

DISCLAIMER

Due to uncertainty surrounding the application of recent amendments to the Competition Act (Canada), these documents are provided for historical information purposes only and do not constitute active or current representations of ATCO Ltd. or any of its related parties. The purpose of these documents is to comply with disclosure requirements that were in effect on the date these documents were filed; ATCO undertakes no obligation to update such information except as required by applicable law. ATCO remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.





ATCO LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

March 1, 2023

This Annual Information Form (AIF) is meant to help readers understand the business and operations of ATCO Ltd. (ATCO, our, we, us, or the Company).

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2022.

The Company is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family. The Company includes controlling positions in Canadian Utilities Limited (Canadian Utilities or CU) (52.9 per cent ownership), ATCO Structures & Logistics Ltd. (100 per cent ownership), ATCO Land and Development Ltd. (100 per cent ownership), and ASHCOR Technologies Ltd. (100 per cent ownership). The Company also has a non-controlling equity investment in Neltume Ports S.A. (Neltume Ports) (40 per cent ownership).

Terms used throughout this AIF are defined in the Glossary at the end of this document.

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CORPORATE STRUCTURE

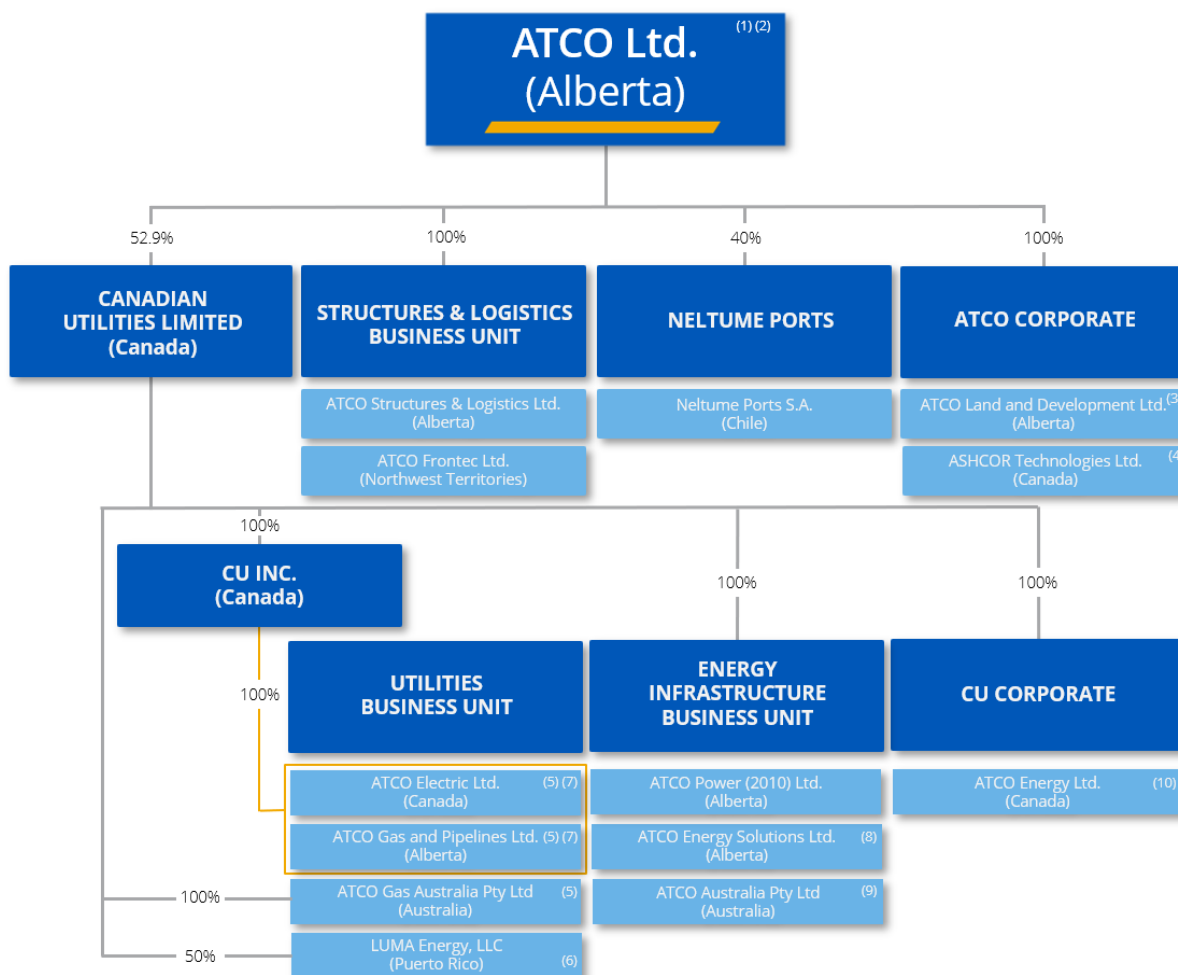
ATCO Ltd. is the successor to the business founded in 1947 by the late S.D. Southern and the late R.D. Southern. It was incorporated under *The Companies Act* (Alberta) by Certificate of Incorporation on August 31, 1962. The Company was continued under the *Business Corporations Act* (Alberta) on March 13, 1984. The address of the head office and registered office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4.

A significant change to the Company's corporate structure occurred in June 1980 when ATCO acquired a 58.1 per cent controlling interest in Canadian Utilities Limited (Canadian Utilities) from IU International Corporation of Philadelphia.

In March 1999, Canadian Utilities was reorganized to separate its Alberta-based regulated businesses from the non-regulated businesses. This reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc., in return for common shares of CU Inc. As a result of the reorganization, the Company's Alberta Utilities, which had been financed by Canadian Utilities, are now mainly financed by CU Inc.

SIMPLIFIED ORGANIZATIONAL STRUCTURE

The following chart includes the names of the Company's principal business units, as well as the principal subsidiaries comprising the business units, and the jurisdictions in which they are governed. The chart also shows the percentages of such subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



(1) At December 31, 2022, ATCO owned 96.7 per cent of the Canadian Utilities Class B common shares, which are the only voting securities outstanding, and 37.9 per cent of the Class A non-voting shares, for an aggregate ownership of 52.9 per cent.

(2) The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2022.

(3) ATCO Land and Development Ltd. is a commercial real estate business that holds investments for sale, lease or development.

(4) ASHCOR Technologies Ltd. (Ashcor) is engaged in the processing and marketing of fly ash predominantly reclaimed from landfills.

(5) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission. ATCO Gas Australia Pty Ltd includes International Natural Gas Distribution.

(6) Canadian Utilities' 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 30,000-km electricity transmission and distribution system, is included in International Electricity Operations.

(7) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.

(8) ATCO Energy Solutions Ltd. includes Storage, Industrial Water and Clean Fuels.

(9) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia, and the Central West Pumped Storage Hydro development project.

