BMO Fairness Opinion is not a recommendation as to how Class B Share Owners should vote in respect of the Arrangement Resolution or other matters to be considered at the meeting.

See "*The Arrangement – BMO Fairness Opinion*".

APPROVAL OF THE ARRANGEMENT

Q. What steps must be taken for the Arrangement to become effective?

- A. The following procedural steps must be taken in order for the Arrangement to become effective:
- (a) the Arrangement Resolution must be approved by Class B Share Owners at the meeting in the manner set forth in the Interim Order;
 - (b) the Court must grant the Final Order approving the Arrangement in a form acceptable to the Company;
 - (c) the other conditions to completion of the Arrangement, described in the Circular under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*", must have been satisfied (or, where applicable, waived) in the sole discretion of the Special Committee; and
 - (d) the Articles of Arrangement, in the form prescribed by the CBCA, must be filed with the Director and the Certificate of Arrangement must be issued by the Director.

The Arrangement will become effective upon the issuance of the Certificate of Arrangement by the Director. Provided that the foregoing approvals and conditions are satisfied (or, where applicable, waived) in a timely manner, the Company currently expects that the Effective Date will occur on or about December 15, 2023. See "*Certain Legal and Regulatory Matters – Procedural Steps*".

Q. What happens if the Class B Share Owners do not approve the Arrangement?

- A. If the Arrangement Resolution is not approved by Class B Share Owners at the meeting, the Arrangement will not become effective, in which case Affected Class B Share Owners will not receive the Consideration and will continue to hold their Class B Shares.

CLASS A SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT

Q. Will the Class A Shares issuable pursuant to the Arrangement be listed on the TSX?

- A. The Class A Shares are currently listed and posted for trading on the TSX under the trading symbol "CU". In addition, the Class A Shares issuable upon conversion of Class B Shares in accordance with the terms and

conditions attaching to the Class B Shares have been approved for listing and posting for trading on the TSX. The Company has received the conditional approval of the TSX for the listing and posting for trading of the additional Class A Shares to be issued to Affected Class B Share Owners pursuant to the Arrangement, subject to the Company satisfying certain standard listing conditions on or following the Effective Date.

See "*Information Concerning CU – Market for Securities*" for information regarding the trading prices and volumes of the Class A Shares and Class B Shares on the TSX. Also see "*Certain Legal and Regulatory Matters – Stock Exchange Matters*".

Q. What rights will I be entitled to as a holder of Class A Shares?

- A. Class A Shares entitle the holders thereof to receive notice of, attend and participate in discussions at meetings of Share Owners of Canadian Utilities. **Class A Share Owners are not generally entitled to vote at meetings of Share Owners of Canadian Utilities.** However, pursuant to applicable corporate and securities laws, in certain circumstances, Class A Share Owners will be entitled to vote, either as a separate class or together with Class B Share Owners, depending on the circumstances, on the basis of one vote per Class A Share, on certain matters requiring the approval of securityholders of Canadian Utilities.

Class A Share Owners and Class B Share Owners are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares, as well as in the Company's remaining property on dissolution.

The Class A Shares are exchangeable for Class B Shares in certain circumstances. In particular, if a take-over bid is made for the Class B Shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B Shares (excluding any Class B Shares acquired upon conversion of Class A Shares), owners of Class A Shares are entitled, for the duration of the take-over bid, to exchange their Class A Shares for Class B Shares and to tender the newly exchanged Class B Shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid. In addition, owners of Class A Shares are entitled to exchange their Class A Shares for Class B Shares if ATCO ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B Shares. In such case, each Class A Share is exchangeable for one Class B Share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering. See "*Information Concerning CU – Description of Share Capital*" for a description of the rights, privileges, restrictions and conditions attaching to the Class A Shares.

VOTING INSTRUCTIONS FOR REGISTERED CLASS B SHARE OWNERS

Q. How do I know if I am a registered owner of Class B Shares?

- A. You are a Registered Class B Share Owner if your name appears on your share certificate. If your name is on your share certificate, you have the right to vote by ballot at the meeting or by proxy in the manner set forth below. **If you hold your Class B Shares through a broker or other intermediary, refer to the information in this question and answer section below under the heading "*Voting Instructions for Non-Registered Class B Share Owners*".** Also see "*General Proxy and Meeting Matters – Voting Process – Non-Registered Class B Share Owner Voting Instructions*".

Q. If I am a registered owner of Class B Shares, how do I vote my Class B Shares?

- A. Registered Class B Share Owners can vote by completing a ballot at the meeting or by appointing a proxyholder to vote on their behalf at the meeting.






To vote at the meeting:

- Log in online at <https://web.lumiagm.com/403629376>. We recommend that you log in at least 30 minutes before the meeting starts.

- Select "Voting Share Owner" and then enter your Control Number (located on your form of proxy) and Password "CU2023" (case sensitive).
- Follow the instructions during the meeting to vote your Class B Shares.

If you plan to attend and vote your Class B Shares by ballot at the meeting, you do not need to vote by proxy.

If you are unable to attend and vote at the meeting, you can vote by proxy. Voting by proxy means you are giving someone else the authority to attend the meeting and vote on your behalf. Registered Class B Share Owners can vote by proxy in the following ways:

	<p>By email proxyvote@tmx.com</p> <p>Sign, scan and email your completed proxy form to TSX Trust Company. You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>
	<p>By smartphone</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>Online www.meeting-vote.com</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>By mail</p> <p>Return your completed proxy form in the postage paid envelope provided or mail it to TSX Trust Company, Proxy Department at 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>
	<p>By fax</p> <p>Fax your completed proxy form to TSX Trust Company at 416-595-9593.</p> <p>You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>

Follow the instructions provided on your proxy form to ensure it is properly completed. In order to be counted at the meeting, your voting instructions must be received by TSX Trust Company in the manner set forth above by no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023 (or, if the meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting).

If Class B Shares are registered in more than one name, all persons in whose names the Class B Shares are registered must sign the proxy form.

If you properly complete and return your proxy form, your proxyholder will vote your Class B Shares in accordance with your directions. If you return a properly completed proxy form and do not appoint anyone to be your proxyholder, Ms. Nancy Southern, Chair & Chief Executive Officer, or Mr. Kyle M. Brunner, Senior Vice President, General Counsel & Corporate Secretary of the Company, will act as your proxyholder to vote your Class B Shares at the meeting in accordance with your instructions. If you appoint such management designees as your proxyholder and do not indicate how you want to vote on the Arrangement Resolution, they will vote your Class B Shares FOR the Arrangement Resolution.

See "General Proxy and Meeting Matters – Voting Process" in the Circular for details regarding the procedures for voting by proxy.

Any questions regarding voting your Class B Shares should be directed to our strategic shareholder advisor, Kingsdale, at 1-888-518-1565 (toll-free within North America), or 647-251-9704 (call and text outside of North America), or by email at contactus@kingsdaleadvisors.com.

Q. How do I appoint someone else as my proxyholder?

A. If you return a properly completed proxy form and do not appoint anyone to be your proxyholder, Ms. Nancy Southern, Chair & Chief Executive Officer, or Mr. Kyle M. Brunner, Senior Vice President, General Counsel & Corporate Secretary of the Company, will act as your proxyholder to vote your Class B Shares at the meeting in accordance with your instructions. **You have the right to appoint a person or company other than the named management designees to act as your proxyholder at the meeting.** To appoint such other person or company, you must complete the following steps:

- **Step 1 – Complete the 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 Share Owner. Complete your voting instructions, date and sign the proxy form and return it to our registrar and transfer agent, TSX Trust Company, using one of the methods set forth above by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.**
- **Step 2 – Register the Proxyholder:** If you appoint someone as your proxyholder other than the named management designees, you must register your proxyholder as an additional step by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.** To register a proxyholder, go to TSX Trust Company's website at <https://www.tsxtrust.com/control-number-request> and complete and submit the electronic form or call TSX Trust Company:

Toll-Free Within North America: 1-866-751-6315

Outside of North America: 1-416-682-3860

Provide TSX Trust Company with the required contact information for your proxyholder so that TSX Trust Company may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to vote at the meeting.

- **Step 3 – Ensure Your Proxyholder Attends the Meeting:** At least 30 minutes before the meeting starts, your proxyholder should log in online at <https://web.lumiagm.com/403629376>. Your proxyholder should select "Voting Share Owner" and then enter the Control Number and Password "CU2023" (case sensitive). It is important for you to ensure that any person or company you appoint as your proxyholder will attend the meeting. That person or company should be aware that it has been appointed to vote your Class B Shares at the meeting. If your appointed proxyholder does not attend the meeting, your Class B Shares will not be voted.

For more information and instructions for how to vote in advance of the meeting, please see "General Proxy and Meeting Matters – Voting Process".

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

A. If your Class B Shares are registered in the name of an entity or any name other than your own, that entity or other name is the Registered Class B 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 TSX Trust Company before submitting your proxy form. Class B Shares that are held in a name other than your own may not be voted by smartphone.

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 Class B Share Owner is a corporation, the statement must be signed by a duly authorized officer or attorney of that corporation. Subject to Applicable Laws, this statement should be delivered to either of the following:

- (a) the Company's Senior Vice President, General Counsel & 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:

TSX Trust Company
Attention: Proxy Department
P.O. Box 721
Agincourt, Ontario M1S 0A1

or

Canadian Utilities Limited
Attention: Senior Vice President, General Counsel & Corporate Secretary
4th Floor, West Building
5302 Forand Street S.W.
Calgary, Alberta T3E 8B4

- (b) the chair of the meeting before the start of the meeting or any adjournment of the meeting via the comment box during the webcast.

If you have followed the process for attending and voting at the meeting online, voting at the meeting will revoke a previously submitted proxy form.

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

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

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

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

A. Questions about voting may be directed to TSX Trust Company at <http://www.tsxtrust.com> or shareholderinquiries@tmx.com or by telephone at:

Toll-Free Within North America: 1-800-387-0825

Outside of North America: 416-682-3860

VOTING INSTRUCTIONS FOR NON-REGISTERED CLASS B SHARE OWNERS

Q. Am I a Non-Registered Class B Share Owner?

- A. You are a Non-Registered Class B Share Owner if your Class B Shares are held in the name of an intermediary (usually a bank, broker, or trust company). If your Class B Shares are held in the name of an intermediary, you have the right to vote by ballot at the meeting or by proxy in the manner set forth below. **If your Class B Shares are registered in your name, refer to the information in this question and answer section above under the heading "Voting Instructions for Registered Class B Share Owners". Also see "General Proxy and Meeting Matters – Voting Process – Registered Class B Share Owner Voting Instructions".**

Q. Can I attend and vote during the meeting?

- A. We are holding the meeting in a virtual-only format, which will be conducted via live audio webcast. Neither Class A Share Owners nor Class B Share Owners will be able to attend the meeting in person. Non-Registered Class B Share Owners may only attend, participate in and vote at the virtual meeting if they complete the following steps:

- **Step 1 – Complete the VIF:** If you are a Non-Registered Class B Share Owner and wish to vote at the meeting, you must appoint yourself as proxyholder by inserting your name in the space provided on the VIF sent by your intermediary and follow the applicable instructions by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.**
- **Step 2 – Register as a Proxyholder:** You must register yourself as a proxyholder as an additional step by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.** To register as a proxyholder, go to TSX Trust Company's website at <https://www.tsxtrust.com/control-number-request> and complete and submit the electronic form or call TSX Trust Company:

Toll-Free Within North America: 1-866-751-6315

Outside of North America: 1-416-682-3860

Provide TSX Trust Company with your contact information so that TSX Trust Company may provide you with a Control Number via email. Without a Control Number, you will not be able to vote at the meeting.

- **Step 3 – Attend the Meeting:** At least 30 minutes before the meeting starts, log in online at <https://web.lumiagm.com/403629376>. Select "Voting Share Owner" and then enter your Control Number and Password "CU2023" (case sensitive).

If you are a Non-Registered Class B Share Owner and you do not complete the above steps to appoint yourself as proxyholder, you may still join, listen to, and ask questions at the meeting (but will not be able to vote) by logging in online at <https://web.lumiagm.com/403629376> at least 30 minutes before the meeting starts, selecting "Non-Voting Share Owner/Guest" and then completing the online form.

Q. Can I appoint someone else as my proxyholder?

- A. If you wish to appoint someone other than yourself as your proxyholder, please insert your proxyholder's name on the VIF and follow the steps as outlined above.

Q. How do I vote if I cannot attend the meeting?

- A. If you are unable to attend and vote at the meeting in the manner set forth above, follow the voting instructions on your VIF. You are able to vote online or by mail (a prepaid envelope is provided for you). If you decide to mail your VIF, please ensure that it is signed and dated in order to validate it. If you properly complete and return your VIF, your proxyholder will vote your Class B Shares in accordance with your directions.

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

- A. If you are a Non-Registered Class B Share Owner, you should contact your intermediary for instructions on how to change your voting instructions.

PARTICIPATION AT THE MEETING BY CLASS A SHARE OWNERS

Q. How can a Class A Share Owner participate at the meeting?

- A. All Class A Share Owners (including non-registered Class A Share Owners) may join, listen to, and ask questions at the meeting, but will not be able to vote. To join the meeting: Log in online at <https://web.lumiagm.com/403629376>. We recommend that you log in at least 30 minutes before the meeting starts. Select "Non-Voting Share Owner/Guest" and then complete the online form.

DISSENT RIGHTS

Q. Am I entitled to a Dissent Right?

- A. Yes, if you are a registered Affected Class B Share Owner. Registered Affected Class B Share Owners who properly exercise their Dissent Rights will be entitled to be paid the fair value of their Class B Shares, determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners. This amount could be the same as, more than or less than the trading price of the Class B Shares on the TSX as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners.

A registered Affected Class B Share Owner who wishes to exercise Dissent Rights must deliver a Dissent Notice that is received by Canadian Utilities Limited c/o Blake, Cassels & Graydon LLP, Bankers Hall East, 855 – 2nd Street S.W., Calgary, AB T2P 4J8, Suite 3500, Attention: David Tupper by 5:00 p.m. (Mountain Standard Time) on December 11, 2023, or, in the event that the meeting is adjourned or postponed, no later than 5:00 p.m. (Mountain Standard Time) on the third business day immediately prior to the date the adjourned or postponed meeting is reconvened or held, as the case may be. A failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of an Affected Class B Share Owner's Dissent Rights.

For more information see "*Dissent Rights*".

TAX CONSEQUENCES TO CLASS B SHARE OWNERS

Q. What are the tax consequences of the Arrangement?

- A. For a summary of certain of the material Canadian federal income tax consequences of the Arrangement applicable to Class B Share Owners, see "*Certain Canadian Federal Income Tax Considerations*". Such summary is not intended to be legal or tax advice. Class B Share Owners should consult their own tax advisors as to the Canadian and other tax consequences of the Arrangement to them with respect to their particular circumstances.

1. MANAGEMENT INFORMATION CIRCULAR

1.1 ABOUT THIS CIRCULAR

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of the Company for use at the meeting of Class B Share Owners scheduled to be held at 1:00 p.m. (Mountain Standard Time) on December 14, 2023.

To give all Share Owners an equal opportunity to participate in the meeting regardless of their geographic location or particular constraints that could otherwise prohibit their participation at the meeting, we will hold our meeting in a virtual-only format, which will be conducted using a live audio webcast. Class B Share Owners who participate in the meeting online will be able to listen to the meeting, ask questions and vote by completing a ballot online during the meeting. All Class A Share Owners (including non-registered Class A Share Owners) may join, listen to and ask questions at the meeting, but will not be able to vote. In addition, guests are welcome to attend the webcast, but will be unable to vote, ask questions or otherwise participate at the meeting. To join as a guest, please visit the meeting online at <https://web.lumiagm.com/403629376>, select "Non-Voting Share Owner/Guest" and complete the online form.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". A copy of this Circular is available on the Company's SEDAR+ profile at www.sedarplus.ca. We have not authorized any person to give any information or to make any representation in connection with the Arrangement or any other matters to be considered at the meeting other than those contained in this Circular. If any such information or representation is given or made to you, you should not rely upon it as having been authorized or being accurate.

Management of the Company is soliciting proxies of the Class B Share Owners in connection with the meeting primarily by mail and electronic means, supplemented by telephone or other contact by directors, officers, employees or agents of the Company. The cost of any such solicitation is expected to be nominal and will be paid by the Company. In addition, the Company has retained Kingsdale as the Company's strategic shareholder advisor. If you have any questions or require assistance in voting your proxy, please contact Kingsdale at 1-888-518-1565 (toll-free within North America), or 647-251-9704 (call and text outside of North America), or by email at contactus@kingsdaleadvisors.com. Kingsdale has been retained by the Company to provide a broad array of strategic advisory, governance, strategic communications, digital and investor campaign services on a global retainer basis, in addition to certain additional fee-based services provided during the life of the engagement at the discretion and direction of Canadian Utilities. The Company may also reimburse brokers and other persons holding Class B Shares in their name or in the name of nominees for their costs incurred in sending proxy materials to their principals in order to obtain their proxies.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

Class B Share Owners should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own financial, legal, tax or other professional advisors.

All summaries of, and references to, the Plan of Arrangement in this Circular are qualified in their entirety by reference to the Plan of Arrangement, a copy of which is attached as Appendix "B" to this Circular. **You are urged to carefully read the full text of this Circular and the Plan of Arrangement.**

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT, INCLUDING THE CLASS A SHARES TO BE ISSUED TO AFFECTED CLASS B SHARE OWNERS PURSUANT TO THE ARRANGEMENT, HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

1.2 GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular. Terms and abbreviations used in the appendices to this Circular are defined separately therein.

"Affected Class B Share Owner" means any holder of Class B Shares, other than the Excluded Class B Share Owners;

"Affected Class B Shares" means the Class B Shares held by the Affected Class B Share Owners;

"Applicable Laws" in the context that refers to one or more persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such person or persons or its or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority having jurisdiction over such person or persons or its or their business, undertaking, property or securities;

"Arrangement" means the arrangement pursuant to section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Plan of Arrangement or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Company;

"Arrangement Resolution" means the special resolution approving the Plan of Arrangement to be considered by the Class B Share Owners at the meeting;

"Articles of Arrangement" means the articles of arrangement of the Company in respect of the Arrangement, required by subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and substance satisfactory to the Company;

"ATCO" means ATCO Ltd., a corporation existing under the laws of the Province of Alberta;

"Blakes" means Blake, Cassels & Graydon LLP, counsel to the Company;

"BMO Capital Markets" means BMO Nesbitt Burns Inc.;

"BMO Fairness Opinion" means the opinion of BMO Capital Markets dated October 26, 2023, addressed to the Special Committee, to the effect that, as of such date, based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Affected Class B Share Owners pursuant to the Arrangement is fair, from a financial point of view, to the Affected Class B Share Owners, a copy of which is attached as Appendix "C" to this Circular;

"Board" means the board of directors of the Company;

"Canadian Utilities", "CU" or the "Company" means Canadian Utilities Limited, a corporation existing under the laws of Canada;

"CBCA" means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44;

"**Certificate of Arrangement**" means the Certificate of Arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;

"**Circular**" means this management information circular of the Company dated November 15, 2023 to be sent to Share Owners in connection with the meeting;

"**Class A Share Owners**" means the holders of issued and outstanding Class A Shares;

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

"**Class B Share Owners**" means the holders of issued and outstanding Class B Shares;

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

"**Consideration**" means 1.1 Class A Shares per Class B Share;

"**Court**" means the Court of King's Bench of Alberta;

"**CU 2022 AIF**" means the annual information form of the Company dated March 1, 2023 for the year ended December 31, 2022;

"**CU 2022 Annual Financial Statements**" means the audited comparative consolidated financial statements of the Company, together with the notes thereto and the accompanying report of the auditor thereon, for the years ended December 31, 2022 and 2021;

"**CU 2022 Annual MD&A**" means the management's discussion and analysis of the Company dated March 1, 2023 for the year ended December 31, 2022 and the earnings coverage ratio filed as an exhibit thereto;

"**CU 2023 Q3 Interim Financial Statements**" means the unaudited interim consolidated financial statements of the Company for the three and nine months ended September 30, 2023;

"**CU 2023 Q3 Interim MD&A**" means the management's discussion and analysis of the Company for the three and nine months ended September 30, 2023 and the earnings coverage ratio filed as an exhibit thereto;

"**Demand for Payment**" means a written notice of a Dissenting Share Owner containing his, her or its name and address, the number of Dissenting Shares and a demand for payment of the fair value of such Class B Shares, submitted to Canadian Utilities in accordance with the Dissent Procedures;

"**Depositary**" means TSX Trust Company, or such other person as may be appointed by the Company for the purpose of receiving deposits of certificates formerly representing Affected Class B Shares in connection with the Arrangement;

"**Director**" means the Director appointed under section 260 of the CBCA;

"**Dissent Notice**" means a written objection of a registered Affected Class B Share Owner to the Arrangement Resolution provided to Canadian Utilities in accordance with the Dissent Procedures;

"**Dissent Procedures**" means the dissent procedure under section 190 of the CBCA, a copy of which is attached as Appendix "E" to this Circular, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court, as described under "*Dissent Rights*";

"**Dissent Rights**" means the right of registered Affected Class B Share Owners to dissent with respect to the Arrangement Resolution and to be paid by the Company the fair value of the Class B Shares held thereby in accordance with the Dissent Procedures;

"**Dissenting Share**" means a Class B Share in respect of which Dissent Rights have validly been exercised and not withdrawn by a Dissenting Share Owner;

"**Dissenting Share Owner**" means a registered Affected Class B Share Owner who has duly and validly exercised his, her or its Dissent Rights in strict compliance with the Dissent Procedures, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**DRS advice**" means a direct registration system advice;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;

"**Excluded Class B Share Owners**" means, collectively, ATCO, Sentgraf and the MES Spousal Trust;

"**Excluded Class B Shares**" means the Class B Shares held by the Excluded Class B Share Owners;

"**Final Order**" means a final order of the Court in a form acceptable to the Company in respect of the Arrangement, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, and after being informed of the intention of the Company to rely upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended by the Court at any time prior to the Effective Date, provided that such amendment is acceptable to the Company or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal, provided that such amendment is acceptable to the Company;

"**Governmental Authority**" means:

- (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
- (b) any subdivision, agency, agent or authority of any of the foregoing; or
- (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including, for greater certainty, applicable Canadian and U.S. securities regulatory authorities, the TSX, the Alberta Utilities Commission, the Alberta Electric System Operator and any applicable regional reliability entity, electric system operator, public utilities commission, public service commission or equivalent entity;

"**Interim Order**" means the interim order of the Court, after being informed of the intention of the Company to rely upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(c) of the CBCA in respect of the Arrangement, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to the Company) by the Court, a copy of which is attached as Appendix "D" to this Circular;

"**Kingsdale**" means Kingsdale Partners LP, operating as Kingsdale Advisors;

"**Letter of Transmittal**" means the letter of transmittal sent to Affected Class B Share Owners for use in connection with the Arrangement;

"**meeting**" means the special meeting of Class B Share Owners scheduled to be held on December 14, 2023 at 1:00 p.m. (Mountain Standard Time) to consider the Arrangement Resolution and related matters, and any adjournment(s) or postponement(s) thereof;

"**MES Spousal Trust**" means the Margaret E. Southern Spousal Trust, of which Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Non-Registered Class B Share Owner**" means a Class B Share Owner whose Class B Shares are registered in the name of an intermediary;

"**Notice of Originating Application**" means the notice of originating application by Canadian Utilities to the Court which accompanies this Circular;

"**Offer to Pay**" means the written offer of Canadian Utilities to each Dissenting Share Owner who has sent a Demand for Payment to pay for his, her or its Class B Shares in an amount considered by the Board to be the fair value of the Class B Shares, determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners;

"**Options**" means the outstanding options to purchase Class A Shares issued pursuant to the stock option plan of the Company;

"**person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement under section 192 of the CBCA involving the Company and the Affected Class B Share Owners, a copy of which is attached as Appendix "B" to this Circular, and any amendments or variations made in accordance with the terms thereof or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Company;

"**Registered Class B Share Owner**" means a Class B Share Owner whose name is set out in the Company's share owner register maintained by TSX Trust Company;

"**SAR**" means the outstanding share appreciation rights under the share appreciation rights plan of the Company;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval + of the Canadian Securities Administrators;

"**Sentgraf**" means Sentgraf Enterprises Ltd., which controls ATCO and is controlled by the Sentgraf Trust;

"**Sentgraf Trust**" means the Sentgraf Spousal Trust, of which Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees;

"**Series Preferred Shares**" means the series preferred shares of the Company;

"**Series Second Preferred Shares**" mean the series second preferred shares of the Company, which includes, collectively, the Cumulative Redeemable Second Preferred Shares Series Y of the Company, the Cumulative Redeemable Second Preferred Shares Series AA of the Company, the Cumulative Redeemable Second Preferred Shares Series BB of the Company, the Cumulative Redeemable Second Preferred Shares Series CC of the Company, the Cumulative Redeemable Second Preferred Shares Series DD of the Company, the Cumulative Redeemable

Second Preferred Shares Series EE of the Company, the Cumulative Redeemable Second Preferred Shares Series FF of the Company and the Cumulative Redeemable Second Preferred Shares Series HH of the Company;

"**Share Owners**" means, collectively, the Class A Share Owners and the Class B Share Owners;

"**Special Committee**" means the special committee of the Board comprised of Matthias F. Bichsel, Loraine M. Charlton and Robert J. Hanf (Chair);

"**Stikeman**" means Stikeman Elliott LLP, counsel to the Special Committee;

"**Tax Act**" means the *Income Tax Act*, RSC 1985, c 1 (5th Supp.), as amended, and the regulations thereunder;

"**TSX**" means the Toronto Stock Exchange;

"**U.S.**" means the United States of America;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended; and

"**VIF**" has the meaning given to such term under the heading "*General Proxy and Meeting Matters – Voting Process*".

The information contained in this Circular is given as at November 15, 2023, except as otherwise noted.

All dollar amounts set forth in this Circular are in Canadian dollars, unless otherwise stated. References to "\$", "C\$" and "Canadian dollars" in this Circular are to Canadian dollars and references to "US\$" and "United States dollars" are to U.S. dollars.