(10) ATCO Energy Ltd. (ATCO Energy) includes Rūmi, Blue Flame Kitchen, and Retail Energy, and offers home products, home maintenance services, professional homeowners advice, and retail electricity and natural gas services in Alberta.

ATCO VISION AND VALUES

EXCELLENCE: THE HEART & MIND OF ATCO

*"Going far beyond the call of duty. Doing more than others expect.
This is what excellence is all about. It comes from striving, maintaining the highest standards, looking after the smallest detail and going the extra mile. Excellence means caring. It means making a special effort to do more."*

R.D. Southern, Founder, ATCO

OUR VISION

To create prosperity and opportunity for generations to come.

ATCO STRATEGIES

ATCO is a diversified holding company with a foundation of low volatility assets complimented with higher growth opportunities. Our essential services investments offer customers around the world tailored solutions to meet their individual needs and offer investors a stable and growing earnings profile, with exposure to favourable macroeconomic trends and a long-term investment horizon.

Innovation, growth and financial strength provide the foundation from which we have built our Company. Our long-term success depends on our ability to expand into new markets by continuing to offer our customers premier, comprehensive and integrated solutions to meet their needs.



These strategic imperatives are supported by our unwavering commitment to operational excellence, our customers, our people and the communities we are privileged to serve around the world.

CORE VALUES

It is ATCO's Heart and Mind that drives the Company's approach to service reliability and product quality. Our pursuit of excellence governs the way we act and make decisions. We strive to live by the following values:

Safety

Safety is the first consideration in everything we do. We hold a shared belief that safety must direct all our day-to-day priorities and decisions, and we are accountable for understanding and following the health and safety requirements for any work we undertake.

Integrity

We are honest, ethical and treat others with fairness, dignity and respect. We make good decisions, take personal ownership of tasks, are responsible for our actions and deliver on our commitments.

Agility

We are creative, innovative and take a measured approach to opportunities and risk, balanced with a long term perspective. We stay relevant, reward action and learn from failure.

Caring

We care about our customers, our employees and their families, our communities and the environment. We seek to understand and care enough to challenge each other.

Collaboration

We work together, share ideas, recognize the contribution of others and learn from our failures and successes. We are clear about our intentions and communicate openly especially when problems or issues arise. We value and encourage diversity and different perspectives. We work together to build strong networks.



SUSTAINABILITY

ATCO's sustainability strategy has always been driven by a holistic, long-term perspective, one that prioritizes our sustainability objectives and environmental, social and governance (ESG) performance while reliably delivering essential products and services to our customers, each and every day.

Energy Transition

We are actively transitioning our portfolio of investments to meet the needs of a new energy future while maintaining energy safety, reliability and affordability. We are investing in innovative technology and developing a suite of solutions from which our customers can choose. Our strategic focus is on cleaner fuels, renewable energy, energy infrastructure and storage, and energy efficiency.

Climate Change & Environmental Stewardship

Our Climate Change Strategy not only minimizes our environmental footprint, it accelerates the clean energy transition. Critical to this approach is our focus on decarbonization and exploring new and more efficient ways to generate, transport and conserve energy.

People

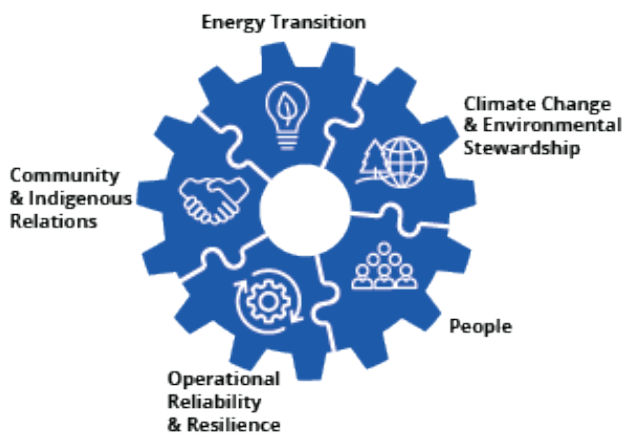
Health and safety are the first considerations in everything we do. And, while we protect the people in our workforce and communities, we know we must also reflect the people in our communities by promoting diversity, equity and inclusion.

Operational Reliability & Resilience

We prepare for the future so that even in times of crisis our system continues to provide the essential services our customers need. We are committed to providing reliable energy, working around the clock to minimize service outages, and ensuring our assets are resilient for decades to come.

Community & Indigenous Relations

Building respectful and mutually beneficial relationships with communities, with Indigenous Peoples and with businesses has long defined how we do business. Together with our Indigenous and community partners, we are continually exploring new ways to collaborate.



STRATEGIC ENVIRONMENTAL, SOCIAL AND GOVERNANCE TARGETS FOR 2030

In January 2022, ATCO announced an initial set of 2030 environmental, social and governance targets, and a commitment to achieve net-zero greenhouse gas (GHG) emissions by 2050. These 2030 targets include reducing our operational GHG intensity and customer emissions, growing our renewable energy footprint and transitional products, increasing economic benefits for Indigenous partners, continuing our focus on safety, and further promoting diversity, equity and inclusion in the workplace. The 2050 net-zero commitment builds upon the Company's significant progress in recent years in decarbonizing its portfolio.

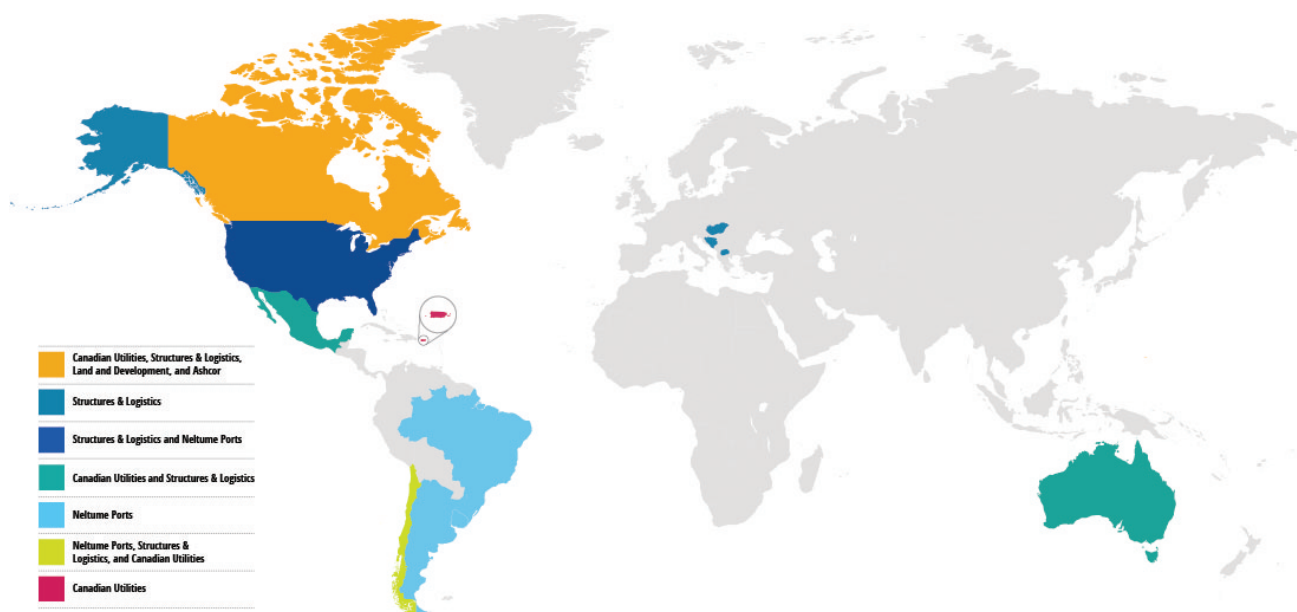
ATCO continues to evaluate further ESG targets and conduct additional analyses with respect to the Company's 2050 net-zero commitment. Additional information and progress towards ATCO's ESG targets will be included in the Company's annual Sustainability Report, which will be available in May 2023.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2022 relative to the strategies outlined above are included in the Company's 2022 Management Discussion & Analysis (MD&A) and the 2022 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2022 Management Proxy Circular, Business Profile, and Sustainability Report. The 2022 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

ATCO's website, www.atco.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION



With approximately 7,600 employees, 11,400 employees in non-controlled interests, and assets of \$24 billion, ATCO is privileged to serve more than four million customers around the world, providing innovative, sustainable solutions in the sectors that are essential to global growth and prosperity. From the delivery of efficient and reliable energy for homes, businesses and communities, to affordable temporary and permanent buildings, and transportation of products and services, we build communities, energize industries and deliver customer-focused infrastructure solutions.

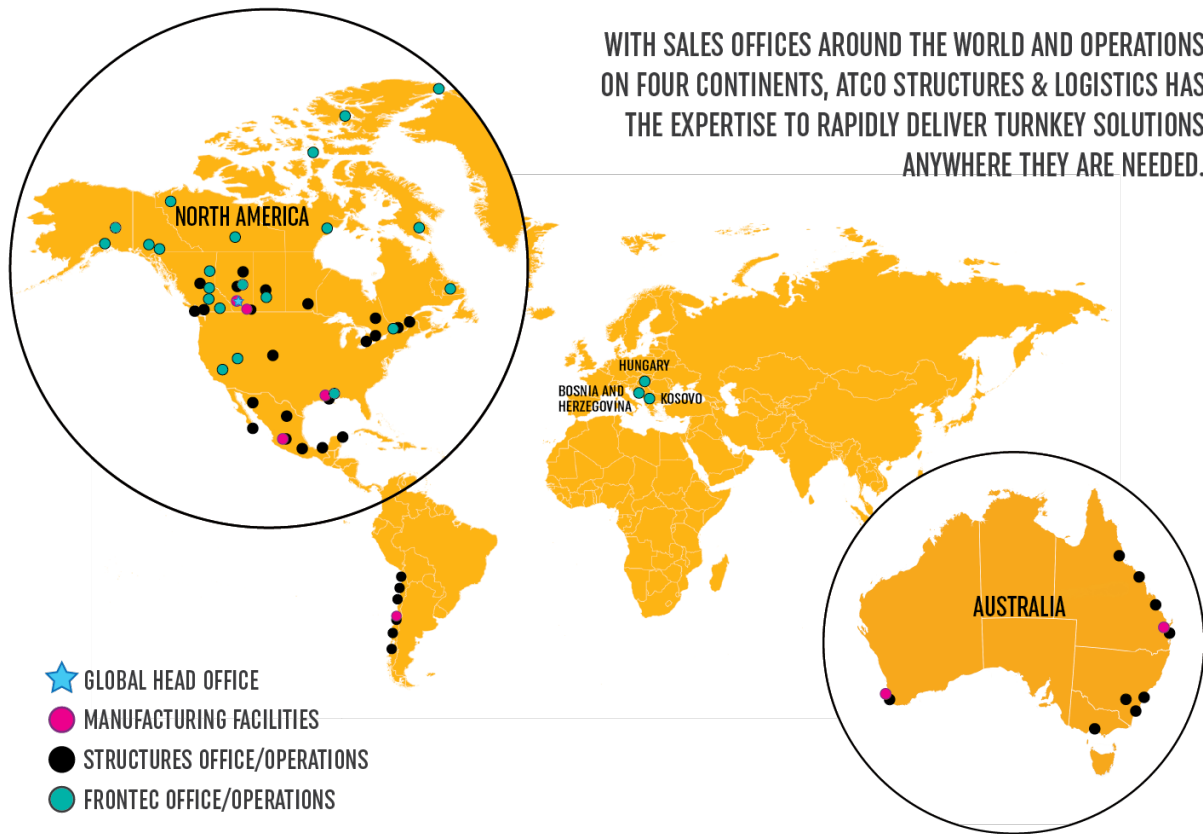
At the heart of ATCO's strategy is the desire to be a unified provider of essential services for our customers, allowing them to avoid the challenges of utilizing a fragmented network of providers. Our unique market position, integrated capabilities, and exceptional customer care combine to create a competitive advantage that is difficult to replicate, and one that continues to deliver value to share owners through earnings and dividend growth.



OVERVIEW

ATCO Structures & Logistics' activities are conducted through two complementary businesses: ATCO Structures and ATCO Frontec. Diversified by geography, product and service offerings, these businesses meet the needs of customers and communities globally. Together they offer workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services.

Locations of Structures & Logistics facilities and operations are shown in the map below.



ATCO STRUCTURES

BUSINESS STRATEGY

Our strategy is to generate sustainable earnings growth by increasing our market presence in the regions we operate, identifying opportunities in new markets, and delivering exceptional customer service. Our growth strategy in each geography is delivered through the expansion of our space rentals business line, which provides the infrastructure and skilled personnel to deliver our strategic offerings in workforce housing, permanent modular construction, and manufacturing solutions. We aim to continue to grow our business strategically across the globe to meet the needs of our customers anywhere.

MARKET OPPORTUNITIES

We are expanding fleet in our existing space rental geographies and targeting new regions within geographies in which we operate, while continuing to utilize our manufacturing platform to scale quickly when needed to meet the demand of workforce housing opportunities. We continue to pursue customer diversification opportunities and the expansion of our product offerings. Non-traditional modular markets, particularly residential housing, public education facilities, and healthcare facilities, continue to offer development opportunities. We will continue to pursue organic and acquisition growth opportunities. Globally, our operations continue to provide strategic value and opportunities for growth.