In this Circular, unless the context requires otherwise, "you" and "your" refer to the Class B Share Owners.

References to "we", "us", and "our" in this Circular refer to the Company and its subsidiaries, where applicable.

1.3 NOTICE TO SHARE OWNERS IN THE UNITED STATES

Canadian Utilities is a corporation organized under the laws of Canada. The solicitation of proxies in connection with the meeting involves securities of a Canadian corporation and is being effected in accordance with applicable Canadian corporate and securities laws. This Circular has been prepared solely in accordance with the disclosure requirements under applicable Canadian corporate and securities laws. Class B Share Owners should be aware that the requirements under applicable Canadian law may differ from requirements under corporate and securities laws in other jurisdictions, including the United States.

The enforcement by Class B Share Owners of civil liabilities under applicable U.S. securities legislation may be affected adversely by the fact that: (a) Canadian Utilities is organized under the laws of Canada; (b) some or all of Canadian Utilities' directors and officers may not be residents of the United States; (c) some or all of the experts named in this Circular may not be residents of the United States; and (d) all or a substantial portion of the assets of Canadian Utilities and such persons may be located outside of the United States. As a result, Class B Share Owners may not be able to sue Canadian Utilities or its directors and officers in a Canadian court for violations of applicable U.S. securities legislation. It may be difficult to compel a Canadian corporation and its affiliates to subject themselves to a judgment by a U.S. court.

Affected Class B Share Owners should be aware that the exchange of their Class B Shares for Class A Shares pursuant to the Arrangement may have tax consequences both in Canada and the United States. This Circular only addresses certain Canadian federal income tax considerations of the Arrangement and does not address any tax considerations of the Arrangement in the United States. Class B Share Owners in the United States are advised to consult their tax

advisors to determine the particular U.S. tax consequences to them of participating in the Arrangement and the ownership and disposition of Class A Shares acquired pursuant to the Arrangement.

The U.S. Securities Act imposes restrictions on the resale of the Class A Shares issued pursuant to the Arrangement by persons who were "affiliates" of the Company prior to the completion of the Arrangement or who are "affiliates" of the Company after completion of the Arrangement. Also see "*Certain Legal and Regulatory Matters – Securities Law Matters – United States Securities Law Matters*".

1.4 FORWARD-LOOKING INFORMATION

This Circular, including in the appendices attached hereto and the documents incorporated by reference herein, contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should" and similar expressions. In particular, this Circular contains forward-looking information relating, but not limited to, statements concerning:

- the anticipated benefits of the Arrangement;
- the anticipated timing of the meeting, the Final Order and the Effective Date;
- the anticipated benefits of a virtual-only meeting format;
- the expected structure, steps, timing and effect of the Arrangement;
- the anticipated receipt of all required approvals for, and the satisfaction of all conditions in respect of, the Arrangement, including the timing thereof;
- the anticipated number of Class A Shares to be issued in connection with the Arrangement, and the expected dilution to the Class A Share Owners resulting from the issuance of such Class A Shares;
- the holdings of the Excluded Class B Share Owners and former Affected Class B Share Owners following completion of the Arrangement;
- the occurrence and anticipated timing of the listing of the Class A Shares issuable pursuant to the Arrangement on the TSX and the delisting of the Class B Shares from the TSX;
- the treatment of fractional Class A Shares arising from the Arrangement;
- the waiver or extension of any proxy deadline;
- the anticipated Canadian income tax consequences of the Arrangement applicable to Affected Class B Share Owners and the treatment of Affected Class B Share Owners under applicable Canadian securities laws and United States federal securities laws; and
- the possible exercise of Dissent Rights by Affected Class B Share Owners.

Any such forward-looking information is based on information currently available to the Company, and is based on assumptions and analyses made by the Company in light of its experiences, perception of trends and current business conditions, expected future developments and other factors which the Company considers appropriate in the circumstances, including but not limited to:

- the structure and expected benefits of the Arrangement are based upon a number of factors, including the terms of the Plan of Arrangement and current industry, economic and market conditions (See "*The Arrangement – Reasons for the Arrangement and Related Considerations*");
- certain steps in, and the timing of, the Arrangement and the Effective Date, as well as the number of Class A Shares to be issued pursuant to the Arrangement, are based upon the terms of the Plan of Arrangement and advice received from counsel to Canadian Utilities relating to the expected timing of various transaction steps (See "*Details of the Arrangement – Effects of the Arrangement*", "*Details of the Arrangement – Plan of*

Arrangement", "*Certain Legal and Regulatory Matters – Procedural Steps*" and "*Certain Legal and Regulatory Matters – Timing*";

- the listing of the Class A Shares issuable pursuant to the Arrangement on the TSX, as well as the delisting of the Class B Shares from the TSX, is based on the anticipated receipt of all required approvals from the TSX (See "*Certain Legal and Regulatory Matters – Stock Exchange Matters*");
- the approval of the Arrangement Resolution by Class B Share Owners at the meeting (See "*Certain Legal and Regulatory Matters – Class B Share Owner Approval*"); and
- the anticipated Canadian income tax consequences of the Arrangement and treatment of Affected Class B Share Owners under applicable Canadian securities laws and United States federal securities laws are subject to the statements set out in "*Certain Canadian Federal Income Tax Considerations*" and "*Certain Legal and Regulatory Matters – Securities Law Matters*", respectively.

Forward-looking information is subject to various known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information contained in, or incorporated by reference into, this Circular are reasonable as at the date hereof or as at such date specified in the documents incorporated by reference herein, as applicable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. The key risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking information include, among other factors: general economic, market and business conditions; adverse changes and volatility in the trading prices or value, as applicable, of the Class A Shares; the Company's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain required approvals and other conditions are not obtained, satisfied or waived, as applicable, on a timely basis; the failure to obtain any required governmental, regulatory or other approvals and/or consents (including from the TSX, the Court and/or Class B Share Owners), or the failure to satisfy, or receive a waiver in respect of, any conditions to completion of the Arrangement; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; the failure to realize the benefits of the Arrangement; the potential liability on the Company relating to the exercise of Dissent Rights; the Company will incur costs related to the Arrangement, regardless of whether the Arrangement is completed; the influence of the Excluded Class B Share Owners upon completion of the Arrangement; the potential dilution of the Class A Shares following completion of the Arrangement; and the risks described in the "*Risk Factors*" section of this Circular, as well as in documents filed by the Company with applicable securities regulatory authorities from time to time, including the CU 2022 AIF, the CU 2022 Annual MD&A and the CU 2023 Q3 Interim MD&A; and other factors, many of which are beyond the control of the Company. This is not an exhaustive list of the factors that may affect any of the Company's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on forward-looking information disclosed herein. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with such forward-looking information and the difference may be material.

There can be no assurance that the Arrangement will occur or that the anticipated benefits will be realized. The Arrangement must be approved by Class B Share Owners at the meeting in the manner set forth in the Interim Order, the Court must grant the Final Order approving the Arrangement in a form acceptable to the Company and the other conditions to completion of the Arrangement must have been satisfied (or, where applicable, waived) in the sole discretion of the Special Committee, and there can be no assurance that such conditions will be satisfied. The proposed Arrangement and the Plan of Arrangement could be modified, restructured or terminated.

The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities legislation.

2. SUMMARY

The following summary is an overview only of the information contained in this Circular. It should be read in conjunction with the more detailed information that is referred to or appears elsewhere in this Circular, including the appendices to this Circular and the documents that are incorporated by reference herein.

ABOUT THE MEETING

Date and Time of the Meeting

December 14, 2023
1:00 p.m. (Mountain Standard Time)

What the Meeting is About

Canadian Utilities is convening and conducting the meeting virtually via live audio webcast online at <https://web.lumiagm.com/403629376> to consider and vote on the Arrangement Resolution to approve the Arrangement under the CBCA in accordance with the terms of the Plan of Arrangement. The Plan of Arrangement provides for the exchange of the Class B Shares held by Affected Class B Share Owners (other than Dissenting Share Owners) for Class A Shares. If the Arrangement is completed, Affected Class B Share Owners (other than Dissenting Share Owners) will receive 1.1 Class A Shares in exchange for each Class B Share held.

Who Can Vote

You are entitled to vote at the meeting if you were a Class B Share Owner at the close of business on November 8, 2023. Each Class B Share entitles the holder thereof to one vote in respect of the Arrangement Resolution.

THE ARRANGEMENT

On October 31, 2023, the Company announced that the Board had determined to propose to Class B Share Owners for their approval the Arrangement. Pursuant to the Arrangement, the Company would acquire for cancellation all of the Class B Shares, other than Class B Shares owned by the Excluded Class B Share Owners. In exchange for their Class B Shares, Affected Class B Share Owners (other than Dissenting Share Owners) will receive Class A Shares pursuant to the Arrangement.

If the Arrangement Resolution receives the requisite approval by Class B Share Owners and the Court, and, subject to the other conditions described under "*Certain Legal and Regulatory Matters – Procedural Steps*", the Arrangement will be effected pursuant to the terms of the Plan of Arrangement, a copy of which is attached as Appendix "B" to this Circular. The description in this Circular of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement.

BACKGROUND TO THE ARRANGEMENT

The public announcement of the Arrangement on October 31, 2023 represented the culmination of a series of interactions focused on the Class B Share ownership structure between management of Canadian Utilities, the Board, representatives of the Special Committee and various financial and legal advisors. A summary of the material events, including material meetings and discussions that preceded the public announcement of the Arrangement, is included in this Circular. See "*The Arrangement – Background to the Arrangement*".

RECOMMENDATIONS

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered, among other things: information concerning the Company, including its share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of the Company; the Arrangement and its impact on the Company and all relevant stakeholders; the alternatives to the Arrangement available to the Company, including the status quo; the BMO Fairness Opinion; and such other matters it considered necessary or appropriate, including the factors and risks set out elsewhere in this Circular, unanimously determined to recommend to the Board that it: (a) determine that the Arrangement is in the best interests of the Company and fair to Affected Class B Share Owners; (b) approve the Arrangement; and (c) direct that the Arrangement be submitted to the Class B Share Owners for approval and recommend that Class B Share Owners vote FOR the Arrangement Resolution.

See "*The Arrangement—Recommendation of the Special Committee*".

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered, among other things: the unanimous recommendation of the Special Committee, information concerning the Company, including the Company's share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of the Company; the Arrangement and its impact on the Company and all relevant stakeholders; the alternatives to the Arrangement available to the Company, including the status quo; the BMO Fairness Opinion; and such other matters it considered necessary or appropriate, including the factors and risks set out elsewhere in this Circular, with five directors of the Company who are not independent in respect of the Arrangement abstaining, unanimously: (a) determined that the Arrangement is in the best interests of the Company and fair to Affected Class B Share Owners; (b) approved the Arrangement; and (c) directed that the Arrangement be submitted to the Class B Share Owners for approval and recommended that Class B Share Owners vote FOR the Arrangement Resolution.

See "*The Arrangement—Recommendation of the Board*".

REASONS FOR THE ARRANGEMENT AND RELATED CONSIDERATIONS

In recommending that Class B Share Owners vote FOR the Arrangement Resolution, the Special Committee and the Board took into consideration, among other things, the following:

- **Fair Exchange Ratio:** The Consideration payable pursuant to the Arrangement represents a 10% premium based on the closing price of the Class B Shares on the TSX as of October 30, 2023, the date prior to the announcement of the Arrangement.
- **Premium to Existing Conversion Rights:** As the share terms of the Class B Shares provide holders the right to convert Class B Shares into Class A Shares at any time at a ratio of 1.0:1.0, the Consideration also represents an effective premium of 10% relative to the existing conversion right.
- **Tax Free Exchange:** Class B Share Owners can generally achieve a deferral for Canadian tax purposes of the capital gain that would otherwise have been realized upon a disposition of Class B Shares. See "*Certain Canadian Federal Income Tax Considerations*".
- **Continued Participation in the Growth and Income Opportunities of Canadian Utilities:** Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) will receive Class A Shares pursuant to the Arrangement and will therefore be able to continue to participate in the benefits of equity ownership in Canadian Utilities, including the right to continue to receive the same dividend per share as is paid in respect of Class B Shares and to participate in

the anticipated growth opportunities being pursued by Canadian Utilities as a diversified global energy infrastructure business.

- Simplified Capital Structure: The expected delisting of the Class B Shares from the TSX following the completion of the Arrangement will simplify Canadian Utilities' capital structure, making investment decisions more straightforward for investors.
- Enhanced Liquidity: The Arrangement will provide Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) with immediate access to the enhanced liquidity provided through ownership of Class A Shares, at a premium represented by the Consideration, and without incurring any transaction costs.
- Reduced Administrative Obligations for Canadian Utilities: The expected delisting of the Class B Shares from the TSX will also enable Canadian Utilities to eliminate certain administrative obligations.
- Limited Value of Class B Share Voting Rights: As a result of the Excluded Class B Share Owners currently holding approximately 97.4% of the outstanding Class B Shares, other holders of Class B Shares both collectively and individually have limited proportionate voting rights in respect of the ordinary course business and affairs of Canadian Utilities, and completion of the Arrangement will have an immaterial effect on the existing control of Canadian Utilities by the Excluded Class B Share Owners.
- Fairness Opinion: BMO Capital Markets has provided an opinion that, as of October 26, 2023 and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement is fair, from a financial point of view, to the Affected Class B Share Owners. A copy of the Fairness Opinion is attached as Appendix "C" to this Circular.
- Securityholder Approval: In order for the Arrangement to proceed, the Arrangement Resolution must be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.
- Determination of Fairness and Reasonableness by Court: The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court of King's Bench of Alberta determines that the Arrangement is fair and reasonable.
- Dissent Rights: Registered Class B Share Owners (other than Excluded Class B Share Owners) have been granted the right to dissent in respect of the Arrangement Resolution.
- No Anticipated Impact of Arrangement on Other Stakeholders: There is no or an immaterial anticipated impact of the Arrangement on Canadian Utilities' other stakeholders, including holders of Class A Shares or Series Second Preferred Shares, its creditors, customers, suppliers, employees, unions and regulators. As Canadian Utilities' incentive compensation arrangements, including stock options and share appreciation rights, are exchangeable for, or paid out by reference to the trading price of, as applicable, Class A Shares, the Arrangement and resulting delisting of Class B Shares will have an immaterial impact on such arrangements. In addition, assuming that no Affected Class B Share Owners exercise Dissent Rights, 1,943,000 Class A Shares will be issued to Class B Share Owners pursuant to the Arrangement. Relative to the number of Class A Shares that would be issued to such Class B Share Owners on the exchange of their Class B Shares for Class A Shares in accordance with the terms of the Class B Shares, the number of Class A Shares to be issued pursuant to the Arrangement represents dilution to the Class A Share Owners of just 0.09%.

See "*The Arrangement—Reasons for the Arrangement and Related Considerations*".

BMO FAIRNESS OPINION

In connection with its evaluation of the Arrangement, the Special Committee retained BMO Capital Markets to deliver an opinion regarding the fairness, from a financial point of view, of the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement. In connection with this mandate, BMO Capital Markets has prepared the BMO Fairness Opinion which states that, in the opinion of BMO Capital Markets, as of October 26, 2023, and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Affected Class B Share Owners pursuant to the Arrangement is fair, from a financial point of view, to the Affected Class B Share Owners. **Class B Share Owners are urged to read the BMO Fairness Opinion in its entirety; the summary herein is qualified by the full text of the BMO Fairness Opinion. The BMO Fairness Opinion is attached as Appendix "C" to this Circular.**

See "*The Arrangement—BMO Fairness Opinion*".

DETAILS OF THE ARRANGEMENT

Effects of the Arrangement

The purpose of the Arrangement is to consolidate ownership of the Class B Shares with the Excluded Class B Share Owners.

The Arrangement will be implemented by way of a Court-approved Plan of Arrangement under the CBCA pursuant to which each issued and outstanding Class B Share (other than Class B Shares held by the Excluded Class B Share Owners and Class B Shares held by Dissenting Share Owners) will be exchanged for 1.1 Class A Shares. Accordingly, the arrangement will result in:

- the cancellation of each Affected Class B Share outstanding immediately prior to the Effective Time;
- the issuance of an aggregate of 1,943,000 Class A Shares to the Affected Class B Share Owners (subject to certain assumptions, including that: (a) there are no Dissenting Share Owners; and (b) no additional Class B Shares are issued prior to the Effective Time); and
- the Excluded Class B Share Owners holding all of the outstanding Class B Shares.

As the Excluded Class B Share Owners own approximately 97.4% of the outstanding Class B Shares as at November 14, 2023, the exchange of the Affected Class B Shares for Class A Shares and the completion of the Arrangement will not have a material impact on the control or direction of the Company.

See "*Details of the Arrangement—Effects of the Arrangement*".

Procedure for Exchange of Class B Shares for Class A Shares

Each registered Affected Class B Share Owner who properly completes and returns the enclosed Letter of Transmittal, together with the certificates representing its Class B Shares and all other required documents, will receive the Class A Shares (together with any cash in lieu of fractional Class A Shares) that such registered Affected Class B Share Owner is entitled to receive under the Arrangement. If the Arrangement becomes effective, the deposit of Class B Shares pursuant to the Letter of Transmittal will be irrevocable. However, in the event that the Arrangement is not completed, any deposited Class B Shares will be promptly returned to the applicable Affected Class B Share Owner.

The form of Letter of Transmittal contains instructions on how to exchange certificates representing Class B Shares held by a registered Affected Class B Share Owner for a certificate or DRS advice, at the election of the registered Affected Class B Share Owner, representing the Consideration under the Arrangement.

Subject to Applicable Laws relating to unclaimed property, any certificates formerly representing Class B Shares that are not deposited with all other documents as required by the Plan of Arrangement, on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of or a claim by any former Affected Class B Share Owner of any kind or nature against the Company. On such date, the Class A Shares (together with any cash in lieu of fractional Class A Shares) to which the former holders of the certificates referred to in the preceding sentence were ultimately entitled shall be deemed to have been surrendered and forfeited to the Company, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such Class A Shares and rights shall thereupon terminate and be cancelled and the names of the former registered holders shall be removed from the register of holders of Class A Shares.

Only a registered Affected Class B Share Owner should submit a Letter of Transmittal. If you are a non-registered Affected Class B Share Owner holding your Class B Shares through an intermediary (usually a bank, broker, or trust company), you should follow the instructions of your intermediary or contact your intermediary for assistance. It is recommended that non-registered Affected Class B Share Owners who have questions regarding depositing their Class B Shares or receiving Class A Shares contact their intermediary as soon as possible. If you hold your Class B Shares through an intermediary, you should carefully follow the instructions of such intermediary.

See "*Details of the Arrangement—Procedure for Exchange of Class B Shares for Class A Shares*".

CERTAIN LEGAL AND REGULATORY MATTERS

Procedural Steps

The Arrangement is proposed to be carried out pursuant to section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement Resolution must be approved by Class B Share Owners at the meeting in the manner set forth in the Interim Order;
- (b) the Court must grant the Final Order approving the Arrangement in a form acceptable to the Company;
- (c) the other conditions to completion of the Arrangement, described in the Circular under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*", must have been satisfied (or, where applicable, waived) in the sole discretion of the Special Committee; and
- (d) the Articles of Arrangement, in the form prescribed by the CBCA, must be filed with the Director and the Certificate of Arrangement must be issued by the Director.

See "*Certain Legal and Regulatory Matters – Procedural Steps*"

Timing

The expected timeline of key events in respect of the Arrangement below is provided for illustrative purposes only. Such events could be delayed for a number of reasons and it is not possible to state if or when such events will occur.

Record Date:	November 8, 2023
Proxy Deadline:	December 12, 2023
Shareholder Meeting:	December 14, 2023
Final Order Hearing:	December 15, 2023
Effective Date:	December 15, 2023

See "*Certain Legal and Regulatory Matters – Timing*".

Share Owner Approval

In order for the Arrangement to become effective, the Arrangement Resolution must (subject to further order of the Court) be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.

To the knowledge of Canadian Utilities and its directors and senior officers, after reasonable inquiry, the votes in respect of an aggregate of 66,598,854 Class B Shares (being the Excluded Class B Shares, which represent approximately 97.4% of the outstanding Class B Shares) will be excluded in accordance with MI 61-101 when determining whether "minority approval" of the Arrangement Resolution has been obtained. See "*Certain Legal and Regulatory Matters – Securities Law Matters – Canadian Securities Law Matters*".

The full text of the Arrangement Resolution is set forth in Appendix "A" to this Circular. Notwithstanding the approval of the Arrangement Resolution by Class B Share Owners at the meeting, the Arrangement Resolution authorizes the Board, at its discretion and without further notice to or approval of the Class B Share Owners: (a) to amend, modify and/or supplement the Plan of Arrangement to the extent permitted by the terms thereof; and (b) not to proceed with the Arrangement and any related transactions at any time prior to the issuance of the Certificate of Arrangement.

See "*Certain Legal and Regulatory Matters – Class B Share Owner Approval*".

Court Approval

An arrangement of a corporation under the CBCA requires approval by the Court. On November 15, 2023, the Company obtained the Interim Order, which provides for the calling and holding of the meeting, the provision of Dissent Rights and other procedural matters. If the Class B Share Owners approve the Arrangement Resolution at the meeting in the manner set forth in the Interim Order, the Company will apply to the Court to obtain the Final Order approving the Arrangement. The hearing of the application for the Final Order is scheduled to take place via Webex video conference on December 15, 2023 at 10:00 a.m. (Mountain Standard Time) or as soon thereafter as counsel may be heard. Any Class B Share Owner, Class A Share Owner or any other interested party desiring to appear and make submissions at the application for the Final Order may do so, provided that they comply with the applicable procedural requirements set forth in the Interim Order and the Notice of Originating Application. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, both from a substantive and a procedural perspective, to the Affected Class B Share Owners and any other interested party as the Court determines appropriate. The Court may approve the Arrangement in any manner it may direct and determine appropriate.

See "*Certain Legal and Regulatory Matters – Court Approval*".

Securities Law Matters

Under the terms of the Plan of Arrangement, all outstanding Affected Class B Shares (other than Class B Shares held by Dissenting Share Owners) will be exchanged for Class A Shares. Since the interest of a holder of Affected Class B Shares (being an "equity security" for the purposes of MI 61-101) may be terminated without the holder's consent, the Arrangement may be considered a "business combination" for the purposes of MI 61-101. Accordingly, the Arrangement must receive "minority approval" of Class B Share Owners in accordance with MI 61-101, which will require that the Arrangement Resolution be approved by a simple majority of the votes cast on the Arrangement

Resolution by Class B Share Owners present or represented by proxy at the meeting, excluding the votes attached to Class B Shares beneficially owned, or over which control or direction is exercised, by: (a) "interested parties"; (b) "related parties" of interested parties; and (c) "joint actors" with any interested parties or related parties in respect of the Arrangement (each as defined in MI 61-101).

The Excluded Class B Share Owners may be considered "interested parties" for the purposes of MI 61-101. Accordingly, all of the 66,598,854 Class B Shares held by the Excluded Class B Share Owners (representing approximately 97.4% of the outstanding Class B Shares as at November 14, 2023) will be excluded in accordance with MI 61-101 when determining whether "minority approval" of the Arrangement has been obtained.

See "*Certain Legal and Regulatory Matters – Securities Law Matters*".

DISSENT RIGHTS

Registered Affected Class B Share Owners are entitled to dissent in respect of the Arrangement Resolution in the manner provided in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A registered Affected Class B Share Owner who wishes to dissent must deliver a Dissent Notice that is received by Canadian Utilities c/o Blake, Cassels & Graydon LLP, Bankers Hall East, 3500, 855 – 2nd Street S.W., Calgary, AB T2P 4J8, Attention: David Tupper by 5:00 p.m. (Mountain Standard Time) on December 11, 2023, or, in the event that the meeting is adjourned or postponed, no later than 5:00 p.m. (Mountain Standard Time) on the third business day immediately prior to the date the adjourned or postponed meeting is reconvened or held, as the case may be. A failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of an Affected Class B Share Owner's Dissent Rights. Provided that the Arrangement becomes effective, each Dissenting Share Owner will be entitled to be paid by Canadian Utilities the fair value of the Class B Shares in respect of which that Dissenting Share Owner dissents in accordance with the procedures set forth in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement.

Affected Class B Share Owners who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Class B Shares as determined under the applicable provisions of the CBCA, as modified by the Plan of Arrangement and the Interim Order or any other order of the Court, will be greater than or equal to the Consideration payable under the Arrangement. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Share Owner of consideration for such Dissenting Share Owner's Dissenting Shares.

See "*Dissent Rights*".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain Class B Share Owners who dispose of Class B Shares pursuant to the Arrangement. See "*Certain Canadian Federal Income Tax Considerations*". **Affected Class B Share Owners should consult their own tax advisors for advice with respect to the Canadian federal income tax consequences to them in respect of the Arrangement.**

This Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations. Affected Class B Share Owners who are resident in (or citizens of) jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of receiving and holding Class A Shares. Affected Class B Share Owners should also consult their own tax advisors regarding provincial, state, local or territorial tax considerations of the Arrangement or of receiving and holding Class A Shares.

RISK FACTORS

There are risks associated with the Arrangement and in holding Class A Shares following the Arrangement. Class B Share Owners should carefully consider the risk factors listed under "*Risk Factors*" in this Circular and the risk factors contained in the CU 2022 AIF, the CU 2022 Annual MD&A and the CU 2023 Q3 Interim MD&A, each of which is incorporated herein by reference.

3. THE ARRANGEMENT

3.1 OVERVIEW

On October 31, 2023, the Company announced that the Board had determined to propose to Class B Share Owners for their approval the Arrangement. Pursuant to the Arrangement, the Company would acquire for cancellation all of the Class B Shares, other than Class B Shares owned by the Excluded Class B Share Owners. In exchange for their Class B Shares, Affected Class B Share Owners (other than Dissenting Share Owners) will receive Class A Shares pursuant to the Arrangement.

The Plan of Arrangement, a copy of which is attached as Appendix "B" to this Circular, sets out the steps that will be implemented to effect the Arrangement. The description in this Circular of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement.

3.2 BACKGROUND TO THE ARRANGEMENT

In 1980, ATCO purchased a controlling interest in the Company's outstanding equity securities from Philadelphia-based International Utilities, returning the Company to Canadian majority ownership.