ATCO Structures, Calgary, Alberta, Canada

MARKET CHALLENGES

The modular construction industry is influenced by the capital spending cycles of our clients and their respective industries. There is also a high level of competition in the markets in which we operate. We face additional challenges with ongoing worldwide health and geopolitical events, and unprecedented inflationary and interest rate pressures. Many active projects are presented with varying levels of disruption, which is generating labor shortages of critical trades, and persistent global supply chain delays affecting project productivity and delivery.

WORKFORCE HOUSING

ATCO Structures manufactures, sells and leases workforce housing products in Canada, the US, Australia, Chile, Mexico and other select international markets. These products include prefabricated standard or custom units designed to be assembled into self-contained accommodation facilities. The units are typically comprised of sleeping quarters, kitchen, dining and recreation facilities. They are constructed to withstand a range of weather conditions and designed to meet appropriate regional building codes and current industry standards. ATCO Structures also purchases used workforce housing units from customers which are then retrofitted as needed and made available for resale or lease in the workforce housing market.

Demand for workforce housing products is directly related to both the capital spending cycle and development activity in various industries, and are primarily established in remote locations where workforce accommodation is not readily available.

SPACE RENTALS

The space rentals business in Canada, Australia, the US, Chile and Mexico leases and sells relocatable modular structures that can be used for commercial offices, lunchrooms, storage facilities, lavatories, medical facilities, locker rooms and other relocatable temporary structures.

Onsite structures are used mainly by construction and resource companies on urban and rural construction sites. Commercial and community structures, although relocatable, are often used as more permanent facilities by a wide range of private and public sector customers.

Space rental products are generally offered to customers under lease packages that may include options to purchase. Lease terms vary depending on customer requirements. Customers with longer term requirements typically purchase rather than lease units. Sales from the space rentals fleet assist in the process to recycle capital to maintain a modern inventory of these units.

The following table compares ATCO Structures' rental fleet by geographic area for 2022 and 2021. ATCO Structures increased its space rentals fleet in 2022 primarily due to continued strategic expansion in targeted regions of Canada, Australia, the US and Chile. ATCO Structures has increased the number of space rental units on rent due to sustained higher demand for space rentals fleet in these regions. This is driven by activity across multiple sectors including mining, construction, education, and healthcare. ATCO Structures decreased the size of the workforce housing fleet by selling used and under-utilized fleet assets in Canada, Australia, and the US.

Number of Units in Lease Fleet

	2022		2021	
	Workforce Housing	Space Rentals	Workforce Housing	Space Rentals
Canada	1,205	6,530	1,240	5,817
Australia ⁽¹⁾	755	8,233	796	7,741
United States	540	1,703	757	853
Chile	152	4,932	86	4,153
Mexico ⁽²⁾	—	1,035	—	1,120
Total	2,652	22,433	2,879	19,684

(1) In 2022, management reclassified space rental fleet units to workforce housing fleet units. 2021 number of units has been restated for comparability.

(2) ATCO Structures owns a 70 per cent ownership interest in ATCO Espaciomovil.

PERMANENT MODULAR CONSTRUCTION

Permanent modular construction markets within the health, education, residential, justice and commercial sectors offer new development opportunities for ATCO Structures. There is continued demand to use modular construction as an alternative means to traditional construction due to its inherent ability to be built primarily offsite in a controlled environment. Permanent modular construction projects include classrooms, community centres, hotels, independent apartment complexes, health, and correctional facilities.

ATCO Structures also designs and manufactures permanent building solutions, including a full range of prefabricated, sustainable buildings for customers in remote locations, that can include schools, daycares, healthcare facilities, gas stations, multi-purpose community centres and offices, and single and multi-family housing. The division combines traditional modular construction processes with either pre-engineered steel buildings or soft-wall structures that reduce cost, site work and waste associated with building in remote locations.

RESIDENTIAL HOUSING

In December 2022, ATCO Structures acquired a 100 per cent ownership interest in Triple M Housing Ltd. (Triple M), a leading North American manufacturer of pre-fabricated, modular residential homes headquartered in Lethbridge, Alberta, and primarily servicing Western Canada and segments of the US. Triple M will operate as a standalone business and support ATCO Structures' continued growth in the residential housing market sector.



Triple M's 230,000 square foot manufacturing facility, Lethbridge, Alberta, Canada

MANUFACTURING

ATCO Structures manufactures products at facilities in Canada, the US, Australia, Mexico and Chile.

LOCATION	sq. ft.
Canada	
Calgary	275,000
Lethbridge	229,000
United States	
Diboll, Texas	90,000
Australia	
Perth, Western Australia	199,000
Brisbane, Queensland	130,000
Mexico	
Guadalajara	35,000
Chile	
Santiago	118,000

MAJOR WORKFORCE HOUSING CONTRACTS

The below tables summarize major contracts which were active or awarded during 2022.

Contract	Customer	Country	Start Date	Completion Date
WORKFORCE HOUSING RENTAL CONTRACTS				
Trans Mountain Expansion Project I	Trans Mountain Pipelines	Canada	Q2 2020	Q2 2023
Trans Mountain Expansion Project II	Trans Mountain Pipelines	Canada	Q3 2020	Q1 2023
Trans Mountain Expansion Project III	Trans Mountain Pipelines	Canada	Q4 2021	Q3 2023
China Lake Military Rebuild Project	Environmental Chemical Corporation	US	Q1 2021	Q3 2023
Plumas Basecamp Greenville	California Department of General Services Forest Fire Recovery	US	Q4 2021	Q2 2022
Florida State Government Support Accommodations	Integrated Modular Solutions	US	Q4 2022	Q3 2023
WORKFORCE HOUSING SALE CONTRACTS				
Peñasquito Mine Camp	Newmont Corporation	Mexico	Q1 2021	Q4 2022
Brucejack Mine	Pretium Exploration Inc.	Canada	Q1 2021	Q1 2022
China Lake Military Rebuild Expansion I	Environmental Chemical Corporation	US	Q3 2021	Q1 2022
China Lake Military Rebuild Expansion II	Environmental Chemical Corporation	US	Q1 2022	Q2 2022
China Lake Military Rebuild Expansion III	Environmental Chemical Corporation	US	Q2 2022	Q3 2022
Bechtel Pluto Train II Construction Accommodation Village	Bechtel Corporation	Australia	Q1 2022	Q3 2023
Seabridge Gold	Seabridge Gold	Canada	Q1 2022	Q4 2022
Sabina Gold	Sabina Gold	Canada	Q2 2022	Q2 2022

Workforce Housing Rental Contracts

Trans Mountain Expansion Project

In the fourth quarter of 2021, ATCO Structures was awarded a rental contract to supply a 550-person camp for the Trans Mountain Expansion Project in Blue River, BC. This is the third camp for the project with the previous camps located in Valemount and Clearwater, BC. Site personnel were mobilized in the fourth quarter of 2021 and the camp was completed during the first quarter of 2022. The project's rental contract for Phase I is expected to be complete in the second quarter of 2023, and the Phase II rental contract was completed in January 2023. The Phase III rental contract will be complete in the third quarter of 2023.

China Lake Military Base Rebuild - Environmental Chemical Corporation

In the third quarter of 2021, ATCO Structures completed installation of an initial \$19 million contract to support the rebuild and expansion of the China Lake Military Base in southern California. The workforce housing rental contract for the initial installation is expected to be complete in the third quarter of 2023.

Plumas Basecamp Greenville - California Department of General Services Forest Fire Recovery

In the third quarter of 2021, ATCO Structures was awarded a \$25 million supply contract for a 102-person modular accommodation facility with common areas and ongoing support services for the California Department of General Services Forest Fire Recovery in Quincy, California. The delivery and installation was completed in the fourth quarter of 2021. The project's rental contract was complete in the second quarter of 2022.

Integrated Modular Solutions (IMS)

ATCO Structures was awarded a \$12 million rental contract for 63 units; the accommodations are for National Guard supporting the staffing of state penitentiaries in Florida. The contract commenced in November 2022 for an initial term of nine months with option for extension in 2023.

Workforce Housing Sale Contracts

Peñasquito Mine Camp - Newmont Corporation

In the fourth quarter of 2020, ATCO Structures was awarded a \$13 million contract with Newmont Corporation to supply a 600-person camp to house workers at the Peñasquito Mine in the state of Zacatecas, Mexico. The camp was completed in the fourth quarter of 2022.

Brucejack - Pretium Exploration Inc.

In the first quarter of 2021, ATCO Structures was awarded a contract for the supply of a 450-person camp for Pretium Exploration Inc.'s Brucejack operations in Northwest British Columbia (BC). The \$44 million contract includes the supply of accommodation dorms with complete kitchen and recreation amenities. Installation work was concluded in the first quarter of 2022.

China Lake Military Base Rebuild - Environmental Chemical Corporation

ATCO Structures completed three 150-person expansion camps through 2022. The combined value of the workforce housing sale contracts are over \$30 million.

Bechtel Pluto Train II

In February 2020, ATCO Structures was awarded two Limited Notice to Proceed contracts for the construction of a 2,200-person accommodation village to support the construction of a second LNG train. In the second quarter of 2020 the project was suspended. In the fourth quarter of 2021, ATCO Structures received a Full Notice to Proceed and commenced construction in the first quarter of 2022. The project continues to track ahead of planned progress with completion expected in the third quarter of 2023.

Seabridge Gold

ATCO Structures was awarded a contract from Seabridge Gold for the supply and installation of a 120-person camp for the Kerr-Sulphurets-Mitchell (KSM) Project in Northwest BC. Work commenced in July 2022 and concluded in October 2022.

Sabina Gold

ATCO Structures was awarded a supply contract for a 276-bed accommodation complex for a mining client in Nunavut. Manufacturing for phase 2 of the project, a 216-person complex, was completed during the second quarter of 2022.

MAJOR SPACE RENTALS CONTRACTS

Space rentals is underpinned by fleet performance, which is supplemented by trade sale contracts. Below are some major contracts which were active or awarded during 2022.

Hensel Phelps Contract

In the third quarter of 2022, ATCO Structures was awarded a rental contract with Hensel Phelps for 40 space rental units for a data centre in the Northwestern United States. The contract commenced in August 2022 for an initial term of 14 months.

Bechtel Pluto Train II

In the first quarter of 2022, ATCO Structures was awarded a space rental contract to manufacture and install a parallel modular facility. Manufacturing commenced in the second quarter of 2022, which continued through the fourth quarter of 2022. Delivery and handover began in the fourth quarter of 2022 and is expected to continue through the second quarter of 2023.

Plaquemines LNG Export Facility – KBR & Zachry Group Joint Venture (KZJV)

ATCO Structures was awarded a rental contract for 50 space rentals units to support the LNG export facility construction project in Plaquemines Parish, Louisiana. The contract term is 36 months and commenced in September 2022.

TIC (Kiewit)

In December 2022, ATCO Structures was awarded an \$8 million rental contract for 116 units to support a new chemical plant construction project in Orange, Texas. The units will be installed in multiple phases starting in the first quarter of 2023 through the third quarter of 2023. The rental terms range from 33 to 39 months.

MAJOR PERMANENT MODULAR CONSTRUCTION CONTRACTS

The below tables summarize major contracts which were active or awarded during 2022.

Contract	Customer	Country	Start Date	Completion Date
PERMANENT MODULAR CONSTRUCTION RENTAL CONTRACTS				
Permanent Classrooms	Islamic College of Melbourne	Australia	Q3 2020	Q1 2029
PERMANENT MODULAR CONSTRUCTION SALE CONTRACTS				
Permanent Classrooms II	Victoria Department of Education	Australia	Q3 2021	Q2 2022
BC Housing - Vernon	Government of British Columbia	Canada	Q2 2021	Q2 2022

Modular Construction Rental Contracts

Permanent Classrooms - Islamic College of Melbourne

During the fourth quarter of 2020, installation activity commenced for an eight-year contract with the Islamic College of Melbourne. Manufacturing at ATCO Structures' Brisbane facility in Queensland commenced in the third quarter of 2020 and installation was completed in the first quarter of 2021. The rental contract continues until the first quarter of 2029.

Permanent Modular Construction Sale Contracts

Victoria Department of Education

In the third quarter of 2021, ATCO Structures was awarded a \$10 million contract to supply 15 double classrooms and 7 two-story classrooms to the Victoria Department of Education. Manufacturing for this contract commenced in the fourth quarter of 2021 and was completed in the second quarter of 2022.

BC Housing - Government of British Columbia

ATCO Structures secured several projects with the Government of British Columbia's supportive housing program from 2019 to 2021. The housing projects provide affordable housing to individuals and families across the province. In the second quarter of 2021, ATCO Structures was awarded a \$13 million supportive housing contract in Vernon, BC for a four-story, 61-unit building which was completed in Q2 2022. This is our sixth affordable housing project.

ATCO FRONTEC

BUSINESS STRATEGY

Our strategy is to grow our business as an international provider of integrated operational support services to government, defence and commercial clients. With our expertise in workforce housing camp services, facility operations and maintenance services, defense operations services, and disaster and emergency management, we are able to apply our competitive advantages of being a bundled services provider with proven long-term, collaborative partnerships.

MARKET OPPORTUNITIES

We see opportunity to expand our operations within Canada and the US, particularly as defence spending in these countries increases. Frontec specializes in supporting public and private sector clients operating in remote and austere locations. Our strategic Indigenous partnerships, presence and ongoing operations in northern communities, and extensive knowledge of the unique operating requirements make Frontec a favourable choice. Opportunities for growth in our disaster and emergency management and defence operations services business will be pursued as we continue to build from our existing base of contracts.