At a meeting of shareholders of the Company held on August 10, 1982, shareholders approved an amendment to the articles of the Company to reorganize its share capital by creating two new classes of common shares designated as "Class A non-voting shares" (Class A Shares) and "Class B common shares" (Class B Shares). At the time of the meeting, ATCO indirectly owned approximately 50.5% of the Company's outstanding common shares.

The proxy circular delivered to shareholders of the Company in connection with the meeting described the rationale for the reorganization, noting that the proposed changes would give the Company greater flexibility with respect to financing, without affecting the relative voting position of the then existing shareholders. It was contemplated that if the reorganization was approved, the Company's future equity financings would be limited to offerings of Class A Shares.

On September 10, 1982, the Company completed the reorganization and each then outstanding common share was exchanged for one Class A Share and one Class B Share and the then existing class of common shares was cancelled.

Owners of Class A Shares and Class B Shares are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares as well as in the Company's remaining property on dissolution. Owners of Class B Shares are entitled to vote and to exchange at any time each share held for one Class A Share. If a take-over bid is made for the Class B Shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B Shares (excluding any Class B Shares acquired upon conversion of Class A Shares), owners of Class A Shares are entitled, for the duration of the take-over bid, to exchange their Class A Shares for Class B Shares and to tender the newly exchanged Class B Shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, owners of Class A Shares are entitled to exchange their Class A Shares for Class B Shares if ATCO ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B Shares. In such case, each Class A Share is exchangeable for one Class B Share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering.

Over time, the proportion of Class B Shares held by ATCO has increased significantly primarily as a result of conversions of Class B Shares into Class A Shares by holders other than the Excluded Class B Share Owners, as illustrated below:

Date of Management Proxy Circular for Annual Shareholder Meeting	Ownership by ATCO of Class B Shares Outstanding
1997	16,332,726 Class B Shares; approximately 67.7% of the Class B Shares
2000	16,332,726 Class B Shares; approximately 68.1% of the Class B Shares
2005	16,332,726 Class B Shares; approximately 74% of the Class B Shares
2010	32,665,452 Class B Shares; approximately 81.3% of the Class B Shares ⁽¹⁾
2015	66,309,246 Class B Shares; approximately 88% of the Class B Shares ⁽²⁾
2020	66,309,246 Class B Shares; approximately 90.2% of the Class B Shares
2023	66,309,246 Class B Shares; approximately 96.8% of the Class B Shares ⁽³⁾

Notes:

- (1) The change in the number of Class B Shares owned by ATCO from the prior period is the result of a share split that took place between 2005 and 2010.
- (2) The change in the number of Class B Shares owned by ATCO from the prior period is almost entirely the result of a share split that took place between 2010 and 2015.
- (3) As of March 9, 2023.

Since March 9, 2023, there have been additional conversions of Class B Shares into Class A Shares by holders other than the Excluded Class B Share Owners. As at the date hereof, the Excluded Class B Share Owners held an aggregate of 66,598,854 Class B Shares, representing approximately 97.4% of the outstanding Class B Shares. Since 1982, ATCO has never converted any Class B Shares into Class A Shares, and the number of Class B Shares owned by ATCO has remained relatively consistent other than as a result of stock splits applicable to the Class B Shares.

Trading in Class B Shares on the TSX has decreased over time as the number of outstanding Class B Shares held by shareholders other than the Excluded Class B Share Owners has decreased. In 2022, a total of 96,686 Class B Shares were traded on the TSX, compared to 179.1 million Class A Shares that were traded on the TSX over the same period. Consequently, to achieve a price per share that is reflective of the current market price for the Class B Shares, the holders of such shares generally must convert their Class B Shares to Class A Shares and then sell those shares.

At a Board meeting held on July 12, 2023, the Board discussed the size of the outstanding public float of Class B Shares, including the progressive reduction in the size of that float as holders of Class B Shares convert such shares into Class A Shares from time to time. The Board noted that the existence of the public float resulted in administrative obligations and complexity without serving any meaningful corporate purpose given there was no expectation of future issuances of Class B Shares to the public. Further, as the size of the public float diminished there was effectively no liquidity in the Class B Shares, with holders of such shares converting a greater number of such shares into Class A Shares than had traded on the TSX over the past few years. As a result, the Board requested that management further consider different ways in which these concerns could be addressed, all while ensuring all shareholders are treated fairly and equitably.

On July 14, 2023, management retained Blakes to advise the Company regarding matters relating to its Class B Share ownership structure.

On September 12, 2023, the Board received a report from management summarizing a comprehensive analysis of various options for managing the ownership profile of the Class B Shares, including a recommendation that the Company pursue a transaction to exchange all Class B Shares, other than shares held by the Excluded Class B Share Owners, for Class A Shares. The Board determined to further examine and consider options for managing the ownership profile of the Class B Shares, including the recommendation of management.

On October 3, 2023, given the inherent conflict faced by ATCO nominees to the Board in respect of a potential transaction involving the non-ATCO owned Class B Shares, the Board established the Special Committee and authorized it to retain independent legal and financial advisors. The Special Committee was composed entirely of independent directors, being Robert J. Hanf (Chair), Matthias F. Bichsel and Loraine M. Charlton. A formal mandate for the Special Committee was approved by the Board on October 3, 2023, which authorized the Special Committee to: (a) consider the desirability of a potential transaction that would result in all of the Class B Shares being owned by ATCO or affiliates thereof by way of a shareholder-approved plan of arrangement or other transaction carried out in accordance with the requirements of the CBCA and applicable securities laws, including any alternative transaction structured to achieve substantially the same objective, and to negotiate, examine, review and evaluate the merits and risks of such potential transaction; (b) determine whether the Arrangement (having regard to potential available alternative transactions or the maintenance of the status quo) is in the best interests of the Company and should be pursued by the Company; and (c) if necessary or appropriate, report and make recommendations to the Board with respect to the potential transaction. The mandate also authorized the Special Committee to, if determined desirable, establish safeguards to ensure the proper treatment of any potential conflict of interests matters and provides the Special Committee with broad authority in connection with matters incidental to its oversight of such potential transactions. On October 5, 2023, the Special Committee retained Stikeman as its legal counsel and on October 10, 2023, the Special Committee retained BMO Capital Markets as its financial advisor, in each case, to facilitate the Special Committee's objective of independently evaluating all potential transactions.

The Special Committee met for the first time on October 10, 2023. In addition to resolving to retain BMO Capital Markets as its financial advisor, the members of the Special Committee received advice from Stikeman regarding their duties as directors in the context of fulfilling the mandate of the Special Committee, as well as regarding the process of the Special Committee in fulfilling that mandate. The Special Committee also discussed with management potential communication strategies, the proxy solicitation process and other steps that would be necessary to ensure the Arrangement, if recommended by the Special Committee and approved by the Board, would be successfully completed.

The Special Committee next met on October 17, 2023. At that meeting, representatives of BMO Capital Markets reviewed, among other things, the differences between the Class B Shares and the Class A Shares, the factors that would be relevant in determining whether BMO Capital Markets would be able to deliver the BMO Fairness Opinion, and the methodologies it would use in determining the fairness of the Arrangement to the Affected Class B Share Owners. The Special Committee also authorized the engagement of Kingsdale as strategic shareholder advisor, reviewed the terms of a draft Plan of Arrangement, and discussed with management and legal counsel certain risks associated with the transaction.

The Special Committee met again on October 24, 2023. At that meeting, representatives of management described the different forms of consideration that could be offered to the Affected Class B Share Owners in connection with the Arrangement, as well as the considerations to be borne in mind when evaluating each form of consideration and a comparison of the possible forms of consideration with maintaining the status quo. Representatives of BMO Capital Markets provided an update of their ongoing analysis and fairness assessment, and representatives of Kingsdale reviewed a number of strategies and considerations relating to the proxy solicitation process. The Special Committee also discussed risks and other considerations associated with the transaction.

Regarding the form of consideration to be offered to the Affected Class B Share Owners, the Special Committee had evaluated the potential to have the Consideration consist of cash rather than Class A Shares. The Special Committee noted that a cash form of consideration would result in a taxable event for the Affected Class B Share Owners, would eliminate the ability of the Affected Class B Share Owners to participate in the future growth and income opportunities of the Company, and would reduce the cash resources of the Company. As a result, and for many of the reasons outlined below under the headings "*The Arrangement – Recommendations*" and "*The Arrangement – Reasons for the Arrangement and Related Considerations*", the Special Committee preferred to offer Class A Shares as the form of consideration.

In parallel with the meetings of the Special Committee, management, legal counsel to the Company, Kingsdale and the legal and financial advisors to the Special Committee, all acting under the guidance and oversight of the Special

Committee, worked to, among other things: (a) understand the potential impact of the Arrangement on the various stakeholders of the Company; (b) consider how the Arrangement could be optimally structured and how the resulting Arrangement would compare with alternative structures as well as the status quo; (c) identify and consider potential risks associated with the Arrangement; and (d) prepare draft copies of the Plan of Arrangement, the Circular and other documents required in connection with the Arrangement.

At the meeting of the Special Committee held on October 26, 2023, the Special Committee reviewed the material terms of the Arrangement and the conditions that would have to be satisfied for the Arrangement to become effective. BMO Capital Markets verbally delivered its BMO Fairness Opinion regarding the Arrangement. The Special Committee reviewed the latest draft of the press release announcing the Arrangement, and discussed expectations regarding ATCO's support of the Arrangement, as well as the potential impact of the Arrangement on various stakeholders of the Company. The Special Committee then resolved to recommend to the Board the matters described below under the heading "*The Arrangement – Recommendations*", all to be subject to certain conditions set forth below under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

The Board then met on October 30, 2023 to consider the recommendations of the Special Committee. At that meeting, Blakes advised the directors as to their duties in the context of the Arrangement; and the Special Committee and Stikeman reviewed, among other things, the Plan of Arrangement, the BMO Fairness Opinion, the deliberations of the Special Committee and the recommendations of the Special Committee. The Board then resolved the matters described below under the heading "*The Arrangement – Recommendations*", all to be subject to certain conditions set forth below under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

The Company then announced the Arrangement on October 31, 2023.

3.3 RECOMMENDATIONS

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered, among other things: information concerning the Company, including its share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of the Company; the Arrangement and its impact on the Company and all relevant stakeholders; the alternatives to the Arrangement available to the Company, including the status quo; the BMO Fairness Opinion; and such other matters it considered necessary or appropriate, including the factors and risks set out elsewhere in this Circular, unanimously determined to recommend to the Board that it: (a) determine that the Arrangement is in the best interests of the Company and fair to Affected Class B Share Owners; (b) approve the Arrangement; and (c) direct that the Arrangement be submitted to the Class B Share Owners for approval and recommend that Class B Share Owners vote FOR the Arrangement Resolution. The foregoing recommendations of the Special Committee are subject to certain conditions set forth below under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered, among other things: the unanimous recommendation of the Special Committee, information concerning the Company, including the Company's share structure; the Excluded Class B Share Owners' ownership of Class B Shares and resulting voting control of the Company; the Arrangement and its impact on the Company and all relevant stakeholders; the alternatives to the Arrangement available to the Company, including the status quo; the BMO Fairness Opinion; and such other matters it considered necessary or appropriate, including the factors and risks set out elsewhere in this Circular, with five directors of the Company who are not independent in respect of the Arrangement abstaining, unanimously: (a) determined that the Arrangement is in the best interests of the Company and fair to Affected Class B Share Owners; (b) approved the Arrangement; and (c) directed that the Arrangement be submitted to the Class B Share Owners for approval and recommended that Class B Share Owners vote FOR the Arrangement Resolution. The foregoing determination, approval, direction and recommendation of the Board are subject to

certain conditions set forth below under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

THE BOARD (WITH FIVE DIRECTORS ABSTAINING) UNANIMOUSLY RECOMMENDS THAT CLASS B SHARE OWNERS VOTE FOR THE ARRANGEMENT RESOLUTION. THE ARRANGEMENT WILL NOT PROCEED UNLESS THE ARRANGEMENT RESOLUTION IS APPROVED AT THE MEETING.

3.4 REASONS FOR THE ARRANGEMENT AND RELATED CONSIDERATIONS

In recommending that Class B Share Owners vote FOR the Arrangement Resolution, the Special Committee and the Board took into consideration, among other things, the following:

- **Fair Exchange Ratio**: The Consideration payable pursuant to the Arrangement represents a 10% premium based on the closing price of the Class B Shares on the TSX as of October 30, 2023, the date prior to the announcement of the Arrangement.
- **Premium to Existing Conversion Rights**: As the share terms of the Class B Shares provide holders the right to convert Class B Shares into Class A Shares at any time at a ratio of 1.0:1.0, the Consideration also represents an effective premium of 10% relative to the existing conversion right.
- **Tax Free Exchange**: Class B Share Owners can generally achieve a deferral for Canadian tax purpose of the capital gain that would otherwise have been realized upon a disposition of Class B Shares. See "*Certain Canadian Federal Income Tax Considerations*".
- **Continued Participation in the Growth and Income Opportunities of Canadian Utilities**: Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) will receive Class A Shares pursuant to the Arrangement and will therefore be able to continue to participate in the benefits of equity ownership in Canadian Utilities, including the right to continue to receive the same dividend per share as is paid in respect of Class B Shares and to participate in the anticipated growth opportunities being pursued by Canadian Utilities as a diversified global energy infrastructure business.
- **Simplified Capital Structure**: The expected delisting of the Class B Shares from the TSX following the completion of the Arrangement will simplify Canadian Utilities' capital structure, making investment decisions more straightforward for investors.
- **Enhanced Liquidity**: The Arrangement will provide Class B Share Owners (other than the Excluded Class B Share Owners and Class B Share Owners who validly exercise Dissent Rights) with immediate access to the enhanced liquidity provided through ownership of Class A Shares, at a premium represented by the Consideration, and without incurring any transaction costs.
- **Reduced Administrative Obligations for Canadian Utilities**: The expected delisting of the Class B Shares from the TSX will also enable Canadian Utilities to eliminate certain administrative obligations.
- **Limited Value of Class B Share Voting Rights**: As a result of the Excluded Class B Share Owners currently holding approximately 97.4% of the outstanding Class B Shares, other holders of Class B Shares both collectively and individually have limited proportionate voting rights in respect of the ordinary course business and affairs of Canadian Utilities, and completion of the Arrangement will have an immaterial effect on the existing control of Canadian Utilities by the Excluded Class B Share Owners.
- **Fairness Opinion**: BMO Capital Markets has provided an opinion that, as of October 26, 2023 and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement is fair, from a

financial point of view, to the Affected Class B Share Owners. A copy of the Fairness Opinion is attached as Appendix "C" to this Circular.

- **Securityholder Approval:** In order for the Arrangement to proceed, the Arrangement Resolution must be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.
- **Determination of Fairness and Reasonableness by Court:** The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court of King's Bench of Alberta determines that the Arrangement is fair and reasonable.
- **Dissent Rights:** Registered Class B Share Owners (other than Excluded Class B Share Owners) have been granted the right to dissent in respect of the Arrangement Resolution.
- **No Anticipated Impact of Arrangement on Other Stakeholders:** There is no or an immaterial anticipated impact of the Arrangement on Canadian Utilities' other stakeholders, including holders of Class A Shares or Series Second Preferred Shares, its creditors, customers, suppliers, employees, unions and regulators. As Canadian Utilities' incentive compensation arrangements, including stock options and share appreciation rights, are exchangeable for, or paid out by reference to the trading price of, as applicable, Class A Shares, the Arrangement and resulting delisting of Class B Shares will have an immaterial impact on such arrangements. In addition, assuming that no Class B Share Owners exercise Dissent Rights, 1,943,000 Class A Shares will be issued to Class B Share Owners pursuant to the Arrangement. Relative to the number of Class A Shares that would be issued to such Class B Share Owners on the exchange of their Class B Shares for Class A Shares in accordance with the terms of the Class B Shares, the number of Class A Shares to be issued pursuant to the Arrangement represents dilution to the Class A Share Owners of just 0.09%.

The foregoing are the material factors considered by the Special Committee and the Board in their consideration of the Arrangement, but this discussion is not intended to be exhaustive. The potential factors and benefits described above are subject to a number of risks that could cause some or all of these factors and benefits to not be realized, in whole or in part. See the section entitled "*Risk Factors*". In view of the wide variety of factors considered by the Special Committee and the Board, and the complexity of these matters, neither the Special Committee nor the Board found it practicable to, and did not quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Special Committee and the Board may have assigned different weights to various factors.

3.5 BMO FAIRNESS OPINION

In connection with its evaluation of the Arrangement, the Special Committee retained BMO Capital Markets to deliver an opinion regarding the fairness, from a financial point of view, of the Consideration to be received by Affected Class B Share Owners pursuant to the Arrangement. In connection with this mandate, BMO Capital Markets has prepared the BMO Fairness Opinion which states that, in the opinion of BMO Capital Markets, as of October 26, 2023, and based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Affected Class B Share Owners pursuant to the Arrangement is fair, from a financial point of view, to the Affected Class B Share Owners.

The full text of the BMO Fairness Opinion, which sets forth, among other things, the scope of the review undertaken in connection therewith, as well as the assumptions, limitations and qualifications thereof, is attached as Appendix "C" to this Circular. The BMO Fairness Opinion, based upon and subject to the scope of review, assumptions, limitations and qualifications set forth therein, addresses the fairness, from a financial point of view, of the Consideration to be received by the Affected Class B Share Owners pursuant to the Arrangement and does not address any other aspect of the Arrangement or any related transaction, including any legal, tax or regulatory

aspects of the Arrangement to Canadian Utilities or the Affected Class B Share Owners. BMO Capital Markets provided the BMO Fairness Opinion to the Special Committee for its exclusive use only in considering the Arrangement and may not be relied upon by any other person or for any other purpose. The BMO Fairness Opinion does not address the relative merits of the Arrangement as compared to any other strategic alternatives that may be available to Canadian Utilities, nor does it constitute a recommendation to any Affected Class B Share Owner as to how such Affected Class B Share Owner should act or vote on any matters relating to the Arrangement or otherwise.

Class B Share Owners are urged to read the BMO Fairness Opinion in its entirety. This summary of the BMO Fairness Opinion is qualified in its entirety by the full text of the BMO Fairness Opinion, a copy of which is attached as Appendix "C" to this Circular.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions. The Special Committee determined, based in part on the representations made to it by BMO Capital Markets, that BMO Capital Markets is qualified to prepare the BMO Fairness Opinion.

The BMO Fairness Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of officers at BMO Capital Markets who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

BMO Capital Markets is independent of Canadian Utilities and any other "interested party" for the purposes of section 6.1 of MI 61-101. Neither BMO Capital Markets nor any of its affiliated entities (as that term is defined in MI 61-101): (a) is an issuer insider, associated entity or affiliated entity of any interested party (as those terms are defined in MI 61-101); (b) is an advisor to any interested party with respect to the Arrangement; (c) is receiving compensation that depends in whole or in part on the conclusion reached in the BMO Fairness Opinion or the outcome of the Arrangement; (d) is a manager or co-manager or member of a soliciting dealer group for the Arrangement; (e) is the external auditor of any interested party; or (f) holds a material financial interest in completion of the Arrangement. BMO Capital Markets has not entered into any other agreements or arrangements with Canadian Utilities or any of its associates or affiliates with respect to any future dealings. BMO Capital Markets has not acted as agent or underwriter in any financings involving Canadian Utilities, or any of its associates or affiliates during the 24-month period preceding the date that BMO Capital Markets was first contacted in respect of the Arrangement, other than as disclosed in the BMO Fairness Opinion. Having regard to the nature of BMO Capital Market's role in these matters, the Special Committee was satisfied that BMO Capital Markets is appropriately independent.

BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more interested parties (as that term is defined in MI 61-101) and, from time to time, may have executed or may execute transactions on behalf of one or more interested parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of its affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the interested parties or the Arrangement. In addition, Bank of Montreal ("**BMO**"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the interested parties in the ordinary course of business.

Compensation of BMO Capital Markets

The fee payable to BMO Capital Markets in connection with the BMO Fairness Opinion is not contingent on completion of the Arrangement or any other transaction and has been paid by Canadian Utilities. Canadian Utilities has also agreed to reimburse BMO Capital Markets for certain out-of-pocket expenses and to indemnify BMO Capital Markets and certain related parties against certain liabilities.

See *Appendix "C"—Fairness Opinion*.

4. DETAILS OF THE ARRANGEMENT

4.1 EFFECTS OF THE ARRANGEMENT

General

The purpose of the Arrangement is to consolidate ownership of the Class B Shares with the Excluded Class B Share Owners.

The Arrangement will be implemented by way of a Court-approved Plan of Arrangement under the CBCA pursuant to which each issued and outstanding Class B Share (other than Class B Shares held by the Excluded Class B Share Owners and Class B Shares held by Dissenting Share Owners) will be exchanged for 1.1 Class A Shares. Accordingly, the arrangement will result in:

- the cancellation of each Affected Class B Share outstanding immediately prior to the Effective Time;
- the issuance of an aggregate of 1,943,000 Class A Shares to the Affected Class B Share Owners (subject to certain assumptions, including that: (a) there are no Dissenting Share Owners; and (b) no additional Class B Shares are issued prior to the Effective Time); and
- the Excluded Class B Share Owners holding all of the outstanding Class B Shares.

As the Excluded Class B Share Owners owned approximately 97.4% of the outstanding Class B Shares as at November 14, 2023, the exchange of the Affected Class B Shares for Class A Shares and the completion of the Arrangement will not have a material impact on the control or direction of the Company.

Class B Shares

There were 68,365,218 Class B Shares outstanding as at November 14, 2023, comprised of 1,766,364 Class B Shares held by Affected Class B Share Owners (approximately 2.6%) and 66,598,854 Class B Shares held by Excluded Class B Share Owners (approximately 97.4%). Under the terms of the Arrangement, each Affected Class B Share (other than Affected Class B Shares held by Dissenting Share Owners) will be deemed to be transferred to Canadian Utilities and cancelled in exchange for the Consideration (being 1.1 Class A Shares for each Affected Class B Share). The Consideration payable pursuant to the Arrangement represents a 10% premium based on the closing price of the Class B Shares on the TSX as of October 30, 2023, the date prior to the announcement of the Arrangement.

Each Class B Share held by a Dissenting Share Owner will be transferred to the Company and cancelled and such Dissenting Share Owner will cease to have any rights as a Class B Share Owner other than the right to be paid the fair value for his, her or its Class B Shares, determined as of the close of the business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners.

The Excluded Class B Shares will not be affected by the Arrangement (nor will Excluded Class B Share Owners be entitled to exercise Dissent Rights) and will remain outstanding following completion of the Arrangement. As a result, the Excluded Class B Share Owners will be the sole holders of Class B Shares upon completion of the Arrangement.

See "*Information Concerning CU – Description of Share Capital*" for a description of the rights, privileges, restrictions and conditions attaching to the Class B Shares.

Class A Shares

There were 202,069,665 Class A Shares outstanding as at November 14, 2023 and an aggregate of 2,533,150 Class A Shares issuable upon the exercise of all outstanding Options. It is expected that an aggregate of 1,943,000 Class A Shares will be issued to Affected Class B Share Owners pursuant to the Arrangement, subject to certain assumptions, including that: (a) there are no Dissenting Share Owners; and (b) no additional Class B Shares are issued prior to the Effective Time. Relative to the number of Class A Shares that would be issued to the Affected Class B Share Owners

on the exchange of their Class B Shares for Class A Shares in accordance with the terms of the Class B Shares, the number of Class A Shares to be issued pursuant to the Arrangement represents dilution to the Class A Share Owners of just 0.09%.

See "*Information Concerning CU – Description of Share Capital*" for a description of the rights, privileges, restrictions and conditions attaching to the Class A Shares.

Treatment of Fractional Shares Arising from the Arrangement

No DRS advices representing fractional Class A Shares arising from the Arrangement shall be issued upon the surrender for exchange by an Affected Class B Share Owner of certificates representing Class B Shares and no dividend, stock split or other change in the capital structure of the Company shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of the Company. Canadian Utilities will deposit with the Depositary the fractional Class A Shares issuable pursuant to the Arrangement for the benefit of the holders of such fractional Class A Shares. Each person otherwise entitled to a fractional interest in a Class A Share will be entitled to receive a cash payment equal to such person's pro rata allocation of the net proceeds, after brokerage commissions and expenses, received by the Depositary upon the sale, on behalf of all such persons, of whole Class A Shares representing an accumulation of all such fractional interests in Class A Shares, without any interest thereon. The Depositary will facilitate the sale of such Class A Shares on the TSX as soon as reasonably practicable following the Effective Date. The aggregate net proceeds, after brokerage commissions and expenses, of such sale will be distributed by the Depositary, pro rata in relation to their respective fractions, among persons otherwise entitled to receive fractional interests in Class A Shares pursuant to the Arrangement, without any interest thereon. In effecting the sale of any such Class A Shares, the Depositary will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Depositary will be liable for any loss arising out of any such sale of Class A Shares.

4.2 PLAN OF ARRANGEMENT

The following is a summary only of the Plan of Arrangement and is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Appendix "B" to this Circular.

Arrangement Steps

Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) **Dissenting Share Owners.** Each Class B Share held by a Dissenting Share Owner shall be deemed to be, without any further act or formality by the applicable Dissenting Share Owner, transferred to the Company (free and clear of all liens) and cancelled, and:
 - i. the Dissenting Share Owners shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to be paid the fair value for their Class B Shares in accordance with the Plan of Arrangement and the Interim Order; and
 - ii. the Dissenting Share Owners' names shall be removed from the register of Class B Shares maintained by or on behalf of the Company; and
- (b) **Exchange of Affected Class B Shares.** Each issued and outstanding Affected Class B Share (other than Class B Shares held by Dissenting Share Owners) shall be and shall be deemed to be, without any further act or formality by or on behalf of the applicable Affected Class B Share Owner, transferred to the Company (free and clear of all liens) and cancelled, in exchange for the Consideration, and upon such exchange:
 - i. the holders of such Class B Shares shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to receive the Consideration for each such Class B Share in accordance with the Plan of Arrangement;

- ii. such Class B Share Owners' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Company;
- iii. for each Class B Share transferred to the Company, the Company shall allot and issue to the holder thereof the Consideration, as fully paid and non-assessable Class A Shares, and the name of such holder shall be added to the registers of Class A Shares maintained by or on behalf of the Company; and
- iv. the amount added to the stated capital of the Class A Shares as a result of the aforementioned issuance shall be an amount equal to the paid-up capital (for purposes of the Tax Act) of the Class B Shares transferred to the Company on the exchange.