MARKET CHALLENGES

Continued uncertainty for large scale projects within Canada may limit the demand for workforce housing camp services. We are pursuing contracts with customers whose projects remain subject to comprehensive approval processes. Changes in government policy and social license have resulted in a decrease of large-scale projects in Canada that historically provided potential contracts for ATCO Frontec. Inflationary pressures could impact our operating costs, though we look to mitigate this risk with carefully constructed contracts. There is a high level of competition in the defence sector of the US that could present difficulty securing contracts.



ATCO Employee, Resolute Bay, Nunavut, Canada

MAJOR FACILITY OPERATIONS AND MAINTENANCE CONTRACTS

The below table summarizes major contracts which were active or awarded during 2022.

Contract	Customer	Country	Start Date	Completion Date
Iqaluit Fuel	Government of Nunavut	Canada	Q4 2007	Q4 2031
NATO Flying Training	CAE Military Aviation Training Inc.	Canada	Q2 2000	Q3 2022
NATO HQ CIS Support	NATO Support and Procurement Agency	Bosnia & Herzegovina	Q3 2003	Q4 2023
National Research Council	National Research Council (NRC) of Canada	Canada	Q1 2018	Q1 2023
Real Property North	Defence Construction Canada (DCC)	Canada	Q1 2018	Q1 2026
NATO Fire Protection	NATO Support and Procurement Agency (NSPA)	Kosovo	Q1 2015	Q4 2024
PAPA Air Base Facilities Management	NATO Airlift Management Programme (NAMP)	Hungary	Q2 2016	Q2 2025
Alaska Radar System	US Department of the Air Force (USDAF)	US	Q4 2016	Q4 2026
Department of National Defence	Defense Construction Canada	Canada	Q2 2022	Q4 2026
North Warning System (NWS)	Public Services and Procurement Canada	Canada	Q3 2022	Q3 2029
Canadian Forces Station (CFS) Alert	Public Services and Procurement Canada	Canada	Q2 2023	Q4 2031

Facility Operations and Maintenance Contracts

Iqaluit Fuel

In 2007, the Government of Nunavut awarded UQSUQ, a joint venture between ATCO Frontec and Nunavut Petroleum Corporation, a contract for bulk fuel delivery services in Iqaluit, Nunavut. The original contract commenced in the fourth quarter of 2007 and was in place until the fourth quarter of 2021.

In the second quarter of 2021, ATCO Frontec received confirmation that UQSUQ had successfully secured the critical 10-year infrastructure rebid with a 5-year extension option; reinforcing ATCO's commitment to Northern Canada and its Indigenous partners. The contract involves operating and maintaining the Iqaluit bulk fuel storage facility and pipeline distribution system and the delivery of petroleum products.

NATO Flying Training

For over 20 years, ATCO Frontec managed, operated and maintained facilities to support NATO Flying Training in Canada (NFTC) located at 15 Wing, Moose Jaw. On August 22, 2022, Frontec exited the NFTC contract, completing final obligations including transitioning personnel, documentation and assets to the client and their contractors.

NATO HQ CIS Support

For over 19 years, ATCO Frontec has held a contract to provide NSPA communication and information systems support to the NATO headquarters at the 820-person Camp Butmir near Sarajevo, Bosnia. With a staff of approximately 20 specialists, ATCO Frontec provides system administration; automated data processing maintenance; help desk services; database and configuration management services; network control desk, integrated digital network exchange including video teleconferencing and NATO cryptography; and line team support functions. In the fourth quarter of 2022, ATCO Frontec received confirmation of a one-year contract extension for the NATO HQ communication and information systems (CIS) support contract until December 31, 2023.

National Research Council

In the fourth quarter of 2017, ATCO Frontec was selected by the National Research Council of Canada to continue to provide facility maintenance, renovation and capital construction services to its buildings in the Ottawa region. This was a competitive rebid to offer the same services that ATCO Frontec has provided during the past 14 years as the incumbent service provider. The new five-year contract started in the first quarter of 2018 with a customer option to renew for up to five additional years.

Real Property North

In the first quarter of 2018, ATCO Frontec commenced a five-year contract with Defence Construction Canada to provide facility maintenance and support services at Canadian Armed Forces (CAF) sites across the Canadian North. ATCO Frontec provides facility inspection, maintenance and repair, new construction and upgrades, trade services and environmental services to CAF sites in Yellowknife, Whitehorse, Inuvik, Rankin Inlet and Iqaluit. In November 2022, a 3-year agreement was signed extending the contract to the first quarter of 2026.

NATO Fire Protection

In the first quarter of 2015, ATCO Frontec started a five-year contract to provide the NATO Support and Procurement Agency around-the-clock fire protection services to NATO troops, known as Kosovo Force, at the 1,000-person Camp Novo Selo near Pristina, Kosovo. With approximately 20 firefighters, ATCO Frontec provides structural fire protection and emergency services to the base. In the fourth quarter of 2019, this contract was rebid and awarded for a further five-year period (including option years) to the fourth quarter of 2024.

PAPA Air Base Facilities Management

ATCO Frontec completed a five-year contract that started in the second quarter of 2016 to provide facilities management to the NSPA Strategic Airlift Capability (SAC) at Papa Airbase, Hungary. In the second quarter of 2021, this contract was successfully rebid and awarded for a three-year period starting in 2022, with options for an additional two-year period. The SAC is a consortium of 12 partner nations to pool resources in order to operate Boeing C-17 Globemaster III aircraft for joint strategic airlift purposes. With approximately 40 staff in total, ATCO Frontec provides all maintenance and cleaning services for the facilities.

Alaska Radar System

ARCTEC Alaska, a joint venture between ATCO Frontec and ASRC Federal Primus, was awarded a contract with the USDAF to provide operations and maintenance services to 15 strategic radar sites that form the Alaska Radar System. The 10-year contract, which commenced in the fourth quarter of 2016, continues a successful 25-year relationship with the USDAF.

Defence Construction Canada

In October 2021, ATCO Frontec secured two facility maintenance and site services contracts with DCC to maintain 15 Department of National Defence sites and the associated infrastructure across Alberta for a five-year period. Mobilization was successfully completed and operations commenced on April 1, 2022.

North Warning System Contract

In February 2022, Nasittuq, an Inuit majority-owned corporation and a partnership between ATCO Frontec and Nunasi Corporation and Pan Arctic Inuit Logistics Corporation, was awarded the seven-year contract for the Operation and Maintenance of the NWS by Public Services and Procurement Canada, on behalf of the Department of National Defence. The NWS contract commenced April 1, 2022 and the transition was completed September 30, 2022, with the contract year one beginning on October 1, 2022.