For further details, please see section 3.1 of the Plan of Arrangement.

Amendments

The Company may amend, modify and/or supplement the Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the meeting, approved by the Court; and (c) communicated to the Class B Share Owners if and as required by the Court.

Any amendment, modification or supplement to the Plan of Arrangement may be proposed by the Company at any time prior to or at the meeting with or without any other prior notice or communication, and if so proposed and accepted by Class B Share Owners at the meeting (other than as may be required under the Interim Order), shall become part of the Plan of Arrangement for all purposes. To the extent required by the Court, any amendment, modification or supplement to the Plan of Arrangement that is approved or directed by the Court following the meeting shall be effective only if it is consented to by the Class B Share Owners, voting in the manner directed by the Court. The Plan of Arrangement may be amended, modified or supplemented following the Effective Date without filing such amendment, modification or supplement with the Court or seeking Court approval provided that it concerns a matter which, in the reasonable opinion of the Company, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement. The Plan of Arrangement further provides that to the extent that any provision thereof is deemed to be inconsistent with Applicable Laws, the Plan of Arrangement shall automatically be adjusted to remove such inconsistency.

For further details, please see section 7.1 to 7.5 of the Plan of Arrangement.

4.3 INTEREST OF CERTAIN PERSONS IN THE ARRANGEMENT

In considering the Arrangement, Class B Share Owners should be aware that certain persons may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of Class B Share Owners generally. Except as described below, Canadian Utilities is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, executive officer, or anyone who has been a director or executive officer of Canadian Utilities at any time since January 1, 2022, or of any associate or affiliate of any of the foregoing individuals, in the Arrangement.

Share Ownership

As at November 14, 2023, the directors and executive officers of the Company, together with their respective associates, beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of:

- 593,953 Class A Shares, representing approximately 0.29% of the outstanding Class A Shares; and
- 7,558 Class B Shares, representing approximately 0.01% of the outstanding Class B Shares.

All of the Class B Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers of the Company, together with their respective associates, constitute Affected Class B Shares.

Pursuant to the Arrangement and subject to certain assumptions, it is expected that the directors and executive officers of Canadian Utilities and their associates will receive an aggregate of 8,313 Class A Shares pursuant to the Arrangement in exchange for their Class B Shares. All of the Class B Shares owned or controlled by the directors and executive officers of Canadian Utilities and their associates that are exchanged for Class A Shares pursuant to the Arrangement will be so exchanged on the same terms as Class B Shares held by other Affected Class B Share Owners.

In addition, as at November 14, 2023, ATCO, Sentgraf and the MES Spousal Trust (being the Excluded Class B Share Owners) beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of:

- 77,352,435 Class A Shares, representing approximately 38.3% of the outstanding Class A Shares; and
- 66,598,854 Class B Shares (all of which constitute Excluded Class B Shares), representing approximately 97.4% of the outstanding Class B Shares.

The Excluded Class B Share Owners will not receive the Consideration in connection with the Arrangement (nor will they be entitled to exercise Dissent Rights) and will retain their Class B Shares following the Effective Time. As a result of the Arrangement, the Excluded Class B Share Owners will be the sole holders of Class B Shares.

Class B Share Owners are further advised that: (i) Nancy Southern and Linda Southern-Heathcott are directors of both Canadian Utilities and Sentgraf; (ii) Nancy Southern and Linda Southern-Heathcott are trustees of both the MES Spousal Trust and the Sentgraf Trust (which controls Sentgraf) and directors of Canadian Utilities; (iii) Robert Routs, Nancy Southern, Linda Southern-Heathcott and Roger Urwin are directors of both Canadian Utilities and ATCO; and (iv) Kelly Koss-Brix is an immediate family member of Nancy Southern and a director of Canadian Utilities. The foregoing directors have abstained from voting on the Arrangement in their capacities as directors of the Company.

Intentions, Arrangements and Commitments

All of the directors and executive officers of the Company who beneficially own, or exercise control or direction over, Class B Shares, as well as the Excluded Class B Share Owners, have indicated that they intend to vote for the Arrangement Resolution. Following completion of the Arrangement, the directors and executive officers of Canadian Utilities will retain their positions with the Company. There will be no changes to the management or employees of the Company as a result of the Arrangement.

Other than the acquisition and cancellation by Canadian Utilities of the Affected Class B Shares pursuant to the Arrangement and the purchase of Class A Shares through the exercise of Options or through participation in the employee share purchase plan of the Company or the director share purchase plan of the Company, none of the Company, its directors, its executive officers or, to the knowledge of the Company after reasonable inquiry, any of the other insiders of the Company, any associate or affiliate of the Company or its insiders or any person acting jointly or in concert with Canadian Utilities has made any agreement, commitment or understanding to acquire securities of Canadian Utilities. Additionally, Canadian Utilities has not made or proposed to make any agreement, commitment or understanding with a security holder of the Company relating to the Arrangement.

Summary of Interests

The following table sets out the number, designation and percentage of the outstanding securities of Canadian Utilities beneficially owned, or over which control or direction is exercised, directly or indirectly, by each director and executive officer of the Company and, to the knowledge of the Company after reasonable inquiry, by the other insiders of the Company, the associates and affiliates of the Company and its insiders or any person acting jointly or in concert with the Company, each as at November 1, 2023, and the expected Consideration to be received by such persons (if any) pursuant to the Arrangement. Other than as set forth in the table below, to the knowledge of the Company after reasonable inquiry, no such persons beneficially owned, or exercised control or direction over, directly or indirectly, any outstanding securities of the Company as of such date.

Name	Class B Shares (% I/O)	Estimated Consideration ⁽¹⁾	Class A Shares (% I/O)	Options ⁽²⁾	SARs ⁽³⁾
Matthias F. Bichsel (Director of CU)	—	—	25,507 (0.01%)	—	—
Loraine M. Charlton (Director of CU)	1,050 (<0.01%)	1,155	48,823 (0.02%)	—	—
Robert J. Hanf (Director of CU)	—	—	30,740 (0.02%)	—	—
Kelly C. Koss-Brix (Director of CU and Sentgraf)	—	—	665 (<0.01%)	—	—
Robert J. Normand (Director of CU)	—	—	28,757 (0.01%)	—	—
Alexander J. Pourbaix (Director of CU)	—	—	19,245 (0.01%)	—	—
Hector A. Rangel (Director of CU)	—	—	30,984 (0.02%)	—	—
Laura A. Reed (Director of CU)	—	—	20,762 (0.01%)	—	—
Robert J. Routs (Director of CU and ATCO)	—	—	10,922 (0.01%)	—	—
Nancy C. Southern (CEO and Director of CU and ATCO; Director of Sentgraf; Trustee of MES Spousal Trust and Sentgraf Trust)	—	—	243,810 (0.12%)	1,022,500	357,500
Linda A. Southern-Heathcott ⁽⁴⁾ (Director of CU, ATCO and Sentgraf; Trustee of MES Spousal Trust and Sentgraf Trust)	4,203 (0.01%)	4,623	21,615 (0.01%)	—	—
Roger J. Urwin (Director of CU and ATCO)	—	—	22,246 (0.01%)	—	—
Wayne G. Wouters (Director of CU)	—	—	15,812 (0.01%)	—	—
Melanie L. Bayley (President of ATCO Electric Ltd.)	—	—	13,158 (0.01%)	78,500	8,500
Kyle M. Brunner (SVP, General Counsel & Corporate Secretary of CU and ATCO)	—	—	—	11,000	—
P. Derek Cook (SVP & Controller of CU and ATCO)	—	—	2,598 (<0.01%)	19,800	3,800
M. George Constantinescu (EVP & Chief Transformation Officer of CU and ATCO)	1,905 (<0.01%)	2,095	3,281 (<0.01%)	13,000	2,000
Lisa Cooke (SVP & Chief Marketing Officer of CU and ATCO)	—	—	210 (<0.01%)	4,000	—
Colin R. Jackson (SVP, Finance, Treasury & Sustainability of CU and ATCO)	200 (<0.01%)	220	—	12,500	500
Robert J. Myles (COO, ATCO EnPower)	—	—	3,604 (<0.01%)	160,000	—
Rebecca A. Penrice (EVP, Corporate Services of CU and ATCO)	—	—	2,686 (<0.01%)	61,000	—
D. Jason Sharpe (President of ATCO Gas and Pipelines Ltd.)	—	—	1,786 (<0.01%)	80,500	10,500
Brian P. Shkrobot (EVP & Chief Financial Officer of CU)	—	—	11,348 (0.01%)	141,100	4,600

Name	Class B Shares (% I/O)	Estimated Consideration ⁽¹⁾	Class A Shares (% I/O)	Options ⁽²⁾	SARs ⁽³⁾
Wayne K. Stensby (COO, ATCO Energy Systems)	–	–	17,889 (0.01%)	280,500	20,500
Marshall F. Wilmot (President, Retail and Chief Digital Officer of CU and ATCO)	–	–	15,027 (0.01%)	20,500	6,500
Robert T. Booth (Director of ATCO)	–	–	–	–	–
Jason T. Kenney (Director of ATCO)	–	–	–	–	–
Norman M. Steinberg (Director of ATCO)	–	–	–	–	–
Susan R. Werth (Director of ATCO)	–	–	9,762 (<0.01%)	–	–
James D. Armstrong (SVP, Global Security & Technology of ATCO)	–	–	340 (<0.01%)	4,500	–
Adam M. Beattie (President, Structures, ATCO Structures & Logistics Ltd.)	–	–	1,013 (<0.01%)	–	–
G. Dale Friesen (SVP, Corporate Affairs & Chief Government Affairs Officer of ATCO)	–	–	59 (<0.01%)	14,000	3,000
Katherine-Jane Patrick (Chief Financial and Investment Officer of ATCO)	–	–	1,940 (<0.01%)	7,250	3,250
Christine R. Simpson (SVP, Corporate Real Estate and Facilities of ATCO)	–	–	499 (<0.01%)	–	–
Clinton G. Warkentin (EVP and Chief Investment Officer, ATCO Energy Systems)	200 (<0.01%)	220	306 (<0.01%)	50,000	–
James Landon (President, Frontec, ATCO Structures & Logistics Ltd.)	–	–	2,589 (<0.01%)	–	–
ATCO (Insider)	66,309,246 (96.99%)	–	76,396,041 (37.81%)	–	–
Sentgraf (Affiliate of ATCO)	289,600 (0.42%)	–	286,855 (0.14%)	–	–
MES Spousal Trust (Affiliate of ATCO)	8 (<0.01%)	–	669,539 (0.33%)	–	–
Sentgraf Trust (Affiliate of ATCO)	–	–	–	–	–

Notes:

- (1) Class A Shares to be issued pursuant to the Arrangement, not including any amounts payable in respect of fractional shares, which will be paid in accordance with the terms of the Plan of Arrangement. See "Details of the Arrangement – Effects of the Arrangement – Treatment of Fractional Shares Arising from the Arrangement".
- (2) Upon vesting, each outstanding Option entitles the holder thereof to acquire one Class A Share.
- (3) Vested SARs, when exercised, provide for a cash payment equal to any increase from the grant price to the market price of the Class A Shares at the time of exercise.
- (4) Includes 4,044 Class B Shares owned by a holding company controlled by Ms. Southern-Heathcott.

Each of the persons named in the table above who holds Class B Shares (other than the Excluded Class B Share Owners who are not entitled to exercise Dissent Rights) has indicated that they will not exercise Dissent Rights in respect of the Arrangement Resolution and will therefore exchange their Class B Shares for Class A Shares pursuant to the Arrangement. Such persons will not receive any direct or indirect benefit from participating in the Arrangement other than such benefits as are to be received by all other holders of Affected Class B Shares.

4.4 PROCEDURE FOR EXCHANGE OF CLASS B SHARES FOR CLASS A SHARES

Each registered Affected Class B Share Owner who properly completes and returns the enclosed Letter of Transmittal, together with the certificates representing its Class B Shares and all other required documents, will receive the Class A Shares (together with any cash in lieu of fractional Class A Shares) that such registered Affected Class B Share Owner is entitled to receive under the Arrangement. If the Arrangement becomes effective, the deposit of Class B Shares pursuant to the Letter of Transmittal will be irrevocable. However, in the event that the Arrangement is not completed, any deposited Class B Shares will be promptly returned to the applicable Affected Class B Share Owner.

The form of Letter of Transmittal contains instructions on how to exchange certificates representing Class B Shares held by a registered Affected Class B Share Owner for a certificate or DRS advice, at the election of the registered Affected Class B Share Owner, representing the Consideration under the Arrangement.

A registered Affected Class B Share Owner will not receive the Class A Shares (together with any cash in lieu of fractional Class A Shares) to which it is entitled under the Arrangement until after the Arrangement is completed, provided that such registered Affected Class B Share Owner has returned properly completed documents, including the Letter of Transmittal, and the certificates representing such holder's Class B Shares to the Depositary.

Only a registered Affected Class B Share Owner should submit a Letter of Transmittal. If you are a non-registered Affected Class B Share Owner holding your Class B Shares through an intermediary (usually a bank, broker, or trust company), you should follow the instructions of your intermediary or contact your intermediary for assistance. It is recommended that non-registered Affected Class B Share Owners who have questions regarding depositing their Class B Shares or receiving Class A Shares contact their intermediary as soon as possible. If you hold your Class B Shares through an intermediary, you should carefully follow the instructions of such intermediary.

The method used to deliver a Letter of Transmittal and any accompanying certificates and other relevant documents, if any, is at the option and risk of the relevant Affected Class B Share Owner. Delivery will be deemed effective only when such documents are actually received by the Depositary at the address set out in the Letter of Transmittal. The Company recommends that the necessary documentation be hand delivered to the Depositary and a receipt obtained; otherwise, the use of registered mail with return receipt requested, properly insured, is recommended.

In the event any certificate, which immediately prior to the Effective Time represented an interest in outstanding Class B Shares that were exchanged pursuant to the Plan of Arrangement, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate, such number of Class A Shares (together with any cash in lieu of fractional Class A Shares) to which the holder is entitled pursuant to the Arrangement. The person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to the Company and the Depositary in such sum as the Company and the Depositary may direct, or otherwise indemnify the Company and the Depositary in a manner satisfactory to the Company and the Depositary, each acting reasonably, against any claim that may be made against the Company and the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

Upon surrender to the Depositary for cancellation of certificates which immediately prior to the Effective Time represented outstanding Affected Class B Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holders of the Affected Class B Shares represented by such surrendered certificates shall be entitled to receive in exchange therefor, and the Depositary shall deliver, promptly following the Effective Time, to such holders, certificates or DRS advices (at the election of the applicable holder) representing the Class A Shares which such Affected Class B Share Owners have the right to receive under the Plan of Arrangement (together with any cash in lieu of fractional Class A Shares) for such Class B Shares, less any amounts withheld pursuant to the Plan of Arrangement, and any certificates so surrendered shall forthwith be cancelled.

Termination of Rights

Subject to Applicable Laws relating to unclaimed property, any certificates formerly representing Class B Shares that are not deposited with all other documents as required by the Plan of Arrangement, on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of or a claim by any former Affected Class B Share Owner of any kind or nature against the Company. On such date, the Class A Shares (together with any cash in lieu of fractional Class A Shares) to which the former holders of the certificates referred to in the preceding sentence were ultimately entitled shall be deemed to have been surrendered and forfeited to the Company, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such Class A Shares and rights shall thereupon terminate and be cancelled and the names of the former registered holders shall be removed from the register of holders of Class A Shares.

Withholding

Pursuant to the terms of the Plan of Arrangement, the Company and the Depositary will be entitled to deduct and withhold from any consideration or amount otherwise payable to any former Affected Class B Share Owner under the Plan of Arrangement (including any amount payable to Dissenting Share Owners or any dividend or other distribution payable pursuant to the Plan of Arrangement) such amounts as the Company or the Depositary are required to deduct and withhold from such consideration or amount in accordance with the Tax Act, the United States *Internal Revenue Code of 1986*, as amended, or any other provision of any Applicable Laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the former Affected Class B Share Owner in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

4.5 EXPENSES OF THE ARRANGEMENT

The Company expects to incur an aggregate of approximately \$3,350,000 in fees, costs and expenses in connection with the Arrangement. The estimated fees, costs and expenses of the Arrangement include, without limitation, financial advisors' fees, legal, tax and accounting fees, Special Committee fees, printing and mailing costs, proxy solicitation expenses, stock exchange and regulatory filing fees and information technology related fees.

5. CERTAIN LEGAL AND REGULATORY MATTERS

5.1 PROCEDURAL STEPS

The Arrangement is proposed to be carried out pursuant to section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement Resolution must be approved by Class B Share Owners at the meeting in the manner set forth in the Interim Order;
- (b) the Court must grant the Final Order approving the Arrangement in a form acceptable to the Company;
- (c) the other conditions to completion of the Arrangement, described below under the heading "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*", must have been satisfied (or, where applicable, waived) in the sole discretion of the Special Committee; and
- (d) the Articles of Arrangement, in the form prescribed by the CBCA, must be filed with the Director and the Certificate of Arrangement must be issued by the Director.

5.2 TIMING

The expected timeline of key events in respect of the Arrangement below is provided for illustrative purposes only. Such events could be delayed for a number of reasons and it is not possible to state if or when such events will occur. See "*Risk Factors*".

Record Date:	November 8, 2023
Proxy Deadline:	December 12, 2023
Shareholder Meeting:	December 14, 2023
Final Order Hearing:	December 15, 2023
Effective Date:	December 15, 2023

Assuming that Class B Share Owners approve the Arrangement Resolution at the meeting in the manner set forth in the Interim Order, that the Court grants the Final Order on December 15, 2023, in a form acceptable to the Company, and the satisfaction (or, where applicable, waiver) of certain other conditions to completion of the Arrangement in the sole discretion of the Special Committee, the Articles of Arrangement and related documents, in the form prescribed by the CBCA, will be filed with the Director at such time as the Company deems appropriate, in its sole discretion. The Arrangement will become effective upon the issuance of the Certificate of Arrangement by the Director. Provided that the foregoing approvals and conditions are satisfied (or, where applicable, waived) in a timely manner, the Company currently expects that the Effective Date will occur on or about December 15, 2023.

5.3 CLASS B SHARE OWNER APPROVAL

In order for the Arrangement to become effective, the Arrangement Resolution must (subject to further order of the Court) be approved by:

- (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and
- (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.

The Board (with five directors of the Company who are not independent in respect of the Arrangement abstaining) unanimously recommends that Class B Share Owners vote FOR the Arrangement Resolution.

To the knowledge of Canadian Utilities and its directors and senior officers, after reasonable inquiry, the votes in respect of an aggregate of 66,598,854 Class B Shares (being the Excluded Class B Shares which represent approximately 97.4% of the outstanding Class B Shares) will be excluded in accordance with MI 61-101 when determining whether "minority approval" of the Arrangement Resolution has been obtained. See "*Certain Legal and Regulatory Matters – Securities Law Matters – Canadian Securities Law Matters*".

The full text of the Arrangement Resolution is set forth in Appendix "A" to this Circular. Notwithstanding the approval of the Arrangement Resolution by Class B Share Owners at the meeting, the Arrangement Resolution authorizes the Board, at its discretion and without further notice to or approval of the Class B Share Owners: (a) to amend, modify and/or supplement the Plan of Arrangement to the extent permitted by the terms thereof; and (b) not to proceed with the Arrangement and any related transactions at any time prior to the issuance of the Certificate of Arrangement.

5.4 COURT APPROVAL

Interim Order

On November 15, 2023, the Company obtained the Interim Order, which provides for the calling and holding of the meeting, the provision of Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Appendix "D" to this Circular.

Final Order

An arrangement of a corporation under the CBCA requires approval by the Court. If the Class B Share Owners approve the Arrangement Resolution at the meeting in the manner set forth in the Interim Order, the Company will apply to the Court to obtain the Final Order approving the Arrangement. The hearing of the application for the Final Order is scheduled to take place via Webex video conference (<https://albertacourts.webex.com/meet/virtual.courtroom60>) on December 15, 2023 at 10:00 a.m. (Mountain Standard Time) or as soon thereafter as counsel may be heard. A copy of the Notice of Originating Application accompanies this Circular.

Any Class B Share Owner, Class A Share Owner or any other interested party desiring to appear and make submissions at the application for the Final Order may do so, provided that they comply with the applicable procedural requirements set forth in the Interim Order and the Notice of Originating Application, including filing a notice of intent to appear with the Court and serving it upon the Company as soon as reasonably practicable and, in any event, on or before 5:00 p.m. (Mountain Standard Time) on December 1, 2023. Service of such notice on the Company is required to be effected by service upon its counsel, Blake, Cassels & Graydon LLP, Bankers Hall East, 855 – 2nd Street S.W., Calgary, AB T2P 4J8, Suite 3500, Attention: David Tupper.

The Class A Shares issuable to Affected Class B Share Owners in exchange for their Affected Class B Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any securities laws of any state within the United States, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof. The Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to section 3(a)(10) thereof, with respect to the issuance of the Class A Shares issuable to Affected Class B Share Owners pursuant to the Arrangement.

The Court has broad discretion under the CBCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, both from a substantive and a procedural perspective, to the Affected Class B Share Owners and any other interested

party as the Court determines appropriate. The Court may approve the Arrangement in any manner it may direct and determine appropriate.

5.5 OTHER CONDITIONS TO THE ARRANGEMENT

The recommendations of the Special Committee set forth above under the heading "*The Arrangement – Recommendations*", and the approval by the Board of the Arrangement, are subject to the following conditions:

- (a) the Interim Order shall have been obtained from the Court in form and substance satisfactory to the Special Committee, and such Interim Order shall not have been set aside or modified in a manner unacceptable to the Special Committee;
- (b) the Class B Share Owner approvals described above under the heading "*Certain Legal and Regulatory Matters – Class B Share Owner Approval*" shall have been obtained in accordance with the requirements set forth in the Interim Order;
- (c) the Final Order shall have been obtained from the Court in form and substance satisfactory to the Special Committee, and such Final Order shall not have been set aside or modified in a manner unacceptable to the Special Committee;
- (d) the Articles of Arrangement shall be in form and substance satisfactory to the Special Committee;
- (e) the Class A Shares to be issued to the Affected Class B Share Owners pursuant to the Arrangement shall have been authorized for listing on the TSX, subject only to customary and reasonable conditions;
- (f) the Special Committee shall be satisfied that the Class A Shares issuable to the Affected Class B Share Owners pursuant to the Arrangement: (i) shall not be subject to any hold period or restricted period under applicable Canadian securities laws; and (ii) shall not require registration under the U.S. Securities Act, whether on the basis of the exemption provided for in section 3(a)(10) thereof or otherwise;
- (g) no claims, actions, enquiries, applications, suits, demands, arbitrations, charges, indictments, hearings or other civil, criminal, administrative or investigative proceedings or other investigations or examinations (whether, for greater certainty, by a governmental authority or any other person) shall be commenced, pending or threatened and no applicable law shall have been proposed, enacted, promulgated or applied, in either case:
 - i. seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the Arrangement or the transactions contemplated therein or seeking to obtain from the Company any material damages directly or indirectly in connection with the Arrangement;
 - ii. seeking to cease trade, restrict, enjoin, prohibit, materially delay or impose material conditions on the Company or the Excluded Class B Share Owners (as the sole Class B Share Owners following completion of the Arrangement) upon the completion of the Arrangement;
 - iii. seeking to prohibit or restrict the completion of the Arrangement in accordance with the terms thereof or otherwise relating to the Arrangement;
 - iv. seeking to prohibit or limit the ownership or operation by the Company or any of its affiliates of any material portion of the business or assets of the Company or to compel the Company or any of its affiliates to dispose or divest of or hold separate any material portion of the business or assets of the Company; or

- v. seeking to prohibit or limit, in any material respect, the Excluded Class B Share Owners or any of their affiliates from effectively controlling the business or operations of the Company, or otherwise exercising their rights as holders of Class B Shares; and
- (h) holders of not more than 10% of the issued and outstanding Class B Shares not owned by the Excluded Class B Share Owners shall have exercised Dissent Rights in relation to the Arrangement.

If any of the conditions set forth above are not fulfilled or performed, on or prior to the Effective Time, the Special Committee may, on behalf of the Board, determine to terminate the Arrangement or waive, in its discretion, the applicable condition in whole or in part.

5.6 STOCK EXCHANGE MATTERS

The Company is a reporting issuer in each of the provinces of Canada and will continue to be a reporting issuer in each of the provinces of Canada following completion of the Arrangement. The Class A Shares and Class B Shares are listed and posted for trading on the TSX under the symbols "CU" and "CU.X", respectively. In addition, the Class A Shares issuable upon conversion of Class B Shares in accordance with the terms and conditions attaching to the Class B Shares have been approved for listing and posting for trading on the TSX. See "*Information Concerning CU – Market for Securities*" for information regarding the trading prices and volumes of the Class A Shares and Class B Shares on the TSX.

Following completion of the Arrangement: (a) the Class A Shares will continue to be listed and posted for trading on the TSX; and (b) it is anticipated that the Class B Shares that remain outstanding will be delisted from the TSX within two to three trading days following the Effective Date. The Company has received the conditional approval of the TSX for: (a) the listing and posting for trading of the additional Class A Shares issuable to Affected Class B Share Owners pursuant to the Arrangement; and (b) the delisting of the Class B Shares from the TSX, in each case, subject to the Company satisfying certain standard conditions on or following the Effective Date.

5.7 SECURITIES LAW MATTERS

Canadian Securities Law Matters

Multilateral Instrument 61-101

Canadian Utilities is subject to the provisions of MI 61-101, which regulates certain types of transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors. Subject to certain exceptions, the protections afforded by MI 61-101 apply to, among other transactions, "business combinations" (as defined in MI 61-101), which are transactions that can result in the termination of the interests of equity securityholders without their consent.

Subject to certain exceptions, MI 61-101 requires that an issuer obtain "minority approval" of every class of "affected securities" of the issuer for a "business combination" (as such terms are defined in MI 61-101).

Business Combinations and Minority Approval

Under the terms of the Plan of Arrangement, all outstanding Affected Class B Shares (other than Class B Shares held by Dissenting Share Owners) will be exchanged for Class A Shares. Since the interest of a holder of Affected Class B Shares (being an "equity security" for the purposes of MI 61-101) may be terminated without the holder's consent, the Arrangement may be considered a "business combination" for the purposes of MI 61-101. Accordingly, the Arrangement must receive "minority approval" of Class B Share Owners in accordance with MI 61-101, which will require that the Arrangement Resolution be approved by a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting, excluding the votes attached to Class B Shares beneficially owned, or over which control or direction is exercised, by: (a) "interested parties";

(b) "related parties" of interested parties; and (c) "joint actors" with any interested parties or related parties in respect of the Arrangement (each as defined in MI 61-101).

The Excluded Class B Share Owners may be considered "interested parties" for the purposes of MI 61-101. Accordingly, all of the 66,598,854 Class B Shares held by the Excluded Class B Share Owners (representing approximately 97.4% of the outstanding Class B Shares as at November 14, 2023) will be excluded in accordance with MI 61-101 when determining whether "minority approval" of the Arrangement has been obtained.

To the knowledge of Canadian Utilities and its directors and senior officers, after reasonable inquiry, the Class B Shares to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101 are as follows:

Excluded Class B Share Owner	Number of Class B Shares	% of Outstanding Class B Shares
ATCO	66,309,246	97.0%
Sentgraf	289,600	0.4%
MES Spousal Trust	8	<0.1%

The "minority approval" requirement is in addition to the requirement that the Arrangement Resolution be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting.

Formal Valuation and Prior Valuations

The Company is not required to obtain a formal valuation under MI 61-101, as: (a) no "interested party" will, as a consequence of the Arrangement, directly or indirectly acquire the Company or its business or combine with the Company, whether alone or with joint actors; and (b) no interested party is a party to any "connected transaction" to the Arrangement that would qualify as a "related party transaction" (each as defined in MI 61-101) for which the Company would be required to obtain a formal valuation under MI 61-101.

To the knowledge of the Company and its directors and senior officers, after reasonable inquiry, there have been no "prior valuations" (as defined in MI 61-101) in respect of the Company in the 24 months prior to the date of this Circular and no bona fide prior offer (as contemplated in MI 61-101) that relates to the subject matter of or is otherwise relevant to the Arrangement has been received by the Company during the 24 months before the date the Arrangement was approved by the Board.

Qualification and Resale of Securities

The Class A Shares to be issued to Affected Class B Share Owners (other than Dissenting Share Owners) pursuant to the Arrangement will be issued in reliance on exemptions from the prospectus requirements under applicable Canadian securities laws, will generally be freely tradable and the resale of such Class A Shares will be exempt from the prospectus requirements (and not subject to any "restricted period" or "hold period") under applicable Canadian securities laws, if the following conditions are met: (a) the trade is not a "control distribution" (as defined under applicable Canadian securities laws); (b) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (d) if the selling shareholder is an insider or an officer of the Company, the selling shareholder has no reasonable grounds to believe that the Company is in default of securities legislation. **Affected Class B Share Owners are urged to consult their legal advisors to determine the applicability of the resale restrictions prescribed under Canadian securities laws.**

United States Securities Law Matters

The following discussion is only a general overview of certain provisions of United States federal securities laws applicable to the issuance and subsequent resale of Class A Shares to be received by Affected Class B Share Owners (other than Dissenting Share Owners) upon completion of the Arrangement. Affected Class B Share

Owners are urged to consult their legal advisors to ensure that the resale of their securities complies with U.S. securities laws applicable to them.

[Exemption from Registration Requirements](#)

The Class A Shares issuable to Affected Class B Share Owners (other than Dissenting Share Owners) in exchange for their Class B Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any securities laws of any state within the United States, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities from the general registration requirements where the terms and conditions of such issuance and exchange have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely notice thereof. The Court has authority to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on November 15, 2023 and, subject to the approval of the Arrangement Resolution by Class B Share Owners in accordance with the Interim Order, a hearing of the application for the Final Order of the Court in respect of the Arrangement is expected to be held on December 15, 2023. All Class B Share Owners are entitled to appear and make submissions at the application for the Final Order, provided that they comply with the applicable procedural requirements set forth in the Interim Order and the Notice of Originating Application. See "*Certain Legal and Regulatory Matters – Court Approval*". The Final Order of the Court will, if granted, constitute the basis for the exemption from the registration requirements under the U.S. Securities Act provided by section 3(a)(10) thereof with respect to the Class A Shares issuable pursuant to the Arrangement.

[Resale of Class A Shares after Completion of the Arrangement](#)

The Class A Shares to be issued to Affected Class B Share Owners upon completion of the Arrangement will be freely tradable under the U.S. Securities Act, except for any Class A Shares received by persons who will be "affiliates" (within the meaning of Rule 144 under the U.S. Securities Act) of Canadian Utilities after the Effective Date or were affiliates of Canadian Utilities within 90 days before the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of Class A Shares by such an affiliate (or former affiliate) will be subject to the registration requirements under the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, affiliates (or former affiliates) holding Class A Shares may generally resell those shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. If available, such affiliates (or former affiliates) may also resell such Class A Shares pursuant to Rule 144 under the U.S. Securities Act or pursuant to another exemption therefrom.

6. INFORMATION CONCERNING CU

6.1 GENERAL

Canadian Utilities was incorporated under the laws of Canada on May 18, 1927, and was continued under the CBCA on August 15, 1979. The Company operates as a diversified global energy infrastructure corporation with a global portfolio of utilities and energy infrastructure assets, and offers gas and electricity services. The Company mainly operates in Canada and Australia, and also has operations in Mexico, Chile and Puerto Rico. The Company is organized into three business segments:

1. *ATCO Energy Systems* – The ATCO Energy Systems business unit operates in Canada, Australia, and Puerto Rico. The four regulated utilities (Electricity Transmission and Distribution, and Natural Gas Transmission and Distribution) in Alberta, the Lloydminster area of Saskatchewan and the northern regions of Canada deliver electricity and clean-burning natural gas to customers. International Operations consists of the regulated natural gas distribution business in Western Australia, and the Electricity Operations business in Puerto Rico, which includes the Company's 50% ownership in LUMA Energy.
2. *ATCO EnPower* – The ATCO EnPower business unit operates in Canada, Australia, Mexico, and Chile. ATCO EnPower includes non-regulated businesses in electricity generation (solar, wind, hydroelectric and natural gas), natural gas storage, natural gas liquids storage, and industrial water services, and is developing a clean fuels business including hydrogen, carbon capture, and underground storage projects.
3. *Corporate & Other* – The Company also has a Corporate & Other business segment, which includes Rūmi and Retail Energy through ATCO Energy, which provides home products, home maintenance services, professional advice, and retail electricity and natural gas services in the Province of Alberta. Corporate & Other also includes the global corporate head office in Calgary, Canada, the Australia corporate head office in Perth, Australia, and the Mexico corporate head office in Mexico City, Mexico. In addition, this business segment includes CU Inc. and the Company's preferred share dividend and debt expenses.

The head office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 and the registered office is 20th Floor, 10035 – 105 Street, Edmonton, Alberta, T5J 2V6.

6.2 DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel & Corporate Secretary of the Company at 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4 (telephone: (403) 292-7500), and are also available electronically on SEDAR+ at www.sedarplus.ca.

The following documents filed by the Company with the various securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the CU 2022 AIF;
- (b) the management proxy circular of the Company dated March 9, 2023 relating to the annual meeting of shareholders held on May 3, 2023;
- (c) the CU 2022 Annual Financial Statements;
- (d) the CU 2022 Annual MD&A;
- (e) the CU 2023 Q3 Interim Financial Statements; and

(f) the CU 2023 Q3 Interim MD&A.

Any documents of the type described in section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by the Company with the applicable securities regulatory authorities after the date of this Circular and before the meeting shall be deemed to be incorporated by reference in this Circular.

Any statement contained in this Circular or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

6.3 DESCRIPTION OF SHARE CAPITAL

The share capital of the Company as at November 14, 2023 consisted of the following:

Share Description	Authorized	Outstanding
Series Preferred Shares	150,000	-
Series Second Preferred Shares	Unlimited	64,050,000 ⁽¹⁾
Class A Shares	Unlimited	202,069,665 ⁽²⁾
Class B Shares	Unlimited	68,365,218

Notes:

- (1) The outstanding Series Second Preferred Shares consisted of: (a) 13,000,000 Series Y Preferred Shares; (b) 6,000,000 Series AA Preferred Shares; (c) 6,000,000 Series BB Preferred Shares; (d) 7,000,000 Series CC Preferred Shares; (e) 9,000,000 Series DD Preferred Shares; (f) 5,000,000 Series EE Preferred Shares; (g) 10,000,000 Series FF Preferred Shares; and (h) 8,050,000 Series HH Preferred Shares.
- (2) As at November 14, 2023, an additional 2,533,150 Class A Shares were issuable pursuant to outstanding Options.

Class A Shares and Class B Shares

Class A Shares entitle the holders thereof to receive notice of, attend and participate in discussions at meetings of Share Owners of Canadian Utilities. **Class A Share Owners are not generally entitled to vote at meetings of Share Owners of Canadian Utilities.** However, pursuant to applicable corporate and securities laws, in certain circumstances, Class A Share Owners will be entitled to vote, either as a separate class or together with Class B Share Owners, depending on the circumstances, on the basis of one vote per Class A Share, on certain matters requiring the approval of securityholders of Canadian Utilities.

Class B Shares entitle the holders thereof to receive notice of, attend and vote at all meetings of Share Owners, except meetings at which only holders of another specified class or series of shares are entitled to vote. Class B Share Owners are entitled to exchange at any time each Class B Share held for one Class A Share.

Class A Share Owners and Class B Share Owners are entitled to share equally, on a share for share basis, in all dividends the Company declares on either of such classes of shares, as well as in the Company's remaining property on dissolution.

If a take-over bid is made for the Class B Shares and if it would result in the offeror owning more than 50 per cent of the outstanding Class B Shares (excluding any Class B Shares acquired upon conversion of Class A Shares), the Class A Share Owners are entitled, for the duration of the take-over bid, to exchange their Class A Shares for Class B Shares

and to tender the newly exchanged Class B Shares to the take-over bid. Such right of exchange and tender is conditional on completion of the applicable take-over bid.

In addition, Class A Share Owners are entitled to exchange their Class A Shares for Class B Shares if ATCO, the Company's controlling shareholder, ceases to own or control, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B Shares. In such case, each Class A Share is exchangeable for one Class B Share, subject to changes in the exchange ratio for certain events such as a stock split or rights offering.

The Class A Shares are "restricted securities" within the meaning of applicable Canadian securities laws. The distribution of Class A Shares pursuant to the Arrangement is exempt from the requirements of Part 12 of National Instrument 41-101 – *General Prospectus Requirements* on the basis that such Class A Shares are of an existing class of restricted securities that were created before December 21, 1984.

Series Preferred Shares

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

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

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

There are currently no Series Preferred Shares outstanding.

Series Second Preferred Shares

Canadian Utilities is authorized to issue an unlimited number of Series Second Preferred Shares, issuable in series, having such rights and restrictions as the Board may from time to time determine. Holders of Series Second Preferred Shares are entitled to priority over the Class A Shares and the Class B Shares with respect to payments of dividends and in the distribution of assets of the Company in the event of liquidation, dissolution or winding-up.

See the "Capital Structure" section of the CU 2022 AIF for a description of the rights, privileges, restrictions and conditions attaching to the outstanding series of Second Series Preferred Shares, which is incorporated by reference into this Circular.

6.4 MARKET FOR SECURITIES

Trading in Shares

The Class A Shares and Class B Shares trade on the TSX under the trading symbols "CU" and "CU.X", respectively. The following tables list the high and low market prices and trading volume of the Class A Shares and Class B Shares for the periods indicated.

	Class A Shares ⁽¹⁾ TSX: CU		
	High (\$)	Low (\$)	Volume
November 2022	\$37.12	\$34.53	21,563,875
December 2022	\$38.46	\$36.12	11,214,200
January 2023	\$38.60	\$36.42	14,944,343

Class A Shares ⁽¹⁾			
TSX: CU			
	High (\$)	Low (\$)	Volume
February 2023	\$36.90	\$35.71	15,602,235
March 2023	\$38.09	\$33.65	19,797,975
April 2023	\$39.88	\$37.31	14,213,658
May 2023	\$39.79	\$36.01	20,791,586
June 2023	\$36.70	\$33.85	23,578,258
July 2023	\$34.45	\$32.76	17,624,224
August 2023	\$33.04	\$30.64	20,165,856
September 2023	\$32.49	\$28.58	13,209,716
October 2023	\$30.19	\$28.12	22,031,673
November 2023 (1 – 14)	\$31.58	\$28.97	9,648,280

Note:

(1) As reported by all Canadian marketplaces. Source: Bloomberg.

Class B Shares ⁽¹⁾			
TSX: CU.X			
	High (\$)	Low (\$)	Volume
November 2022	\$36.61	\$34.15	13,324
December 2022	\$40.16	\$35.86	12,839
January 2023	\$40.34	\$35.18	15,954
February 2023	\$38.48	\$34.02	13,590
March 2023	\$38.30	\$34.21	21,793
April 2023	\$40.43	\$36.36	41,765
May 2023	\$42.56	\$36.11	80,943
June 2023	\$38.33	\$34.00	61,515
July 2023	\$34.39	\$32.90	22,179
August 2023	\$33.45	\$30.60	13,003
September 2023	\$32.90	\$28.68	10,007
October 2023	\$34.18	\$28.47	105,448
November 2023 (1 – 14)	\$34.68	\$31.32	15,752

Note:

(1) As reported by all Canadian marketplaces. Source: Bloomberg.

On October 30, 2023, the last trading date prior to the announcement of the Arrangement, the closing prices of the Class A Shares and the Class B Shares on the TSX were \$29.80 and \$29.42, respectively. On November 14, 2023, the last trading date prior to the date of this Circular, the closing prices of the Class A Shares and the Class B Shares on the TSX were \$31.40 and \$34.30, respectively.

Previous Purchases of Securities

No Class A Shares, Class B Shares or other securities of Canadian Utilities have been purchased by the Company during the 12-month period preceding the date of this Circular.

Previous Distributions

The following table sets forth the Class A Shares distributed by the Company on an annual basis during the five-year period preceding the date of this Circular upon the exercise of outstanding Options. There were no Class B Shares distributed during the five-year period preceding the date of this Circular.

Year of Distribution	Number of Class A Shares Issued on Exercise	Average Price per Issued Class A Share (\$)	Aggregate Value (\$)
2023 (through Nov. 14)	17,000	\$38.52	\$654,756
2022	30,400	\$38.25	\$1,162,795
2021	62,400	\$34.62	\$2,160,387
2020	34,800	\$34.85	\$1,212,879
2019	104,450	\$36.69	\$3,832,543
2018	39,000	\$33.96	\$1,324,400

In addition, during the 12-month period preceding the date of this Circular, the Company granted an aggregate of 704,500 Options.

6.5 DIVIDEND POLICY

Canadian Utilities' practice is to pay dividends quarterly on its Class A Shares and Class B Shares. The payment of any dividend is at the discretion of the Board and depends on the Company's financial condition and other factors. The Company's practices with respect to paying dividends on its Series Preferred Shares and Second Series Preferred Shares are described under the "Capital Structure" and "Dividends" sections of the CU 2022 AIF, which is incorporated by reference into this Circular.

The table below sets out dividend amount and declaration dates for the Class A Shares, Class B Shares, Series Preferred Shares and Second Series Preferred Shares, as applicable, for the two years preceding the date of this Circular.

Declaration Date	Type of Share	Dividend Declared Per Share
September 12, 2023	Class A and Class B Shares	44.86 cents
September 12, 2023	Series Y Preferred Shares	32.475 cents
September 12, 2023	Series AA Preferred Shares	30.625 cents
September 12, 2023	Series BB Preferred Shares	30.625 cents
September 12, 2023	Series CC Preferred Shares	28.125 cents
September 12, 2023	Series DD Preferred Shares	28.125 cents
September 12, 2023	Series EE Preferred Shares	32.8125 cents
September 12, 2023	Series FF Preferred Shares	28.125 cents
September 12, 2023	Series HH Preferred Shares	29.6875 cents
July 12, 2023	Class A and Class B Shares	44.86 cents
July 12, 2023	Series Y Preferred Shares	32.475 cents
July 12, 2023	Series AA Preferred Shares	30.625 cents
July 12, 2023	Series BB Preferred Shares	30.625 cents
July 12, 2023	Series CC Preferred Shares	28.125 cents
July 12, 2023	Series DD Preferred Shares	28.125 cents
July 12, 2023	Series EE Preferred Shares	32.8125 cents
July 12, 2023	Series FF Preferred Shares	28.125 cents
July 12, 2023	Series HH Preferred Shares	29.6875 cents
April 13, 2023	Class A and Class B Shares	44.86 cents
April 13, 2023	Series Y Preferred Shares	32.475 cents
April 13, 2023	Series AA Preferred Shares	30.625 cents
April 13, 2023	Series BB Preferred Shares	30.625 cents
April 13, 2023	Series CC Preferred Shares	28.125 cents
April 13, 2023	Series DD Preferred Shares	28.125 cents

April 13, 2023	Series EE Preferred Shares	32.8125 cents
April 13, 2023	Series FF Preferred Shares	28.125 cents
April 13, 2023	Series HH Preferred Shares	29.6875 cents
January 12, 2023	Class A and Class B Shares	44.86 cents
January 12, 2023	Series Y Preferred Shares	32.475 cents
January 12, 2023	Series AA Preferred Shares	30.625 cents
January 12, 2023	Series BB Preferred Shares	30.625 cents
January 12, 2023	Series CC Preferred Shares	28.125 cents
January 12, 2023	Series DD Preferred Shares	28.125 cents
January 12, 2023	Series EE Preferred Shares	32.8125 cents
January 12, 2023	Series FF Preferred Shares	28.125 cents
January 12, 2023	Series HH Preferred Shares	29.6875 cents
October 13, 2022	Class A and Class B Shares	44.42 cents
October 13, 2022	Series Y Preferred Shares	32.50 cents
October 13, 2022	Series AA Preferred Shares	30.625 cents
October 13, 2022	Series BB Preferred Shares	30.625 cents
October 13, 2022	Series CC Preferred Shares	28.125 cents
October 13, 2022	Series DD Preferred Shares	28.125 cents
October 13, 2022	Series EE Preferred Shares	32.8125 cents
October 13, 2022	Series FF Preferred Shares	28.125 cents
October 13, 2022	Series HH Preferred Shares	29.6875 cents
July 14, 2022	Class A and Class B Shares	44.42 cents
July 14, 2022	Series Y Preferred Shares	32.50 cents
July 14, 2022	Series AA Preferred Shares	30.625 cents
July 14, 2022	Series BB Preferred Shares	30.625 cents
July 14, 2022	Series CC Preferred Shares	28.125 cents
July 14, 2022	Series DD Preferred Shares	28.125 cents
July 14, 2022	Series EE Preferred Shares	32.8125 cents
July 14, 2022	Series FF Preferred Shares	28.125 cents
July 14, 2022	Series HH Preferred Shares	29.6875 cents
April 14, 2022	Class A and Class B Shares	44.42 cents
April 14, 2022	Series Y Preferred Shares	21.26875 cents
April 14, 2022	Series AA Preferred Shares	30.625 cents
April 14, 2022	Series BB Preferred Shares	30.625 cents
April 14, 2022	Series CC Preferred Shares	28.125 cents
April 14, 2022	Series DD Preferred Shares	28.125 cents
April 14, 2022	Series EE Preferred Shares	32.8125 cents
April 14, 2022	Series FF Preferred Shares	28.125 cents
April 14, 2022	Series HH Preferred Shares	29.6875 cents
January 13, 2022	Class A and Class B Shares	44.42 cents
January 13, 2022	Series Y Preferred Shares	21.26875 cents
January 13, 2022	Series AA Preferred Shares	30.625 cents
January 13, 2022	Series BB Preferred Shares	30.625 cents
January 13, 2022	Series CC Preferred Shares	28.125 cents
January 13, 2022	Series DD Preferred Shares	28.125 cents
January 13, 2022	Series EE Preferred Shares	32.8125 cents
January 13, 2022	Series FF Preferred Shares	28.125 cents
January 13, 2022	Series HH Preferred Shares	26.678 cents

6.6 SECURITIES AUTHORIZED FOR ISSUANCE

The following table sets forth certain information with respect to compensation plans under which equity securities of the Company are authorized for issuance as at December 31, 2022 and November 14, 2023:

	Non-voting shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Non-voting shares remaining available for future issuance under equity compensation plans (not including outstanding options)	Total number of outstanding shares	Non-voting shares to be issued upon exercise of outstanding options (as a % of total outstanding shares)	Non-voting shares available for future issuance (as a % of total outstanding shares)
December 31, 2022	1,998,600	\$37.02	10,774,500	269,904,992	0.7%	4.0%
November 14, 2023	2,533,150	\$35.43	10,222,950	270,434,883	0.9%	3.8%

6.7 CONSOLIDATED CAPITALIZATION

Since September 30, 2023, there has been no material change in the Company's share and loan capital, on a consolidated basis. The completion of the transactions contemplated by the Arrangement are not expected to result in a material change in the Company's share and loan capital, on a consolidated basis.

6.8 MATERIAL CHANGES IN THE AFFAIRS OF CANADIAN UTILITIES

There are no plans or proposals for material changes in the affairs of the Company, except as described in this Circular or as have been generally disclosed.

7. DISSENT RIGHTS

The following description of the right to dissent to which registered Affected Class B Share Owners are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Share Owner who seeks payment of the fair value of such Dissenting Share Owner's Class B Shares and is qualified in its entirety by reference to the full text of the Plan of Arrangement, Interim Order and the text of section 190 of the CBCA, which are attached as Appendix "B", Appendix "D" and Appendix "E" to this Circular, respectively. A Dissenting Share Owner who intends to exercise the right to dissent should carefully consider and comply with the provisions of the CBCA, as modified by the Plan of Arrangement and by the Interim Order. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder. Accordingly, each Dissenting Share Owner who might desire to exercise Dissent Rights should consult his or her own legal advisor.

A Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing. Pursuant to the Interim Order and subject to certain tests as described below, Dissenting Share Owners are entitled, in addition to any other right such Dissenting Share Owner may have, to dissent and to be paid by Canadian Utilities the fair value of the Class B Shares held by such Dissenting Share Owner, determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners. **A Dissenting Share Owner may dissent only with respect to all of the Class B Shares held by such Dissenting Share Owner. Only registered Affected Class B Share Owners may dissent. Persons who are non-registered Affected Class B Share Owners (i.e., the Affected Class B Shares are registered in the name of a broker, dealer, bank, trust company or other nominee) and who wish to dissent should be aware that they may only do so through the registered holder of such Class B Shares. Accordingly, a non-registered Affected Class B Share Owner desiring to exercise Dissent Rights must make arrangements for the Class B Shares beneficially owned by that holder to be registered in the name of the non-registered holder prior to exercising such Dissent Rights or, alternatively, make arrangements for the registered**

Affected Class B Share Owner to exercise Dissent Rights on behalf of the non-registered holder. A written objection to the Arrangement Resolution should set forth the number of Affected Class B Shares covered by it.

Registered Affected Class B Share Owners are entitled to dissent in respect of the Arrangement Resolution in the manner provided in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A registered Affected Class B Share Owner who wishes to dissent must deliver a Dissent Notice that is received by Canadian Utilities c/o Blake, Cassels & Graydon LLP, Bankers Hall East, 3500, 855 – 2nd Street S.W., Calgary, AB T2P 4J8, Attention: David Tupper by 5:00 p.m. (Mountain Standard Time) on December 11, 2023, or, in the event that the meeting is adjourned or postponed, no later than 5:00 p.m. (Mountain Standard Time) on the third business day immediately prior to the date the adjourned or postponed meeting is reconvened or held, as the case may be. A failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of an Affected Class B Share Owner's Dissent Rights. **No Affected Class B Share Owner who has voted in favour of the Arrangement Resolution shall be entitled to dissent with respect to the Arrangement.**

Canadian Utilities is required, within 10 days after the Class B Share Owners adopt the Arrangement Resolution, to notify each Dissenting Share Owner that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Affected Class B Share Owner who voted in favour of the Arrangement Resolution or who has withdrawn his, her or its Dissent Notice.

A Dissenting Share Owner who has not withdrawn its Dissent Notice prior to the meeting must, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or, if the Dissenting Share Owner does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted, send to Canadian Utilities, a Demand for Payment. Within 30 days after sending the Demand for Payment, the Dissenting Share Owner must send to Canadian Utilities or the Depositary certificates representing the Dissenting Shares. Canadian Utilities or the Depositary will endorse on share certificates received from a Dissenting Share Owner a notice that the holder is a Dissenting Share Owner and will forthwith return the share certificates to the Dissenting Share Owner. A Dissenting Share Owner who fails to make a Demand for Payment in the time required, or to send certificates representing Dissenting Shares in the time required, has no right to make a claim under section 190 of the CBCA. Every offer will be made on the same terms to each Dissenting Share Owner and must contain or be accompanied with a statement showing how the fair value was determined.

Any Affected Class B Share Owners who duly exercise their Dissent Rights shall be deemed: (a) not to have participated in the Arrangement; and (b) to have transferred its Class B Shares to Canadian Utilities, free and clear of all liens, for cancellation, in consideration for the right to be paid the fair value for such Class B Shares, which fair value shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by Class B Share Owners, and such Dissenting Share Owner will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Share Owner not exercised his, her or its Dissent Rights.