Canadian Forces Station Alert Contract

On October 3, 2022, Nasittuq was awarded a \$122 million contract to provide support services at the Canadian Forces Station Alert on Ellesmere Island, by Public Services and Procurement Canada, on behalf of the Department of National Defence. CFS Alert, considered the northernmost inhabited settlement in the world, is a military station located on the northeastern tip of Ellesmere Island, Nunavut, approximately 817 kilometers from the North Pole. Nasittuq has been the incumbent provider since 2012 for this contract, and the new contract is set to commence June 1, 2023.

MAJOR WORKFORCE LODGING & SUPPORT CONTRACTS

The below table summarizes major contracts which were active or awarded during 2022.

Contract	Customer	Country	Start Date	Completion Date
Elkford Lodge	Teck Coal Limited	Canada	Q2 2019	Q1 2023
Coastal GasLink	Coastal GasLink Pipeline Limited Partnership	Canada	Q2 2019	Q3 2024
Trans Mountain Expansion Project I	Trans Mountain Pipelines	Canada	Q2 2020	Q2 2023
Trans Mountain Expansion Project II	Trans Mountain Pipelines	Canada	Q3 2020	Q1 2023
Trans Mountain Expansion Project III	Trans Mountain Pipelines	Canada	Q3 2021	Q3 2023
China Lake Military Rebuild Phase I	Environmental Chemical Corp	US	Q1 2021	Q4 2024
Site C Two Rivers Lodge	BC Hydro	Canada	Q1 2016	Q4 2024
UK Training Camp Exercise	US Defense Threat Reduction Agency (DTRA)	UK	Q2 2022	Q2 2022
Pogo Mine	Pogo Gold Operations	US	Q4 2022	Q4 2025
Subsequent to December 31, 2022				
BHP Jansen Camp Services	BHP Jansen	Canada	Q2 2023	Q3 2026

Workforce Lodging & Support Contracts

Elkford Lodge

In the second quarter of 2019, ATCO Frontec was awarded a contract by Teck Coal Limited for camp maintenance including food services, housekeeping, and janitorial services for the 500-person Elkford Lodge in British Columbia. The contract was extended from its original end date in the fourth quarter of 2021 to the first quarter of 2023.

Coastal GasLink

In the fourth quarter of 2018, ATCO Frontec and its joint venture partner, the Haisla Nation, were chosen to provide workforce housing and operational support services for the three camps in the Haisla territory to support the construction of the Coastal GasLink pipeline in British Columbia. The contract was extended from its original end date in the second quarter of 2022 to the third quarter of 2024.

Trans Mountain Expansion Projects

In 2020, ATCO Frontec was awarded two workforce lodging and support contracts for approximately 1,150 persons at two sites to support the completion of the Trans Mountain Expansion project in British Columbia. The lodge-related services include catering, janitorial, maintenance, medical and fire protection at both sites. The Phase I camp will be closing in the second quarter of 2023 and the Phase II camp was completed in January 2023.

In August 2021, ATCO Frontec commenced mobilization of a 550-bed facility near Blue River, BC for the Trans Mountain Expansion Project, with the first occupants in the camp in November 2021. Mobilization was completed and the camp was fully operational in February 2022. This Phase III camp is expected to close at the end of the third quarter of 2023.

China Lake Military Base - Naval Berthing Camp

In 2021, ATCO Frontec was awarded a 44-month workforce lodging services contract for a 400-person camp to support additional construction work at the China Lake Military base. This contract includes three expansion options. In September 2021, ATCO Frontec was awarded the Phase 1 expansion, bringing camp capacity to 550-people, and operations began in January 2022. In December 2021, ATCO Frontec was awarded the Phase 2 expansion bringing camp capacity to 700-people with operations of this expansion beginning in the second quarter of 2022.

Site C Two Rivers Lodge

In the first quarter of 2016, ATCO Frontec commenced a workforce lodging and support contract at the Site C Energy Project located near Fort St. John, British Columbia. ATCO Frontec is providing a full suite of lodge-related services including catering, janitorial, maintenance, medical and fire protection until late 2022 for 1,750 workers. In the second quarter of 2020, the contract was expanded to accommodate up to 2,194 workers.

In December 2021, ATCO Frontec received notification from BC Hydro that it had exercised its right to extend the agreement term for the Site C camp from December 31, 2022 to December 31, 2024.

UK Training Camp Exercise

In the second quarter of 2022, ATCO Frontec successfully delivered the UK training camp for the US Defense Threat Reduction Agency (DTRA). As a sub-contractor to Bechtel Inc. and Black & Veatch, ATCO Frontec's role was to provide a field camp for 130 personnel from DTRA and US Department of Energy in order to test their mobile facilities. The camp was mobilized in April, operated in May and demobilized in early June 2022 in accordance with schedule and budget, with no recordable incidents.

Pogo Mine Contract

In September 2022, Frontec was awarded a three year contract for the provision of camp services to Pogo Gold Operations at Pogo Mine near Fairbanks, Alaska. All mobilization activities were completed on time for a commencement date of November 1, 2022.

SUBSEQUENT EVENT

BHP Jansen Discovery Lodge

In February 2023, Wicehtowak Frontec Services (WFS), ATCO Frontec's joint venture partnership with George Gordon Developments Ltd., was awarded a three-and-a-half-year base contract to provide camp support services for the BHP Jansen Discovery Lodge in Saskatchewan. The lodge, which was originally designed and built in 2012 by ATCO Structures, features diverse, high-end amenities, and accommodates up to 2,500 workers. WFS will provide management and administration, food services, retail, housekeeping and janitorial, and maintenance work for the facility. The contract is expected to commence in the second quarter of 2023.

ATCO's collaboration with George Gordon First Nation began in 2011 as a 50-50 joint venture. Evolving over the years and recently restructured, Wicehtowak Frontec Services was created as a majority Indigenous-owned company. It will provide opportunities for employment, skills development and procurement for surrounding Indigenous communities.