Under section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, after sending a Demand for Payment, a Dissenting Share Owner shall cease to be the a holder of Class B Shares and to have any rights as a holder of Class B Shares other than the right to be paid fair value for his, her or its Class B Shares, unless: (a) the Dissenting Share Owner withdraws its Demand for Payment before Canadian Utilities makes an Offer to Pay; or (b) Canadian Utilities fails to make an Offer to Pay in accordance with subsection 190(12) of the CBCA and the Dissenting Share Owner withdraws the Demand for Payment, in which case the Dissenting Share Owner's rights as a share owner are reinstated as of the date that the Demand for Payment was sent, and all Class B Shares owned by such person shall be subject to the terms of the Plan of Arrangement as if such person did not exercise Dissent Rights.

Canadian Utilities is required, not later than seven days after the later of the Effective Date or the date Canadian Utilities received the Demand for Payment, to send to each Dissenting Share Owner who has sent a Demand for Payment an Offer to Pay for his, her or its Dissenting Shares in an amount considered by the Board of Canadian Utilities to be the fair value of such Class B Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay for Class B Shares must be on the same terms. Canadian Utilities must

pay for the Dissenting Shares of a Dissenting Share Owner within 10 days after an Offer to Pay has been accepted by the Dissenting Share Owner, but any such Offer to Pay lapses if Canadian Utilities does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If Canadian Utilities fails to make an Offer to Pay for a Dissenting Share Owner's Class B Shares, or if a Dissenting Share Owner fails to accept an Offer to Pay that has been made, Canadian Utilities may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Dissenting Shares. If Canadian Utilities fails to apply to a court to fix a fair value for the Dissenting Shares, a Dissenting Share Owner may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Share Owner is not required to give security for costs in such an application. Any such application by Canadian Utilities or a Dissenting Share Owner must be made to a court in Alberta or a court having jurisdiction in the place where the Dissenting Share Owner resides if Canadian Utilities carries on business in that province.

On the making of any such application to a court, Canadian Utilities will be required to notify each affected Dissenting Share Owner of the date, place and consequences of the application and of the Dissenting Share Owner's right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Share Owners whose shares have not been purchased by Canadian Utilities will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any other person is a Dissenting Share Owner who should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Share Owners. The final order of a court will be rendered in favour of each Dissenting Share Owner for the amount of the fair value of its Dissenting Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Share Owner from the Effective Date until the date of payment.

In no case shall Canadian Utilities be required to recognize any Dissenting Share Owner as a Class B Share Owner after the Effective Time, and the names of such Dissenting Share Owners shall be removed from the registers of Class B Shares maintained by or on behalf of Canadian Utilities.

Dissenting Share Owners who are ultimately determined to be entitled to be paid the fair value for their Dissenting Shares shall be deemed to have transferred such Dissenting Shares to Canadian Utilities at the Effective Time pursuant to the Plan of Arrangement. Dissenting Share Owners who are ultimately determined not to be entitled, for any reason, to be paid the fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Share Owner of the Affected Class B Shares as at and from the Effective Time.

Affected Class B Share Owners who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Class B Shares as determined under the applicable provisions of the CBCA, as modified by the Plan of Arrangement and the Interim Order or any other order of the Court, will be greater than or equal to the Consideration payable under the Arrangement. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Share Owner of consideration for such Dissenting Share Owner's Dissenting Shares. Furthermore, Affected Class B Share Owners who are considering exercising Dissent Rights should be aware of the consequences under Canadian federal income tax laws of exercising Dissent Rights in respect of the Arrangement. See "*Certain Canadian Federal Income Tax Considerations*".

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Share Owners who seek payment of the fair value of their Class B Shares. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Affected Class B Share Owner who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix "E" to this Circular, as modified by the Interim Order and the Plan of Arrangement, attached to this Circular as Appendix "D" and Appendix "B", respectively, and consult their own legal advisors.**

8. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Felesky Flynn LLP, Canadian tax counsel to the Company, the following summary, as at the date of this Circular, fairly presents the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to an Affected Class B Share Owner who, at all relevant times, deals at arm's length with the Company, is not affiliated with the Company and holds all Class B Shares as capital property, as determined for purposes of the Tax Act. Class B Shares generally will constitute capital property to an Affected Class B Share Owner for purposes of the Tax Act, unless any such shares are held in the course of carrying on a business of trading or dealing in shares or otherwise as part of a business of buying and selling securities or such Affected Class B Share Owner has acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Affected Class B Share Owners who are resident in Canada for purposes of the Tax Act may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem Class B Shares and all other "Canadian securities", as defined in the Tax Act, owned by such Affected Class B Share Owner to be capital property in the taxation year in which the election is made and in all subsequent taxation years. Affected Class B Share Owners contemplating making such an election should first consult their own tax advisors.

This summary is not applicable to an Affected Class B Share Owner: (i) that is a "financial institution" for purposes of certain rules in the Tax Act referred to as the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) that reports its "Canadian tax results" in a currency other than Canadian currency; (v) that has entered into, or will enter into, with respect to its Class B Shares, a "derivative forward agreement"; (vi) that acquired Class B Shares under or in connection with any equity based compensation arrangement; or (vii) that is exempt from tax under Part I of the Tax Act (all terms as defined in the Tax Act). Any such Affected Class B Share Owner should consult with their own tax advisors.

This summary is based on the facts set out in this Circular, representations from the Company as to certain factual matters and proposed activities, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) ("**Proposed Amendments**") and Felesky Flynn LLP's understanding of the current published administrative and assessing practices and policies of the Canada Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in administrative or assessing practices or policies, whether by way of legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein. No assurance can be given that the Proposed Amendments will be enacted as currently proposed or at all.

This summary is of a general nature only and neither is intended to be, nor should be construed to be, legal, tax or business advice to any particular Affected Class B Share Owner. Consequently, Affected Class B Share Owners should consult their own advisors regarding the tax consequences applicable to them in their particular circumstances.

8.1 CLASS B SHARE OWNERS RESIDENT IN CANADA

The following portion of this summary is applicable to an Affected Class B Share Owner who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada ("**Resident Class B Share Owner**").

Exchange of Class B Shares for Class A Shares

A Resident Class B Share Owner that disposes of a Class B Share in exchange for 1.1 Class A Shares will, provided section 51 of the Tax Act applies to such an exchange, be deemed not to have disposed of such Class B Share, and accordingly, will not be considered to realize a capital gain (or capital loss) on such exchange, other than with respect to the subsequent sale of a fractional Class A Share as discussed below.

The aggregate cost to a Resident Class B Share Owner of new Class A Shares acquired on the exchange will, provided section 51 applies to such an exchange, generally be equal to the aggregate of the Resident Class B Share Owner's adjusted cost base of the Class B Shares that were exchanged. The adjusted cost base to a Resident Class B Share Owner of new Class A Shares at any time will be determined by averaging the cost of such new Class A Shares with the adjusted cost base of any other Class A Shares (including new Class A Shares) owned by the Resident Class B Share Owner as capital property at the time.

Subject to the below regarding fractional Class A Shares, the Arrangement should not result in a deemed dividend or income for purposes of the Tax Act for any Resident Class B Share Owner.

A Resident Class B Share Owner on whose behalf a fractional Class A Share will be sold following the exchange, as described under section 5.9 of the Arrangement, will be considered to have disposed of such fractional Class A Share at the time of such sale and will realize a capital gain (or a capital loss) to the extent that the cash received for the fractional Class A Share, net of reasonable costs of disposition, exceeds (or is less than), the adjusted cost base of such fractional Class A Share to the Resident Class B Share Owner. Generally, one-half of any capital gain realized must be included in income and one-half of any capital loss realized may be deducted against taxable capital gains, in accordance with the provisions of the Tax Act.

Resident Dissenting Share Owners

A Resident Class B Share Owner that exercises their Dissent Rights and receives the fair value of the Class B Shares held by such Resident Class B Share Owner (a "**Resident Dissenting Share Owner**") should (i) be deemed to have received a taxable dividend equal to the amount by which the amount received (other than that portion that is in respect of interest, if any, awarded by the court) exceeds the paid-up capital ("**PUC**"), as defined in the Tax Act, of the Class B Shares held by such Resident Dissenting Share Owner and (ii) realize a capital gain (or a capital loss) on the disposition of their Class B Shares equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base to such Resident Dissenting Share Owner of their Class B Shares. For purposes of determining a Resident Dissenting Share Owner's capital gain (or capital loss) on the disposition of their Class B Shares on the exercise of Dissent Rights, the Resident Dissenting Share Owner's proceeds of disposition should be equal to the amount received for the shares less the amount of any deemed dividend, as described above, and interest, if any, awarded by the court.

A summary of the tax treatment of dividends that may be received, and capital gains and capital losses that may be realized, by a Resident Dissenting Share Owner, is provided further below.

Dividends on Class B Shares

In the case of a Resident Dissenting Share Owner who is an individual, dividends received or deemed to be received on the Class B Shares should be included in computing the Resident Dissenting Share Owner's income and should be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. If the Company designates such dividend or deemed dividend to be an "eligible dividend" for the purposes of the Tax Act, the enhanced gross-up and dividend tax credit rules normally applicable to taxable dividends that are eligible dividends should apply.

Dividends received or deemed to be received on Class B Shares by a Resident Dissenting Share Owner that is a corporation should be included in computing the corporation's income and normally should be deductible in computing its taxable income to the extent and in the circumstances provided in the Tax Act. In addition, in some circumstances, the amount of such dividend may be treated as proceeds of disposition or a capital gain on the Class B Shares and not as a dividend. The taxation of capital gains and capital losses is described below under the heading "*Class B Share Owners Resident in Canada – Taxation of Capital Gains and Capital Losses*".

A Resident Dissenting Share Owner that is a "private corporation", as defined in the Tax Act, or any other corporation resident in Canada and controlled or deemed to be controlled by or for the benefit of an individual (other than a trust) or a "related group", as defined in the Tax Act, of individuals (other than trusts) may be liable to pay a refundable tax under Part IV of the Tax Act of 38 1/3% of any dividends received or deemed to be received on Class B

Shares to the extent that such dividends are deductible in computing the Resident Dissenting Share Owner's taxable income.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Dissenting Share Owner is required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Dissenting Share Owner is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Dissenting Share Owner in the year. Allowable capital losses in excess of taxable capital gains for the year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, in each case generally only against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Dissenting Share Owner that is a corporation on the disposition of a Class B Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Dissenting Share Owner on such Class B Share to the extent and under the circumstances set out in the Tax Act. Similar rules may apply where a Class B Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. A Resident Dissenting Share Owner to whom these rules may be relevant should consult with their own tax advisors.

A Resident Dissenting Share Owner that throughout the relevant taxation year is a "Canadian-controlled private corporation" as defined in the Tax Act, or a "substantive CCPC", as defined in Proposed Amendments to the Tax Act, may be liable to pay an additional refundable tax of 10 2/3% on certain investment income, including taxable capital gains.

Capital gains realized by a Resident Dissenting Share Owner who is an individual or a trust, other than certain specified trusts, may give rise to a liability for minimum tax under the Tax Act.

Additional income tax considerations may be relevant to Resident Dissenting Share Owners who fail to perfect or withdraw their claims pursuant to the Dissent Procedures. **Resident Dissenting Share Owners are urged to consult their own tax advisors.**

8.2 CLASS B SHARE OWNERS NOT RESIDENT IN CANADA

The following part of this summary is generally applicable to an Affected Class B Share Owner who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold the Class B Shares in a business carried on in Canada (a "**Non-Resident Class B Share Owner**"). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere.

Exchange of Class B Shares for 1.1 Class A Shares

Generally, the tax treatment to a Non-Resident Class B Share Owner that participates in the Arrangement will be the same as that described above under the heading "*Certain Canadian Federal Income Tax Considerations – Class B Share Owners Resident in Canada – Exchange of Class B Shares for Class A Shares*". However, a Non-Resident Class B Share Owner that realizes a capital gain or capital loss on the disposition of fractional Class A Shares should have reference to section "*Certain Canadian Federal Income Tax Considerations – Class B Share Owners Not Resident in Canada – Taxation of Capital Gains and Losses*" provided further below that describes the Canadian taxation of capital gains and capital losses realized on the disposition of "taxable Canadian property".

Non-Resident Dissenting Share Owners

A Non-Resident Class B Share Owner that exercises their Dissent Rights and receives fair value of the Class B Shares held by such Non-Resident Class B Share Owner (a "**Non-Resident Dissenting Share Owner**") should generally (i) be deemed to have received a taxable dividend equal to the amount by which the amount received (other than that portion that is in respect of interest, if any, awarded by the court) exceeds the PUC of the Class B Shares held by

such Non-Resident Dissenting Share Owner and (ii) realize a capital gain (or a capital loss) on the disposition of their Class B Shares equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base to such Non-Resident Dissenting Share Owner of their Class B Shares. For purposes of determining a Non-Resident Dissenting Share Owner's capital gain (or capital loss) on the disposition of their Class B Shares on the exercise of Dissent Rights, the Non-Resident Dissenting Share Owner's proceeds of disposition will be equal to the amount received for the shares less the amount of any deemed dividend, as described above, and interest, if any, awarded by the court.

A summary of the tax treatment of dividends that may be received, and capital gains and capital losses that may be realized, by a Non-Resident Dissenting Share Owner, is provided further below.

Additional income tax considerations may be relevant to Non-Resident Dissenting Share Owners who fail to perfect or withdraw their claims pursuant to the Dissent Procedures. **Non-Resident Dissenting Share Owners are urged to consult their own tax advisors.**

Dividends on Class B Shares

Dividends paid or credited, or deemed to be paid or credited, by the Company to a Non-Resident Dissenting Share Owner or a partnership that is not a "Canadian partnership", as defined in the Tax Act, should be subject to Canadian non-resident withholding tax of 25%, subject to reduction under an applicable income tax treaty.

Taxation of Capital Gains and Losses

A Non-Resident Dissenting Share Owner should not be subject to taxation in Canada in respect of a disposition of Class B Shares unless such shares constitute "taxable Canadian property", as defined in the Tax Act, at the time of disposition and the Non-Resident Dissenting Share Owner is not provided relief from Canadian taxation under an applicable income tax treaty.

Generally, a Class B Share will not be taxable Canadian property of a Non-Resident Dissenting Share Owner at a particular time provided (i) the Class B Shares are listed on a designated stock exchange (which includes the TSX) at the particular time and the Non-Resident Dissenting Share Owner, persons with whom the Non-Resident Dissenting Share Owner does not deal at arm's length, within the meaning of the Tax Act, or the Non-Resident Dissenting Share Owner together with persons with whom the Non-Resident Dissenting Share Owner does not deal at arm's length, within the meaning of the Tax Act, do not own 25% or more of the issued shares of any class or series of the Company at any time during the 60 months preceding the particular time, and (ii) the Class B Share is not, at the particular time, otherwise deemed under the Tax Act to be taxable Canadian property.

If a Non-Resident Dissenting Share Owner disposes of taxable Canadian property, the disposition should give rise to a capital gain or capital loss in the same manner as described above under the heading "*Certain Canadian Federal Income Tax Considerations – Class B Share Owners Resident in Canada – Taxation of Capital Gains and Capital Losses*". Any such capital gain should be subject to tax under the Tax Act, subject to potential relief under an applicable income tax treaty.

Non-Resident Dissenting Share Owners whose Class B Shares may constitute taxable Canadian property should consult their own tax advisors with respect to the Canadian income tax consequences of a disposition and the potential requirement to file a Canadian income tax return in respect of a disposition depending on their particular circumstances.

9. RISK FACTORS

The completion of the Arrangement involves risks. In addition to the risk factors described in the "*Business Unit Performance*" section of the CU 2022 Annual MD&A and the CU 2023 Q3 Interim MD&A and under the "*Business Risks and Risk Management*" section of the CU 2022 Annual MD&A, which documents are specifically incorporated by reference into this Circular, the following are additional and supplemental risk factors which Class B Share Owners should carefully consider before making a decision regarding approving the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to Canadian Utilities, may also adversely affect the Arrangement and/or the business of Canadian Utilities before and after the Arrangement.

9.1 RISKS RELATING TO THE ARRANGEMENT

The Arrangement May Not be Completed

Completion of the Arrangement is subject to certain conditions, some of which are outside the Company's control, including obtaining the requisite approval of Class B Share Owners and receipt of the Final Order. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied, or, if satisfied, when they will be satisfied. Any or all of the elements of the Arrangement may not occur as currently expected or within the time frames that are currently contemplated, or at all. See "*Certain Legal and Regulatory Matters – Procedural Steps*" and "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

If the Arrangement is materially delayed or not completed, the market price of the Class A Shares and the Class B Shares may be materially adversely affected. In addition, certain costs relating to the Arrangement must be paid by Canadian Utilities even if the Arrangement is not completed, including financial advisors' fees, legal, tax and accounting fees.

Influence by Significant Share Owners

Following completion of the Arrangement, the Excluded Class B Share Owners will be the sole holders of Class B Shares. As such, the Excluded Class B Share Owners will have, subject to Applicable Law, significant control over the Company's management and affairs and matters requiring share owner approval, including, but not limited to, the approval of significant corporate matters and the election of directors of the Company. Canadian Utilities' interests and those of the Excluded Class B Share Owners may at times conflict, and such conflict may be resolved against Canadian Utilities' interests.

Dilution of Class A Shares Following Completion of the Arrangement

Following completion of the Arrangement, the Company may issue Class A Shares to finance its activities, including in order to finance acquisitions. If the Company were to issue additional Class A Shares in the future, holders of Class A Shares may experience dilution in the Company's cash flow or earnings per share. Additionally, the Company currently has 12,756,100 Class A Shares authorized for grants of Options under its stock option plan, of which 2,533,150 Class A Shares are authorized for issuance pursuant to outstanding Options as of October 31, 2023. Options may be granted to officers and key employees of the Company and its subsidiaries at the Board's discretion. Any significant vesting of Options or future issuance of Options following completion of the Arrangement will dilute a Class A Share Owner's ownership interest in the Company.

Failure to Realize Benefits of the Arrangement

The Company may not realize the benefits that the Company anticipates from the Arrangement for a number of reasons, including, but not limited to, if any of the matters identified as risks in this "*Risk Factors*" section and elsewhere in this Circular were to materialize. If the Company does not realize the anticipated benefits from the Arrangement for any reason, its business may be adversely affected.

Value and Trading Prices Following Completion of the Arrangement

Following completion of the Arrangement, Affected Class B Share Owners (other than Dissenting Share Owners) will become holders of Class A Shares. There can be no assurance as to the price at which the Class A Shares will trade following completion of the Arrangement and such price may fluctuate significantly for a period of time following the Arrangement.

Potential Liability Relating to Dissent Rights

Registered Affected Class B Share Owners have the right to exercise Dissent Rights and demand payment of the fair value of their Class B Shares, in cash and in accordance with the CBCA, as modified by the Plan of Arrangement and the Interim Order. The exercise of Dissent Rights requires satisfaction of certain specific conditions, and the determination of the amount payable is subject to a Court-supervised valuation process. There is no certainty as to whether a Dissenting Share Owner will be entitled to receive an amount that is greater, equal to or less than the Consideration contemplated by the Arrangement. If there are a significant number of Dissenting Share Owners, a substantial cash payment may be required to be made to such Affected Class B Share Owners that could have an adverse effect on Canadian Utilities' financial condition and cash resources if the Arrangement is completed. As a result, the Company may determine not to proceed with the Arrangement if there are a significant number of Dissenting Share Owners. See "*Dissent Rights*" and "*Certain Legal and Regulatory Matters – Other Conditions to the Arrangement*".

9.2 RISKS RELATING TO CANADIAN UTILITIES

Class B Share Owners should understand that if the Arrangement Resolution is approved at the meeting, Affected Class B Share Owners (other than Dissenting Share Owners) will receive Class A Shares. Accordingly, an Affected Class B Share Owner will remain a Share Owner of the Company following the Arrangement, and will be subject to all of the risks associated with the operations of the Company and the industry in which it operates.

Regardless of whether the Arrangement is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risks have been disclosed in the CU 2022 Annual MD&A and the CU 2023 Q3 Interim MD&A, each of which is incorporated in this Circular by reference, and all of which are available on the Company's SEDAR+ profile at www.sedarplus.ca and, upon request to the Company's Senior Vice President, General Counsel & Corporate Secretary, a Class B Share Owner will be provided with a copy of the CU 2022 Annual MD&A and/or the CU 2023 Q3 Interim MD&A free of charge.

10. GENERAL PROXY AND MEETING MATTERS

10.1 BUSINESS OF THE MEETING

The meeting is being held to consider and if deemed advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is set out in Appendix "A" to this Circular approving the Arrangement and to transact such further or other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

In order for the Arrangement to become effective, the Arrangement Resolution must (subject to further order of the Court) be approved by: (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting; and (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the meeting after excluding the votes cast by Excluded Class B Share Owners and any other Class B Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to MI 61-101.

10.2 WHO CAN VOTE

The Board has fixed the close of business on November 8, 2023 as the record date for determining Share Owners who are entitled to receive notice of the meeting, to attend and (in the case of Class B Share Owners only) vote at the meeting, or at any adjournment(s) or postponement(s) thereof. Each Class B Share entitles the holder thereof to one vote in respect of the Arrangement Resolution.

10.3 VOTING SECURITIES AND PRINCIPAL HOLDERS

The only outstanding securities of the Company entitled to be voted at the meeting are the Class B Shares. As at November 14, 2023, 68,365,218 Class B Shares were outstanding, each providing the holder thereof the right to one vote in respect of the Arrangement Resolution. To the knowledge of the directors and executive officers of the Company, as at November 14, 2023, no person beneficially owned or controlled or directed, directly or indirectly, 10% or more of the outstanding Class B Shares, other than as follows:

	Number of Class B Shares	% of Outstanding Class B Shares
ATCO ⁽¹⁾	66,598,846	97.4%

Note:

(1) ATCO owns 66,309,246 Class B Shares, representing approximately 97.0% of the outstanding Class B Shares. ATCO is controlled by Sentgraf (which owns 289,600 Class B Shares, representing approximately 0.4% of the outstanding Class B Shares), which in turn is controlled by the Sentgraf Trust (which does not own any Class B Shares).

10.4 VOTING PROCESS

If you are a Non-Registered Class B Share Owner and have received these materials through an intermediary (usually a bank, broker, or trust company), you must complete your VIF in accordance with the instructions provided by your intermediary.

Only Registered Class B Share Owners and duly appointed proxyholders can vote at the meeting. If you plan to attend and vote your Class B Shares by ballot at the meeting, you do not need to complete and return a proxy form. If you are unable to attend and vote at the meeting, you can vote by proxy. Voting by proxy means you are giving someone else the authority to attend the meeting and vote on your behalf.

Please refer to "Registered Class B Share Owner Voting Instructions" and "Non-Registered Class B Share Owner Voting Instructions" below.

The person or persons named in the proxy form as your proxyholder will have discretionary authority to vote on amendments or variations to matters identified in the notice of the meeting and on other matters which may properly come before the meeting. As of the date of the Circular, management is not aware of any amendments or other matters expected to come before the meeting.

The time limit for deposit of proxies may be waived or extended by the Chair of the meeting at his or her discretion, without notice.

If Share Owners (or their proxyholders) encounter any difficulties accessing the meeting, they may attend the meeting (but will not be able to vote, ask questions or otherwise participate) by clicking "Non-Voting Share Owner/Guest" and completing the online form. The virtual platform is fully supported across Internet browsers and devices (desktops, laptops, tablets, and smartphones) running the most updated version of applicable software and plugins. Share Owners (or their proxyholders) should ensure that they have a strong Internet connection if they intend to attend and/or participate in the meeting. Participants should allow plenty of time to log in and ensure that they can hear streaming audio prior to the start of the meeting. Technical support can also be accessed at: support-ca@lumiglobal.com.

Registered Class B Share Owner Voting Instructions

You are a Registered Class B Share Owner if your name appears on your share certificate. If your name is on your share certificate, you have the right to vote by ballot at the meeting or by proxy in the manner set forth below.






Registered Class B Share Owners can vote by completing a ballot at the meeting or by appointing a proxyholder to vote on their behalf at the meeting.

To vote at the meeting:

- Log in online at <https://web.lumiagm.com/403629376>. We recommend that you log in at least 30 minutes before the meeting starts.
- Select "Voting Share Owner" and then enter your Control Number (located on your form of proxy) and Password "CU2023" (case sensitive).
- Follow the instructions during the meeting to vote your Class B Shares.

If you plan to attend and vote your Class B Shares by ballot at the meeting, you do not need to vote by proxy.

If you are unable to attend and vote at the meeting, you can vote by proxy. Voting by proxy means you are giving someone else the authority to attend the meeting and vote on your behalf. Registered Class B Share Owners can vote by proxy in the following ways:

	<p>By email proxyvote@tmx.com</p> <p>Sign, scan and email your completed proxy form to TSX Trust Company. You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>
	<p>By smartphone</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>Online www.meeting-vote.com</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>By mail</p> <p>Return your completed proxy form in the postage paid envelope provided or mail it to TSX Trust Company, Proxy Department at 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>
	<p>By fax</p> <p>Fax your completed proxy form to TSX Trust Company at 416-595-9593.</p> <p>You may appoint anyone as a proxyholder using this voting method. Please ensure your proxy form is signed and dated.</p>

If you return a properly completed proxy form and do not appoint anyone to be your proxyholder, Ms. Nancy Southern, Chair & Chief Executive Officer, or Mr. Kyle M. Brunner, Senior Vice President, General Counsel & Corporate Secretary of the Company, will act as your proxyholder to vote your Class B Shares at the meeting in accordance with your instructions. **You have the right to appoint a person or company other than the named management designees to act as your proxyholder at the meeting.** To appoint such person or company, you must complete the following steps:

- **Step 1 – Complete the 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 Share Owner. Complete your voting instructions, date and sign the proxy form and return it to our registrar and transfer agent, TSX Trust Company, using one of the methods set forth above by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.**
- **Step 2 – Register the Proxyholder:** If you appoint someone as your proxyholder other than the named management designees, you must register your proxyholder as an additional step by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.** To register a proxyholder, go to TSX Trust Company's website at <https://www.tsxtrust.com/control-number-request> and complete and submit the electronic form or call TSX Trust Company:

Toll-Free Within North America: 1-866-751-6315

Outside of North America: 1-416-682-3860

Provide TSX Trust Company with the required contact information for your proxyholder so that TSX Trust Company may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to vote at the meeting.

- **Step 3 – Ensure Your Proxyholder Attends the Meeting:** At least 30 minutes before the meeting starts, your proxyholder should log in online at <https://web.lumiagm.com/403629376>. Your proxyholder should select "Voting Share Owner" and then enter the Control Number and Password "CU2023" (case sensitive). It is important for you to ensure that any person or company you appoint as your proxyholder will attend the meeting. That person or company should be aware that it has been appointed to vote your Class B Shares at the meeting. If your appointed proxyholder does not attend the meeting, your Class B Shares will not be voted.

Follow the instructions provided on your proxy form to ensure it is properly completed. In order to be counted at the meeting, your voting instructions must be received by TSX Trust Company in the manner set forth above by no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023 (or, if the meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting).

If Class B Shares are registered in more than one name, all persons in whose names the Class B Shares are registered must sign the proxy form.

If you properly complete and return your proxy form, your proxyholder will vote your Class B Shares in accordance with your directions. If you return a properly completed proxy form and do not appoint anyone to be your proxyholder, Ms. Nancy Southern, Chair & Chief Executive Officer, or Mr. Kyle M. Brunner, Senior Vice President, General Counsel & Corporate Secretary, will act as your proxyholder to vote your Class B Shares at the meeting in accordance with your instructions. If you appoint such management designees as your proxyholder and do not indicate how you want to vote on the Arrangement Resolution, they will vote your Class B Shares FOR the Arrangement Resolution.

If your Class B Shares are registered in the name of an entity or any name other than your own, that entity or other name is the Registered Class B 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 TSX Trust Company before submitting your proxy form. Class B Shares that are held in a name other than your own may not be voted by smartphone.

To change or revoke your vote, 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 Class B Share Owner is a corporation, the statement must be signed by a duly authorized officer or attorney of that corporation. Subject to Applicable Laws, this statement should be delivered to either of the following:

- (a) the Company's Senior Vice President, General Counsel & 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:

TSX Trust Company
Attention: Proxy Department
P.O. Box 721
Agincourt, Ontario M1S 0A1

or

Canadian Utilities Limited
Attention: Senior Vice President, General Counsel & Corporate Secretary

4th Floor, West Building
5302 Forand Street S.W.
Calgary, Alberta T3E 8B4

- (b) the chair of the meeting before the start of the meeting or any adjournment of the meeting via the comment box during the webcast.

If you have followed the process for attending and voting at the meeting online, voting at the meeting will revoke a previously submitted proxy form.

Any questions regarding voting your Class B Shares should be directed to our strategic shareholder advisor, Kingsdale, at 1-888-518-1565 (toll-free within North America), or 647-251-9704 (call and text outside of North America), or by email at contactus@kingsdaleadvisors.com.

Non-Registered Class B Share Owner Voting Instructions

You are a Non-Registered Class B Share Owner when your Class B Shares are held in the name of an intermediary (usually a bank, broker, or trust company). If your Class B Shares are held in the name of an intermediary, you have the right to vote by ballot at the meeting or by proxy in the manner set forth below.

Non-Registered Class B Share Owners may only attend, participate in and vote at the virtual meeting if they complete the following steps:

- **Step 1 – Complete the VIF:** If you are a Non-Registered Class B Share Owner and wish to vote at the meeting, you must appoint yourself as proxyholder by inserting your name in the space provided on the VIF sent by your intermediary and follow the applicable instructions by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.**
- **Step 2 – Register as a Proxyholder:** You must register yourself as a proxyholder as an additional step by **no later than 1:00 p.m. (Mountain Standard Time) on December 12, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the commencement of the reconvened meeting.** To register as a proxyholder, go to TSX Trust Company's website at <https://www.tsxtrust.com/control-number-request> and complete and submit the electronic form or call TSX Trust Company:

Toll-Free Within North America: 1-866-751-6315

Outside of North America: 1-416-682-3860

Provide TSX Trust Company with your contact information so that TSX Trust Company may provide you with a Control Number via email. Without a Control Number, you will not be able to vote at the meeting.

- **Step 3 – Attend the Meeting:** At least 30 minutes before the meeting starts, log in online at <https://web.lumiagm.com/403629376>. Select "Voting Share Owner" and then enter your Control Number and Password "CU2023" (case sensitive).

If you are a Non-Registered Class B Share Owner and you do not complete the above steps to appoint yourself as proxyholder, you may still join, listen to, and ask questions at the meeting (but will not be able to vote) by logging in online at <https://web.lumiagm.com/403629376> at least 30 minutes before the meeting starts, selecting "Non-Voting Share Owner/Guest" and then completing the online form.

If you are unable to attend and vote at the meeting in the manner set forth above, follow the voting instructions on your VIF. You are able to vote online, by telephone or mail (a prepaid envelope is provided for you). If you decide to mail your VIF, please ensure that it is signed and dated in order to validate it. If you properly complete and return your VIF, your proxyholder will vote your Class B Shares in accordance with your directions.

To change your voting instructions, you should contact your intermediary for instructions.

Non-Registered Class B Share Owners who do not object to their name being made known to the Company may be contacted by our proxy solicitors to assist in conveniently voting their Class B Shares directly by telephone. The Company may also utilize the Broadridge QuickVote service to assist such Non-Registered Class B Share Owners with voting their Class B Shares.

10.5 DELIVERY OF MEETING MATERIALS

Materials for the meeting will be mailed on November 22, 2023. The meeting materials for Class B Share Owners include this Circular and the accompanying notice of meeting, Letter of Transmittal and proxy form (in the case of Registered Class B Share Owners) or VIF (in the case of Non-Registered Class B Share Owner). Class A Share Owners will not receive a Letter of Transmittal or a proxy form or VIF.

Canadian Utilities is not using the "notice-and-access" delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver applicable meeting materials to Class A Share Owners or Class B Share Owners, and paper copies of applicable meeting materials will be sent to Class A Share Owners and Class B Share Owners, other than Class A Share Owners and Class B Share Owners who have previously consented to the electronic delivery of proxy-related materials, who will receive the meeting materials by way of electronic transmission. Broadridge will be delivering, on the Company's behalf, the applicable meeting materials directly to non-objecting beneficial Class A Share Owners and non-objecting beneficial Class B Share Owners. The Company intends to pay for intermediaries to deliver the applicable meeting materials to objecting beneficial Class A Share Owners and objecting beneficial Class B Share Owners.

The Circular is also available on the Company's SEDAR+ profile at www.sedarplus.ca.

11. OTHER INFORMATION

11.1 LEGAL MATTERS

Certain legal matters, other than tax-related matters, relating to Canadian law in connection with the Arrangement will be passed upon for the Company by Blake, Cassels & Graydon LLP, Calgary, Alberta. Certain Canadian tax-related legal matters relating to the Arrangement will be passed upon for the Company by Felesky Flynn LLP, Calgary, Alberta. Certain legal matters relating to United States law in connection with the Arrangement will be passed upon for the Company by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York.

As of the date of this Circular, the partners and associates of Blake, Cassels & Graydon LLP and the partners and associates of Felesky Flynn LLP, in each case, as a group, beneficially own, directly or indirectly, less than 1% of any class of the Company's outstanding securities.

11.2 AUDITORS

The auditors of the Company are PricewaterhouseCoopers LLP at its principal office in Calgary, Alberta.

PricewaterhouseCoopers LLP has advised the Company that they are independent with respect to the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

11.3 INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, the Company is not aware of any material interests, direct or indirect, of any "informed person" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company or any associate or affiliate of any informed person of the Company, in any transaction or proposed transaction since January 1, 2022 which has materially affected or would materially affect the Company.

11.4 MANAGEMENT CONTRACTS

No management functions are performed by a person or corporation other than the directors, executive officers or other employees of the Company.

11.5 AGENT FOR SERVICE OF PROCESS

Matthias F. Bichsel, Hector A. Rangel, Laura A. Reed, Roger J. Urwin and Robert J. Routs are directors of the Company who reside outside of Canada and have appointed Canadian Utilities Limited, 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta T3E 8B4 as agent for service of process. You are advised that it may not be possible to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

11.6 EXPERTS

BMO Capital Markets was retained by the Special Committee to provide the BMO Fairness Opinion. As at the date hereof, BMO Capital Markets and the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of BMO Capital Markets, as a group, beneficially own, directly or indirectly, less than 1% of any class of the Company's outstanding securities.

11.7 OTHER INFORMATION AND MATTERS

There is no information or matter not disclosed in this Circular but known to Canadian Utilities that would be reasonably expected to affect the decision of Class B Share Owners to vote for or against the Arrangement Resolution.

11.8 ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's SEDAR+ profile at www.sedarplus.ca. Information about the Company's business is provided in the CU 2022 AIF. Financial information is provided in the CU 2022 Annual Financial Statements, the CU 2022 Annual MD&A, the CU 2023 Q3 Interim Financial Statements and the CU 2023 Q3 Interim MD&A. Copies of these documents, the Company's most recent interim financial report and additional copies of this Circular may be obtained without charge upon request from Senior Vice President, General Counsel & Corporate Secretary at 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4. Corporate information, including our privacy commitment, is also available on the Company's website: www.canadianutilities.com.

DIRECTORS' APPROVAL

The Board of Directors of Canadian Utilities Limited, subject to abstentions, has approved the contents of this Circular and has authorized the delivery thereof to Share Owners.

[Signed by K.M. Brunner]

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

Calgary, Alberta
November 15, 2023

CONSENT OF BMO CAPITAL MARKETS

DATED: November 15, 2023

Dear Sirs/Madams:

Re: BMO Capital Markets Consent

We refer to the notice of meeting and management information circular of Canadian Utilities Limited ("**Canadian Utilities**") dated November 15, 2023 (the "**Circular**") relating to the special meeting of holders of Class B common shares of Canadian Utilities. We further refer to the fairness opinion dated October 26, 2023, which we prepared for the special committee of the board of directors of Canadian Utilities (the "**Special Committee**") in connection with the arrangement involving Canadian Utilities and certain holders of Class B common shares of Canadian Utilities (the "**Fairness Opinion**").

We hereby consent to the references in the Circular to our firm name and to our Fairness Opinion and the inclusion of our Fairness Opinion as Appendix "C" to the Circular and to the filing thereof with the applicable Canadian securities regulatory authorities.

Our Fairness Opinion was given as of October 26, 2023 and remains subject to the various factors, assumptions, qualifications and limitations set forth therein. In providing our consent, we do not intend that any person other than the Special Committee shall be entitled to rely upon our Fairness Opinion.

Yours very truly,

(signed) "*BMO Nesbitt Burns Inc.*"

BMO NESBITT BURNS INC.

CONSENT OF FELESKY FLYNN LLP

DATED: November 15, 2023

Dear Sirs/Madams:

Re: Felesky Flynn LLP Consent

We refer to the notice of meeting and management information circular of Canadian Utilities Limited ("**Canadian Utilities**") dated November 15, 2023 (the "**Circular**") relating to the special meeting of holders of Class B common shares of Canadian Utilities. We hereby consent to the references in the Circular to our firm name and opinions under the section entitled "Certain Canadian Federal Income Tax Considerations" and our firm name under the section entitled "Other Information – Legal Matters". We have read the Circular and have no reason to believe that there are any misrepresentations in the information contained in it that are derived from our opinions or are within our knowledge as a result of the services performed by us in connection with our opinions.

Yours very truly,

(signed) "*Felesky Flynn LLP*"

FELESKY FLYNN LLP

APPENDIX "A"

ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The arrangement (as may be amended, modified and/or supplemented, the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Canadian Utilities Limited (the "**Company**") and certain holders of Class B common shares of the Company (the "**Class B Share Owners**"), as more particularly described and set forth in the management information circular of the Company dated November 15, 2023 (the "**Circular**"), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement (as may be amended, modified and/or supplemented in accordance with its terms, the "**Plan of Arrangement**") involving the Company and certain Class B Share Owners, the full text of which is set out in Appendix "B" of the Circular, is hereby authorized, approved and adopted.
3. The actions of the directors of the Company in approving the Arrangement and the Plan of Arrangement are hereby ratified and approved.
4. The Company is hereby authorized to apply for a final order from the Court of King's Bench of Alberta (the "**Court**") approving the Arrangement in accordance with and subject to the terms set forth in the Plan of Arrangement.
5. Notwithstanding that this special resolution has been approved (and the Arrangement adopted) by the Class B Share Owners or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered, at their discretion and without further notice to or approval of the Class B Share Owners: (a) to amend, modify and/or supplement the Plan of Arrangement to the extent permitted by the terms thereof; and (b) not to proceed with the Arrangement and any related transactions at any time prior to the issuance of the Certificate of Arrangement (as defined in the Plan of Arrangement).
6. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute, under the corporate seal of the Company or otherwise, and deliver for filing with the Director (as defined in the Plan of Arrangement) under the CBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and to deliver (or cause to be executed and delivered) all such other documents, agreements and instruments and to perform (or cause to be performed) all such other acts and things as such officer or director determines may be necessary or desirable to give full effect to this special resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments or the doing of any such act or thing.

APPENDIX "B"

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) **"Applicable Laws"** in the context that refers to one or more Persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority having jurisdiction over such Person or Persons or its or their business, undertaking, property or securities;
- (b) **"Applicable U.S. Securities Laws"** in the context that refers to one or more Persons, means, collectively, and as the context may require, the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time prior to the Effective Date, that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (c) **"Arrangement"**, **"herein"**, **"hereof"**, **"hereunder"** and similar expressions mean and refer to the arrangement pursuant to section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Article 7 or made at the direction of the Court in the Final Order provided that such amendments or variations are acceptable to the Corporation;
- (d) **"Arrangement Resolution"** means the special resolution approving this Plan of Arrangement to be considered by the Class B Shareholders at the Meeting;
- (e) **"Articles of Arrangement"** means the articles of arrangement of the Corporation in respect of the Arrangement, required by subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and substance satisfactory to the Corporation;
- (f) **"Business Day"** means a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;
- (g) **"CBCA"** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;
- (h) **"Certificate of Arrangement"** means the Certificate of Arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;

- (i) "**Class A Shares**" means the Class A non-voting shares in the capital of the Corporation;
- (j) "**Class B Shareholders**" means the holders of issued and outstanding Class B Shares;
- (k) "**Class B Shares**" means the Class B common shares in the capital of the Corporation;
- (l) "**Consideration**" means 1.1 Class A Shares per Class B Share;
- (m) "**Corporation**" means Canadian Utilities Limited, a corporation existing under the laws of Canada;
- (n) "**Court**" means the Court of King's Bench of Alberta;
- (o) "**Depository**" means such Person as may be appointed by the Corporation for the purpose of receiving deposits of certificates formerly representing Class B Shares in connection with the Arrangement;
- (p) "**Director**" means the Director appointed under section 260 of the CBCA;
- (q) "**Dissent Rights**" means the right of a registered Class B Shareholder (other than the Excluded Class B Shareholders) to dissent with respect to the Arrangement Resolution and to be paid by the Corporation the fair value of the Class B Shares held thereby, granted pursuant to the Interim Order, all in accordance with section 190 of the CBCA (as modified by the Interim Order), the Interim Order and Article 4;
- (r) "**Dissenting Shareholder**" means a registered holder of Class B Shares (other than the Excluded Class B Shareholders) who has duly and validly exercised its Dissent Rights in strict compliance with section 190 of the CBCA, the Interim Order and Article 4, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (s) "**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;
- (t) "**Effective Time**" means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;
- (u) "**Excluded Class B Shareholders**" means, collectively, ATCO Ltd., Sentgraf Enterprises Ltd. and Margaret E Southern Spousal Trust;
- (a) "**Final Order**" means a final order of the Court in a form acceptable to the Corporation in respect of the Arrangement, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, and after being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended by the Court at any time prior to the Effective Date, provided that such amendment is acceptable to the Corporation or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal, provided that such amendment is acceptable to the Corporation;
- (b) "**Governmental Authority**" means:
 - (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;

- (ii) any subdivision, agency, agent or authority of any of the foregoing; or
 - (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including, for greater certainty, the Securities Authorities, the Toronto Stock Exchange, the Alberta Utilities Commission, the Alberta Electric System Operator and any applicable regional reliability entity, electric system operator, public utilities commission, public service commission or equivalent entity;
- (c) "**Interim Order**" means the interim order of the Court in a form acceptable to the Corporation, after being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(c) of the CBCA in respect of the Arrangement, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to the Corporation) by the Court;
 - (d) "**Letter of Transmittal**" means the letter of transmittal sent to Class B Shareholders (other than the Excluded Class B Shareholders) to surrender the certificates formerly representing their Class B Shares and receive, on completion of the Arrangement, in exchange for each such Class B Share, the Consideration, subject to adjustment for fractional shares as set forth in Section 5.9 hereof;
 - (e) "**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third-party interests or encumbrances of any kind, whether contingent or absolute, and any agreement, options, rights or privileges (whether by Applicable Law, contract or otherwise) capable of becoming any of the foregoing;
 - (f) "**Meeting**" means the special meeting of Class B Shareholders to consider the Arrangement Resolution and related matters, and any adjournments or postponements thereof;
 - (g) "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
 - (h) "**Plan of Arrangement**" means this plan of arrangement under section 192 of the CBCA, and any amendments or variations made in accordance with Article 7 or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Corporation;
 - (i) "**SEC**" means the United States Securities and Exchange Commission;
 - (j) "**Securities Authorities**" means, collectively, the Alberta Securities Commission, the SEC, and the applicable securities commissions or similar securities regulatory authority of a province, state or territory of Canada or the United States;
 - (k) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.); and
 - (l) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

1.2 The division of this Plan of Arrangement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

- 1.3** Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.
- 1.4** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5** In the event that the date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- 1.6** Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.
- 1.7** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8** The words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

- 2.1** This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on the Corporation, all registered and beneficial Class B Shareholders (including Dissenting Shareholders) and all other Persons, all without any further act or formality required on the part of any Person.
- 2.2** The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

- 3.1** Commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality:
- (a) each Class B Share held by a Dissenting Shareholder shall be deemed to be, without any further act or formality by the applicable Dissenting Shareholder, transferred to the Corporation (free and clear of all Liens) and cancelled, and:
 - (i) the Dissenting Shareholders shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to be paid fair value for their Class B Shares as set out in Article 4; and
 - (ii) the Dissenting Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation.
 - (b) each issued and outstanding Class B Share (other than Class B Shares held by the Excluded Class B Shareholders (which, for greater certainty, shall not be affected by the Arrangement and shall remain outstanding following the completion of the Arrangement) and other than Class B Shares held by Dissenting Shareholders) shall be and shall be deemed to be, without any further act or formality by or on behalf of the applicable Class B Shareholder, transferred to the Corporation

(free and clear of all Liens) and cancelled, in exchange for the Consideration, and upon such exchange:

- (i) the holders of such Class B Shares shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to receive the Consideration for each such Class B Share in accordance with this Plan of Arrangement;
- (ii) such Class B Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation;
- (iii) for each Class B Share transferred to the Corporation, the Corporation shall allot and issue to the holder thereof the Consideration, as fully paid and non-assessable Class A Shares, and the name of such holder shall be added to the registers of Class A Shares maintained by or on behalf of the Corporation; and
- (iv) the amount added to the stated capital of the Class A Shares as a result of the aforementioned issuance shall be an amount equal to the paid-up capital (for purposes of the Tax Act) of the Class B Shares transferred to the Corporation on the exchange.

3.2 Notwithstanding any provision herein to the contrary, the Corporation acknowledges and agrees that this Plan of Arrangement will be carried out with the intention that all Class A Shares issued on completion of this Plan of Arrangement will be issued by the Corporation in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof, and pursuant to exemptions from registration under any other Applicable U.S. Securities Laws.

ARTICLE 4 DISSENTING SHAREHOLDERS

4.1 Each registered Class B Shareholder may exercise Dissent Rights with respect to the Class B Shares held thereby pursuant to and in the manner set forth in section 190 of the CBCA, as modified by the Interim Order and this Article 4. Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Class B Shares held thereby to the Corporation (free and clear of all Liens) for cancellation as provided in Section 3.1(a) and if they:

- (a) are ultimately entitled to be paid fair value for their Class B Shares shall: (i) be deemed not to have participated in the transactions in Section 3.1, other than the transaction in Subsection 3.1(a); (ii) be entitled to be paid an amount equal to such fair value by the Corporation; and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Class B Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Class B Shares.

4.2 The fair value of the Class B Shares for the purposes of Subsection 4.1(a) shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Class B Shareholders.

4.3 In no event shall the Corporation be required to recognize any Dissenting Shareholder as a Class B Shareholder after the Effective Time.

4.4 For greater certainty, in addition to any other restrictions in section 190 of the CBCA, the following Persons shall not be entitled to exercise Dissent Rights: (i) any Person who has voted (including by way of instructing a proxy holder to vote) their Class B Shares in favour of the Arrangement Resolution; and (ii) the Excluded

Class B Shareholders. In addition, a Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Class B Shares.

- 4.5** Notwithstanding subsection 190(5) of the CBCA, the written notice setting forth such registered Class B Shareholder's objection to the Arrangement Resolution must be received by the Corporation in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the third Business Day immediately prior to the date of the Meeting.

ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SHARES

5.1 Deposit of Consideration

Prior to the Effective Time, the Corporation shall issue and deliver to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent for the Class A Shares, to issue certificates representing, in aggregate, the number of Class A Shares to which the applicable Class B Shareholders are entitled in accordance with the terms of the Arrangement.

5.2 Delivery of Consideration by Depositary

Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Class B Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Class B Shareholder in whose name such surrendered certificate(s) were registered shall be entitled to receive, in exchange therefor, and the Depositary shall deliver, promptly following the Effective Time, to such holder, certificates representing the Class A Shares which such holder has the right to receive under this Plan of Arrangement for such Class B Shares, less any amounts withheld pursuant to Article 6, and any certificates so surrendered shall forthwith be cancelled. Such certificates shall, if elected by the Class B Shareholder in the Letter of Transmittal, be held for pick-up at the offices of the Depositary and, in the absence of such election, shall be forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the Letter of Transmittal or, if no address has been specified therein, at the address specified for that particular Class B Shareholder in the register of Class B Shareholders. Certificates mailed pursuant to the foregoing will be deemed to have been delivered at the time of delivery thereof to the post office.

5.3 Rights of Holders

Until deposited with the Depositary in accordance with Section 5.2, each certificate that immediately prior to the Effective Time represented Class B Shares shall be deemed after the Effective Time to represent only the right to receive, upon such deposit, the aggregate Class A Shares to which such former holder of Class B Shares is entitled under the Arrangement, or as to those certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Subsection 4.1(b), the right to receive the fair value of the Class B Shares represented by such certificates as set out in Article 4.

5.4 Registration of Class A Shares

The Depositary shall register Class A Shares in the name of each Class B Shareholder entitled thereto or as otherwise instructed in the Letter of Transmittal deposited by such Class B Shareholder as of the Effective Date and shall deliver certificates representing such Class A Shares in accordance with Section 5.2.

5.5 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented an interest in outstanding Class B Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the Consideration to which the holder is entitled pursuant to the Arrangement, as determined in accordance with the Arrangement. The Person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond to the Corporation and its transfer agent in form and substance satisfactory to the Corporation and its transfer agent, or otherwise indemnify the Corporation and its transfer agent, to the reasonable satisfaction of such Persons, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.6 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Class A Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Class B Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.2 or Section 5.5, as applicable. Subject to Applicable Law, and to the extent applicable, at the time of such compliance, there shall, in addition to the delivery of a certificate representing any Class A Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Class A Shares.

5.7 Book-Based Registrations

For the purposes of this Article 5, any reference to a "certificate" shall include evidence of registered ownership of Class B Shares or Class A Shares, as applicable, in an electronic book-based system maintained by the registrar and transfer agent of the Class B Shares or Class A Shares, as applicable, and the provisions of this Article 5 shall be read and construed (and where applicable, modified) to give effect to such interpretation.

5.8 Termination of Rights

Subject to Applicable Laws relating to unclaimed property, any certificate formerly representing Class B Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of, or a claim by, any former Class B Shareholder of any kind or nature against the Corporation. On such date, the Class A Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered and forfeited to the Corporation, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such Class A Shares shall thereupon terminate and be cancelled and the name of the former registered holder shall be removed from the register of holders of such Class A Shares.

5.9 Fractional Shares

No certificates representing fractional Class A Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 5.2 and no dividend, stock split or other change in the capital structure of the Corporation shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of the Corporation. The Corporation shall deposit with the Depositary the fractional Class A Shares issuable pursuant to the Arrangement for the benefit of the holders of such fractional Class A Shares. Each Person otherwise entitled to a fractional interest in a Class A Share will be entitled to receive a cash payment equal to such Person's pro rata allocation of the net proceeds, after brokerage commissions and expenses, received by the Depositary upon the sale, on behalf of all such Persons, of whole Class A Shares representing an accumulation of all such fractional interests in

Class A Shares, without any interest thereon. The Depositary will facilitate the sale of such Class A Shares on the Toronto Stock Exchange as soon as reasonably practicable following the Effective Date. The aggregate net proceeds, after brokerage commissions and expenses, of such sale will be distributed by the Depositary, pro rata in relation to their respective fractions, among Persons otherwise entitled to receive fractional interests in Class A Shares pursuant to the Arrangement, without any interest thereon. In effecting the sale of any such Class A Shares, the Depositary will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the Depositary will be liable for any loss arising out of any such sale of Class A Shares.

ARTICLE 6 WITHHOLDINGS

- 6.1** The Corporation and the Depositary shall be entitled to deduct and withhold from any consideration or amount otherwise payable to any former Class B Shareholder under this Plan of Arrangement, including from any amount payable to any Dissenting Shareholder or any dividend or other distribution payable pursuant to Section 5.6, as the case may be, such amounts as the Corporation or the Depositary is required to deduct and withhold from such consideration or amount in accordance with the Tax Act, the United States *Internal Revenue Code of 1986*, as amended, or any other provision of any Applicable Laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the former Class B Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. The Corporation and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the Class A Shares otherwise issuable to the holder as is necessary to provide sufficient funds to the Corporation or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and the Corporation or the Depositary shall notify the holder thereof and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority and shall remit to such holder any unapplied balance of the proceeds of such sale (after deducting applicable sale commissions and any other reasonable expenses relating thereto). To the extent that Class A Shares are so sold or disposed of, such withheld amounts, or such shares so sold or disposed of, shall be treated for all purposes as having been issued to the holder in respect of which such sale or disposition was made, provided that such net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. The Corporation and the Depositary shall not be obligated to seek or obtain a minimum price for any Class A Shares sold or disposed of by it hereunder, nor shall the Corporation or the Depositary be liable for any loss arising out of any such sale or disposition.

ARTICLE 7 AMENDMENTS

- 7.1** The Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to the Class B Shareholders if and as required by the Court.
- 7.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 7.3** To the extent required by the Court, any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Class B Shareholders, voting in the manner directed by the Court.
- 7.4** Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date without filing such amendment, modification or supplement with the Court or seeking Court

approval provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

- 7.5** To the extent any provision of this Plan of Arrangement is deemed to be inconsistent with Applicable Laws, this Plan of Arrangement shall automatically be adjusted to remove such inconsistency.

APPENDIX "C"

FAIRNESS OPINION

(Attached)

October 26, 2023

The Special Committee of the Board of Directors
Canadian Utilities Limited
5302 Forand Street S.W.
Calgary AB T3E 8B4

To the Special Committee of the Board of Directors:

BMO Nesbitt Burns Inc. (“BMO Capital Markets” or “we” or “us”) understands that Canadian Utilities Limited (the “Company”) intends to propose an arrangement (the “Arrangement”) pursuant to section 192 of the *Canada Business Corporations Act* whereby, subject to applicable approvals, each class B common share of the Company (the “Class B Shares”) other than the Class B Shares owned by ATCO Ltd. (“ATCO”) and certain related parties of ATCO (collectively, “Excluded Holders”) will be exchanged for 1.1 newly issued class A non-voting shares of the Company (the “Class A Shares”) (the “Consideration”). The terms and conditions of the Arrangement will be summarized in the Company’s management information circular (the “Circular”) to be mailed to holders of Class B Shares (the “Class B Shareholders”) in connection with a special meeting of the Class B Shareholders and holders of Class A Shares to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advice to the special committee (the “Special Committee”) of the board of directors of the Company, including our opinion (the “Opinion”) as to the fairness from a financial point of view of the Consideration to be received by the Class B Shareholders (other than the Excluded Holders) (the “Affected Class B Shareholders”) pursuant to the Arrangement.

This opinion letter has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization (“CIRO”) but CIRO has not been involved in the preparation and review of this opinion letter.

Engagement of BMO Capital Markets

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in September 2023. BMO Capital Markets was formally engaged by the Special Committee pursuant to an agreement dated October 10, 2023 (the “Engagement Agreement”). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Special Committee with various advisory services in connection with the Arrangement including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. The Special Committee has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Excluded Holders, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has been engaged to provide the following financial advisory services and has participated in the following financings involving the Interested Parties within the past two years: (i) acting as financial advisor to the Special Committee pursuant to the Engagement Agreement; (ii) acting as co-lead underwriter to the Company in connection with the issuance of \$175 million of cumulative redeemable second preferred shares in November 2021; (iii) acting as co-lead underwriter to the Company in connection with the issuance of \$250 million of senior unsecured notes in May 2022; (iv) acting as co-lead arranger and lender to the Company in connection with a \$355 million term loan maturing in July 2024; (v) acting as administrative agent, co-lead arranger, co-lead underwriter and lender to the Company in connection with a \$300 million revolving credit facility maturing in November 2024; (vi) acting as co-lead arranger, co-lead underwriter and lender to the Company in connection with a \$600 million revolving credit facility maturing in November 2026; (vii) acting as lender to the Company in connection with a \$200 million demand letter of credit facility; (viii) acting co-lead underwriter to CU Inc., a subsidiary of the Company, in connection with the issuance of \$340 million of senior unsecured notes in September 2023; (ix) acting as co-lead underwriter to CU Inc. in connection with the issuance of \$210 million of senior unsecured notes in September 2022; (x) acting as administrative agent, co-lead arranger, co-lead underwriter and lender to CU Inc. in connection with a \$300 million revolving credit facility maturing in November 2024; (xi) acting as administrative agent, co-lead arranger, co-lead underwriter and lender to CU Inc. in connection with a \$600 million revolving credit facility maturing in November 2025; (xii) acting as lender to CU Inc. in connection with a \$132 million demand letter of credit facility; (xiii) acting as co-lead arranger, co-lead underwriter and lender to ATCO in connection with a \$200 million revolving credit facility maturing in November 2026; and (xiv) providing certain cash management and treasury services to the Company, ATCO and certain of their respective affiliates and subsidiaries.

There are no understandings, agreements, or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal (“BMO”), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Overview of the Canadian Utilities Limited

The Company and its subsidiary and affiliate companies have approximately 8,000 employees and assets of \$23 billion. The Company is a diversified global energy infrastructure corporation delivering essential services and innovative business solutions in Utilities (electricity and natural gas transmission and distribution, and international operations); Energy Infrastructure (energy storage, energy generation, industrial water solutions, and clean fuels); and Retail Energy (electricity and natural gas retail sales, and whole-home solutions). The Company has operations in Canada, Mexico, Australia and Chile.

Common Share Capital of the Company

The common share capital of the Company consists of approximately 202.1 million Class A Shares and approximately 68.4 million Class B Shares. Approximately 1.8 million Class B Shares are held by the Affected Class B Shareholders.

The Class A Shares and Class B Shares rank equally from an economic perspective, including the right to share equally in all dividends declared on either such class of shares and the right to receive the remaining property upon a dissolution or winding-up of the Company. Class B Shareholders are entitled to vote and to exchange each Class B Share held for one Class A Share at any time. Class A Shares do not carry any voting rights. The Class A Shares have certain provisions that permit holders of Class A Shares to convert their Class A Shares into Class B Shares in the event of a takeover bid for more than 50% of the Class B Shares outstanding or if ATCO (the Company’s controlling shareholder) reduces its ownership of Class B Shares below 10 million Class B Shares.

Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Plan of Arrangement dated October 25, 2023;
2. Sections A(1) and A(2) of the articles of incorporation of the Company (as amended and restated in December 2004);
3. certain publicly available information relating to the trading history of the Class A Shares and Class B Shares;
4. discussions with management of the Company relating to rationale for the Arrangement and the potential impact to the Company;
5. discussions with legal counsel to the Special Committee and legal counsel to the Company;
6. public information with respect to precedent transactions we considered relevant;
7. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and
8. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

Assumptions and Limitations

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries or affiliates (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) or any of its or their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act*

(Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed in writing to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the Plan of Arrangement will not differ in any material respect from the draft that we reviewed, and that the Arrangement will be consummated in accordance therewith.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Special Committee for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Class B Shareholder should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal and tax advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to the Company.

The preparation of the Opinion is a complex process and is not necessarily amenable to being partially analyzed or summarized. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. BMO Capital Markets believes that our analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could create an incomplete or misleading view of the process underlying the Opinion. This opinion letter should be read in its entirety.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which

may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

Approach to Fairness and Analysis

BMO Capital Markets performed various analyses in connection with rendering the Opinion. In arriving at our conclusion we did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgements on the basis of our experience in rendering such opinions and the information presented as a whole.

In considering the fairness from a financial point of view of the Consideration to be received by the Affected Class B Shareholders pursuant to the Arrangement, we considered the following factors, among others, in our analyses:

- the Class B Shares rank equally from an economic perspective to the Class A Shares, including the right to share equally in all dividends declared on either such class of shares and the right to receive of the remaining property upon a dissolution or winding-up of the Company;
- each Class B Share is exchangeable at the option of the Class B Shareholder into one Class A Share;
- the Class A Shares currently have (and those Class A Shares to be received by the Affected Class B Shareholders will contain) certain provisions that permit holders of Class A Shares to convert their Class A Shares into Class B Shares in the event of a takeover bid for more than 50% of the Class B Shares outstanding or if ATCO (the Company's controlling shareholder) reduces its ownership of Class B Shares below 10 million Class B Shares;
- the Affected Class B Shareholders currently carry voting rights that, in aggregate, represent less than 3% of the outstanding voting rights of the Company and the Class A Shares that would be received as Consideration carry no voting rights;
- ATCO and the other Excluded Holders control Class B Shares that collectively carry over 97% of the outstanding voting rights of the Company and ATCO will continue to exercise control over the Company after giving effect to the Arrangement;
- the Class B Shares have historically traded at similar share prices to the Class A Shares (though the trading liquidity of the Class B Shares is very limited relative to the trading liquidity of the Class A Shares); and
- pursuant to the Arrangement the Affected Class B Shareholders will receive a number of Class A Shares that represents a 10% premium to their current economic interest in the Company as Class B Shareholders.

Conclusion

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Affected Class B Shareholders pursuant to the Arrangement is fair from a financial point of view to the Affected Class B Shareholders.

Yours truly,

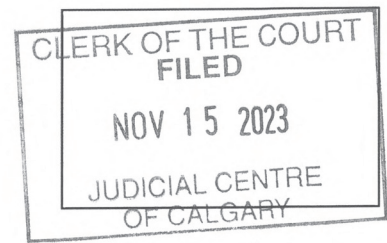
BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

APPENDIX "D"

INTERIM ORDER

(Attached)



COURT FILE NUMBER 2301-14913
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF SECTION 192 OF THE CANADA
BUSINESS CORPORATIONS ACT, RSC 1985, C C-44, AS
AMENDED**

**AND IN THE MATTER OF A PROPOSED
ARRANGEMENT INVOLVING CANADIAN UTILITIES
LIMITED**

APPLICANT **CANADIAN UTILITIES LIMITED**

RESPONDENT **NOT APPLICABLE**

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2 Street S.W.
Calgary, Alberta T2P 4J8

Attention: David Tupper
Matthew Summers

Telephone: 403-260-9722
403-260-9677

Facsimile: 403-260-9700

Email: david.tupper@blakes.com
matthew.summers@blakes.com

File: 87872/4

DATE ON WHICH ORDER WAS PRONOUNCED: November 15, 2023

NAME OF JUDGE WHO MADE THIS ORDER: Justice M. Burns

LOCATION OF HEARING: Edmonton Law Courts (via Webex)

UPON the Originating Application of Canadian Utilities Limited ("**Canadian Utilities**"); **AND UPON** reading the Originating Application, the Affidavit of Colin Jackson sworn on November 8, 2023 (the "**Affidavit**"), and the documents referred to in the Affidavit; **AND UPON** being advised that notice of the Originating Application has been given to the Director (the "**CBCA Director**") appointed under section 260 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**"), and that the CBCA Director does not consider it necessary to appear; **AND UPON** being advised that Canadian Utilities intends to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. *Securities Act of 1933*, as amended, with respect to the Class A non-voting shares ("**Class A Shares**") to be issued pursuant to the proposed plan of arrangement following the Court's final approval of the arrangement; **AND UPON HEARING** from counsel for Canadian Utilities;

FOR THE PURPOSES OF THIS ORDER:

- (a) The capitalized terms used in this Order (the "**Interim Order**") but not otherwise defined shall have the same meaning as in Canadian Utilities' Management Information Circular (the "**Information Circular**"), which is attached as Exhibit "1" to the Affidavit; and
- (b) All references to "**Arrangement**" used in this Interim Order shall mean the arrangement pursuant to section 192 of the CBCA, which is set forth in the Plan of Arrangement attached as Appendix "B" to the Information Circular.

IT IS HEREBY ORDERED THAT:

General

1. As prescribed by this Interim Order, Canadian Utilities shall seek approval of the Arrangement, as described in the Information Circular, in the manner set out below.
2. The time for filing and service of the Originating Application and the Affidavit is abridged and service is deemed to be good and sufficient.

The Meeting

3. Canadian Utilities shall call and conduct a special meeting (the "**Meeting**") of all holders (collectively, "**Class B Share Owners**") of Class B common shares of Canadian Utilities ("**Class B Shares**"). The Meeting shall occur virtually on December 14, 2023 at 1:00 p.m. Mountain Time.

4. At the Meeting, Class B Share Owners will consider and vote upon a special resolution to approve the Arrangement (the "**Arrangement Resolution**"), which is substantially in the form attached as Appendix "A" to the Information Circular. The Class B Share Owners shall also consider such other business as may be properly brought before the Meeting, or any adjournment or postponement of the Meeting, as more particularly described in the Information Circular.
5. Class B Share Owners may vote on the Arrangement Resolution by personally attending the Meeting or voting by proxy in accordance with the Voting Process outlined in the Information Circular.
6. Each Class B Share entitles the holder to one vote on the Arrangement Resolution at the Meeting, as well as any other matter to be considered at the Meeting.
7. The record date for determining if holders of Class A Shares and Class B Shares are entitled to receive notice of, attend, and, if applicable, vote at the Meeting shall be November 8, 2023 (the "**Record Date**"). Only Class B Share Owners of record at the close of business on November 8, 2023 shall be entitled to vote at the Meeting. Holders of Class A non-voting shares ("**Class A Share Owners**") of record at the close of business on November 8, 2023 shall only be entitled to receive notice of, attend and participate in discussions at the Meeting.
8. A quorum for the Meeting shall be two Class B Share Owners entitled to vote at the Meeting, either personally present or represented by their duly appointed proxyholders, who together hold not less than 25% of the outstanding Class B Shares entitled to vote at the Meeting.
9. If a quorum is present at the opening of the Meeting, the Class B Share Owners present or represented by proxy may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Meeting shall be adjourned to a fixed time and place and no other business may be transacted.

10. The Meeting shall be called, held, and conducted in accordance with the applicable provisions of the CBCA, the articles and bylaws of Canadian Utilities in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Interim Order, and any other orders of this Court. If there is any inconsistency between this Interim Order and the CBCA or the articles and bylaws of Canadian Utilities, the terms of this Interim Order shall govern.

Conduct of the Meeting

11. The only persons entitled to attend the Meeting shall be Class A Share Owners and Class B Share Owners or their authorized proxyholders, as well as Canadian Utilities' directors, officers, auditors, legal counsel, and those other persons who are permitted to attend by the Chair of the Meeting.
12. The number of votes required to pass the Arrangement Resolution shall be as follows:
 - (a) at least two-thirds of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the Meeting; and
 - (b) a simple majority of the votes cast on the Arrangement Resolution by Class B Share Owners present or represented by proxy at the Meeting, after excluding the votes cast by ATCO Ltd., Sentgraf Enterprises Ltd., and Margaret E. Southern Spousal Trust (collectively, the "**Excluded Class B Share Owners**"), and any other Class B Share Owners whose votes are required to be excluded in determining whether minority approval for the Arrangement has been obtained pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions.
13. To be valid, a proxy must be completed and deposited with TSX Trust Company in the manner described in the Information Circular by 1:00 p.m. Mountain Time on December 12, 2023 or, if the Meeting is adjourned or postponed, by 48 hours prior to the commencement of the reconvened Meeting, excluding weekends and statutory holidays from the counting of time. Canadian Utilities may, at its sole discretion, waive the proxy-related deadlines outlined in the Information Circular, if the Chair of the Meeting determines that it is advisable to do so.

14. A proxy that is properly completed and received, but which does not contain voting instructions or appoint a proxyholder, shall be deemed to be voted in favour of the Arrangement Resolution.
15. A proxy that has been properly completed and received may only be revoked as follows:
 - (a) By personally attending and voting at the Meeting in accordance with the process outlined in the Information Circular;
 - (b) By completing and depositing a new proxy form in accordance with the requirements outlined in the Information Circular;
 - (c) By delivering a written statement revoking the proxy in accordance with the requirements outlined in the Information Circular to Canadian Utilities' Senior Vice President, General Counsel & 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; or
 - (d) By delivering a written statement revoking the proxy in accordance with the requirements outlined in the Information Circular to the Chair of the Meeting before the start of the Meeting via the comment box during the webcast, or any adjournment of the Meeting.
16. The accidental failure to give notice of the Meeting, or the failure to receive that notice by any Class A Share Owner or Class B Share Owner, shall not invalidate any resolution passed or proceedings taken at the Meeting.
17. Canadian Utilities is authorized to adjourn or postpone the Meeting on one or more occasions, for the period or periods of time that Canadian Utilities deems advisable, without the need to first convene the Meeting or obtain any vote of the Class B Share Owners on the adjournment or postponement. Notice of that adjournment or postponement may be given by any method that Canadian Utilities deems to be appropriate in the circumstances but must include the issuance of a press release.

18. If the Meeting is adjourned or postponed, the references to the Meeting in this Interim Order shall be deemed to be references to the rescheduled Meeting. The Record Date shall not change because of any adjournment or postponement of the Meeting.

Amendments to the Arrangement

19. Canadian Utilities is authorized to make any amendments, revisions, or supplements to the Arrangement that it deems necessary, as long as it is done in the manner contemplated by the Information Circular. The Arrangement, as amended, revised, or supplemented, shall be deemed to be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution, without the need to amend this Interim Order.

Notice

20. The materials for the Meeting, including the Information Circular, the notice of the Meeting, the notice of Originating Application, the Letter of Transmittal, a proxy form (in the case of registered Class B Share Owners) or a voting instruction form ("**VIF**") (in the case of non-registered Class B Share Owners), and any other communications or documents deemed necessary by Canadian Utilities (collectively, the "**Meeting Materials**"), shall be sent to the Class A Share Owners, Class B Share Owners, the directors and auditors of Canadian Utilities, and the CBCA Director as follows:
 - (a) In the case of the Class A Share Owners and the Class B Share Owners, the Meeting Materials shall be mailed or delivered in accordance with the Information Circular to those Class A Share Owners and Class B Share Owners who, as of the Record Date, hold Class A Shares and/or Class B Shares. The Meeting Materials for Class B Share Owners shall include the Information Circular, the notice of the Meeting, the notice of Originating Application, the Letter of Transmittal, a proxy form (in the case of registered Class B Share Owners) or a VIF (in the case of non-registered Class B Share Owners), and any other communications or documents deemed necessary by Canadian Utilities. Class A Share Owners shall not receive the Letter of Transmittal, a proxy form, or a VIF as part of the Meeting Materials;
 - (b) In the case of the directors and auditors of Canadian Utilities, the Meeting Materials shall be sent in a way and on a date prior to the Meeting that Canadian Utilities deems reasonable in the circumstances; and

- (c) In the case of the CBCA Director, the Meeting Materials shall be sent by email at ic.corporationscanada.ic@ised-isde.gc.ca, by courier, or by hand delivery, addressed to the CBCA Director, at least three business days prior to the date of the Meeting.
21. Delivery of the Meeting Materials in the way directed by this Interim Order shall be deemed to be good and sufficient service.

Amendments to the Meeting Materials

22. Canadian Utilities is authorized to, at its sole discretion, make amendments and revisions, or to supplement, the Meeting Materials ("**Additional Information**") prior to the Meeting. Canadian Utilities may disclose that Additional Information, including material changes or facts, by the method and in the time that Canadian Utilities deems to be reasonable and practical in the circumstances. Without limiting the generality of this, if any material change or fact arises between the date of this Interim Order and the date of the Meeting that, if known prior to the mailing of the Information Circular, would have been required to be disclosed in the Information Circular, then:
- (a) Canadian Utilities shall advise the Class A Share Owners and Class B Share Owners of the material change or fact by issuing a press release in accordance with applicable securities laws, policies, and procedures; and
 - (b) If that press release describes the applicable material change or fact in reasonable detail, Canadian Utilities shall not be required to deliver an amendment to the Information Circular to the Class A Share Owners or Class B Share Owners, or otherwise give notice to the Class A Share Owners or Class B Share Owners of the material change or fact other than by disseminating and filing the press release as required by the applicable securities laws, policies, and procedures.

Dissent Rights

23. Class B Share Owners other than the Excluded Class B Share Owners (the "**Affected Class B Share Owners**") are, subject to the provisions of this Interim Order and the Arrangement, given the right to dissent ("**Dissent Rights**") under section 190 of the CBCA with respect to the Arrangement Resolution and the right to be paid the fair value of their Class B Shares.

24. In order for Affected Class B Share Owners to validly exercise their Dissent Rights, they must meet the requirements of and comply with the Dissent Procedures as outlined in the Information Circular.
25. Affected Class B Share Owners who wish to exercise their Dissent Rights must deliver a Dissent Notice that is received by Canadian Utilities Limited c/o Blake, Cassels & Graydon LLP, Bankers Hall East, 855 – 2 Street SW, Calgary, AB T2P 4J8, Suite 3500, Attention: David Tupper, by 5:00 p.m. Mountain Time on December 11, 2023 or, if the Meeting is adjourned or postponed, by 5:00 p.m. Mountain Time on the third business day immediately prior to the date the adjourned or postponed Meeting is reconvened or held. Failure to strictly comply with the provisions of the CBCA, as modified by this Interim Order and the Plan of Arrangement, may result in the loss of the Affected Class B Share Owner's Dissent Rights.
26. Affected Class B Share Owners who validly exercise their Dissent Rights ("**Dissenting Share Owners**") are entitled to a fair value of consideration that shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Class B Share Owners. Dissenting Share Owners shall be paid the fair value of their Class B Shares based on the Dissent Procedures in the Information Circular.
27. Dissenting Share Owners who validly exercise their Dissent Rights in accordance with the Dissent Procedures in the Information Circular and who are determined:
 - (a) to be entitled to be paid the fair value of their Class B Shares, shall be deemed to have transferred such shares to Canadian Utilities as of the Effective Time pursuant to the Plan of Arrangement, without any further act or formality and free and clear of all liens, claims, and encumbrances in exchange for the fair value of the Class B Shares; or
 - (b) not to be entitled to be paid the fair value for their Class B Shares for any reason, including any withdrawal by a Dissenting Share Owner of their dissent, shall be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Share Owner, and their Class B Shares will be deemed to be exchanged for the consideration under the Arrangement.

However, in no event shall Canadian Utilities be required to recognize Dissenting Share Owners as holders of Class B Shares after the Effective Time, and the names of Dissenting Share Owners shall be removed from the register of Class B Shares.

28. Unless this Court directs otherwise, the dissent rights available pursuant to the CBCA as modified by the Arrangement shall be the only dissent rights that Share Owners are entitled to in relation to the vote on the Arrangement Resolution.
29. Notice to the Affected Class B Share Owners of their right to dissent with respect to the Arrangement Resolution, and to receive, subject to the provisions of the CBCA and the Arrangement, the fair value of the consideration to which a Dissenting Share Owner is entitled pursuant to the Arrangement, shall be sufficiently given by including information about the Dissent Rights in the Information Circular, which is to be sent to Class A Share Owners and Class B Share Owners in accordance with the terms of this Interim Order.

Application for a Final Order

30. Subject to any further orders of this Court, and provided that the Class B Share Owners approve the Arrangement and Canadian Utilities' directors do not revoke their approval, Canadian Utilities may proceed with an Application for a Final Order approving the Arrangement (the "**Final Order**"). That Application is to occur on December 15, 2023 at 10:00 a.m. Mountain Time at the Calgary Courts Centre using Webex, or at some other date, time, and location permitted by this Court. Subject to the Final Order and the issuance of the Certificate of Arrangement, Canadian Utilities, all Class B Share Owners (other than the Excluded Class B Share Owners), and all other persons affected by the Arrangement will be bound by the Arrangement in accordance with its terms.
31. Any Class A Share Owner, Class B Share Owner, or other interested party (each an "**Interested Party**") wishing to appear and make submissions at the Application for the Final Order is required to file with this Court a notice of intention to appear ("**Notice of Intention to Appear**"). The Notice of Intention to Appear must include the following:
 - (a) The Interested Party's physical address for service or, alternatively, an email address for service;
 - (b) Whether the Interested Party intends to support or oppose the Application for the Final Order;

- (c) Whether the Interested Party intends to make submissions at the Application for the Final Order;
 - (d) A summary of the position that the Interested Party intends to advocate before the Court; and
 - (e) Any evidence or materials that are to be presented to the Court by the Interested Party.
32. A filed copy of any Notice of Intention to Appear must be served on Canadian Utilities' legal counsel at the address for service listed on this Interim Order by 5:00 p.m. Mountain Time on December 1, 2023.
33. If the Application for the Final Order is adjourned, the only parties that shall receive notice of the rescheduled Application are those parties appearing before this Court as part of the original Application for the Final Order and any Interested Party that has already served a Notice of Intention to Appear in accordance with the requirements of this Interim Order.

General

34. Canadian Utilities is entitled at any time to seek leave to vary this Interim Order on those terms and with such notice as this Court may direct.
35. This Court requests the aid and recognition of any court, tribunal, regulatory, or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Interim Order and to assist this Court in carrying out its terms.


Justice of the Court of King's Bench of Alberta

APPENDIX "E"

DISSENT RIGHTS

- 190. (1) Right to Dissent**—Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
 - (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
 - (c) amalgamate otherwise than under section 184;
 - (d) be continued under section 188;
 - (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
 - (f) carry out a going-private transaction or a squeeze-out transaction.
- (2) Further right**—A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (2.1) If one class of shares**—The right to dissent described in subsection (2) applies even if there is only one class of shares.
- (3) Payment for shares**—In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.
- (4) No partial dissent**—A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) Objection**—A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.
- (6) Notice of resolution**—The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.
- (7) Demand for payment**—A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder dissents; and

- (c) a demand for payment of the fair value of such shares.
- (8) **Share certificate**—A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.
- (9) **Forfeiture**—A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.
- (10) **Endorsing certificate**—A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.
- (11) **Suspension of rights** – On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where:
- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
 - (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
 - (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),
- in which case the shareholder's rights are reinstated as of the date the notice was sent.
- (12) **Offer to pay**—A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice
- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
 - (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.
- (13) **Same terms**—Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.
- (14) **Payment**—Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.
- (15) **Corporation may apply to court**—Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.
- (16) **Shareholder application to court**—If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

- (17) **Venue**—An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.
- (18) **No security for costs**—A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).
- (19) **Parties**—On an application to a court under subsection (15) or (16),
- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
 - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.
- (20) **Powers of court**—On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.
- (21) **Appraisers**—A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.
- (22) **Final order**—The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.
- (23) **Interest**—A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.
- (24) **Notice that subsection (26) applies**—If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
- (25) **Effect where subsection (26) applies**—If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may
- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
 - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (26) **Limitation**—A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

QUESTIONS? NEED HELP VOTING?

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