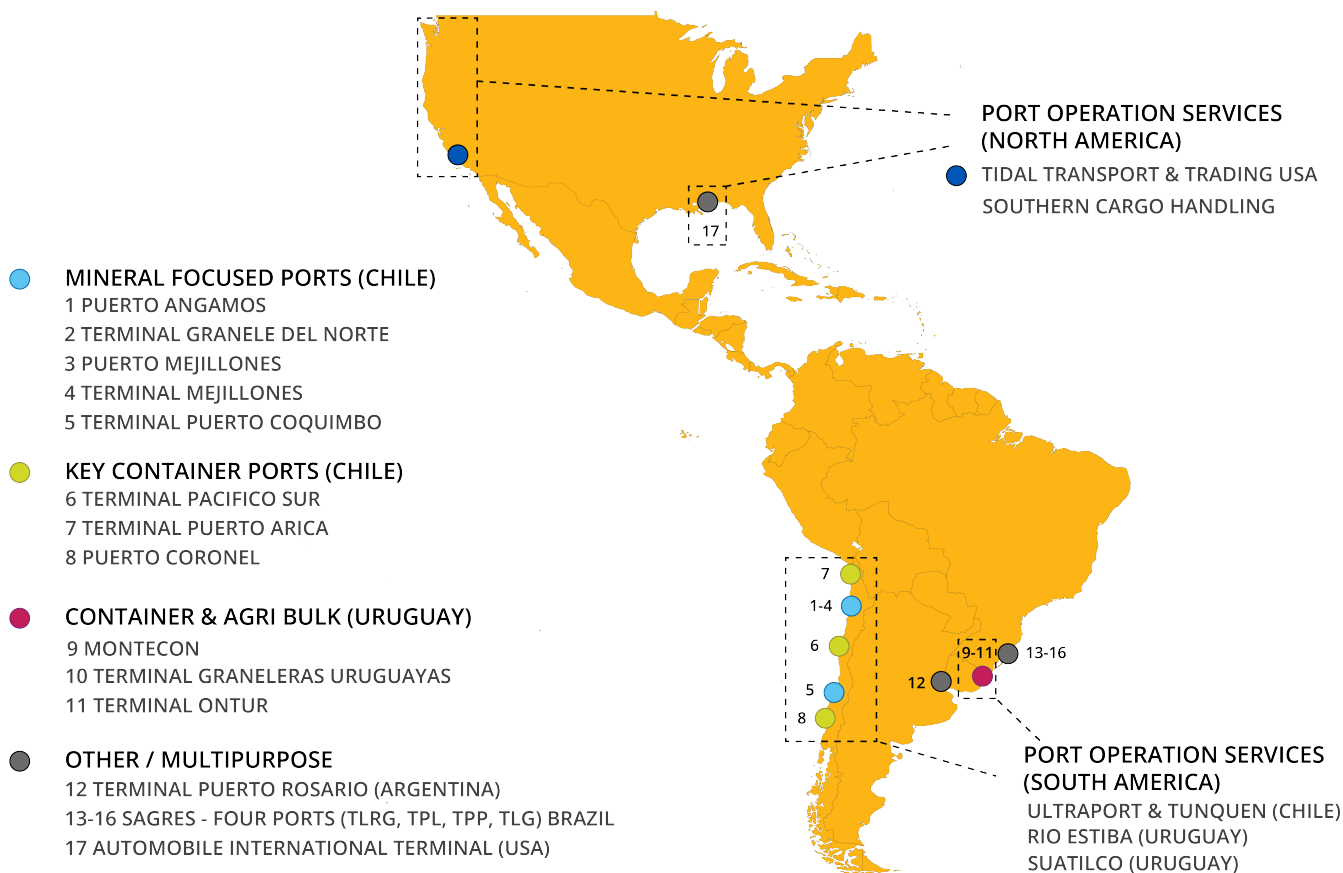
BHP Jansen Lodge, Saskatchewan, Canada



OVERVIEW

ATCO has a 40 per cent interest in Neltume Ports. Neltume Ports is a port operator and developer with a diversified portfolio of multipurpose, bulk cargo and container terminals located primarily in Chile with additional operations in Uruguay, Argentina, Brazil, and the US. Neltume Ports employs approximately 7,400 people and operates 17 port facilities and 6 port operation services businesses. In 2022, Neltume Ports handled 43 million tonnes of product, including copper, forestry products, consumer goods and agricultural products.

Locations of ports and port operation services businesses are shown in the map below.



BUSINESS STRATEGY

Neltume Ports' sustained growth will continue to be achieved by improving operational efficiency, increasing volumes and ownership at existing ports, and investing in brownfield, greenfield and acquisition opportunities throughout the Americas. Neltume's strategy is focused on continuous improvement initiatives to refine operational practices throughout all facets of its business. Most of Neltume's existing ports are underpinned by long-term contracts or concessions and are strategically located near major resource or agriculture hubs, as well as high density areas of economic importance. The business environment is also supported by key partnerships with shipping lines and cargo owners.

MARKET OPPORTUNITIES

Through Neltume Ports' exposure to global trade and transportation, the business is able to capitalize on increasing demand for resources; particularly copper, agriculture and forestry products, as well as other global trends. Neltume Ports continuously reviews opportunities to increase its ownership position in ports that are jointly owned and continues to actively explore brownfield and greenfield opportunities, as well as acquisition expansion potential.

MARKET CHALLENGES

The ports industry by nature is sensitive to changes in international trade, supply chain constraints, labour shortages, commodity prices and foreign exchange, all of which could impact Neltume Ports. In recent years, Neltume Ports has seen challenges caused by the global pandemic, social unrest, political instability, and economic issues in the region.

PORTS

Port Name	Neltume Ownership (%)	Country	Terminal Type	Key Cargo	Concession End	Concession Extension Option
Terminal Puerto Arica	50	Chile	Container	Mixed	2034	N/A
Puerto Angamos	40	Chile	Multi	Copper	2033	2043
Terminal Graneles del Norte	40	Chile	Dry Bulk	Coal/Copper	2044	N/A
Puerto Mejillones	50	Chile	Dry Bulk	Copper/Zinc	Private	N/A
Terminal Mejillones	50	Chile	Liquid Bulk	Sulfuric Acid	Private	N/A
Terminal Puerto Coquimbo	70	Chile	Multi	Copper	2032	2042
Terminal Pacifico Sur	60	Chile	Container	Fruit/Wine	2029	N/A
Puerto Coronel	25	Chile	Multi	Pulp/Wood	Private	N/A
Terminal Puerto Rosario	50	Argentina	Multi	Mixed	2032	N/A
Montecon	100	Uruguay	Container	Mixed	Public	N/A
Terminales Graneleras Uruguayas	54	Uruguay	Dry Bulk	Soy Beans	2029	N/A
Terminal Ontur	28	Uruguay	Multi	Agriculture/Pulp	Private	N/A
Sagres - Four Ports (TLRG, TLP, TPP, TLG)	90	Brazil	Multi	Pulp/Wood	Private	N/A
AutoMobile International Terminal	50	United States	Roll-on Roll-off	Vehicles	2030	2050



OVERVIEW

ATCO Corporate & Other contains ATCO Land and Development Ltd. which is a commercial real estate business that holds investments for sale, lease or development, as well as Ashcor, a company engaged in the processing and marketing of fly ash, predominantly reclaimed from landfills. ATCO Corporate & Other also includes the global corporate head office in Calgary, Canada, ATCO licensing fees received, and financing expenses associated with credit facilities.

REAL ESTATE

ATCO Land and Development generates revenue from commercial real estate activities. Earnings from this business may come from three avenues: sales of commercial and industrial properties including land, leasing real estate to third parties to generate steady revenue, and, in the longer term, potential development projects.

The current portfolio includes 11 commercial real estate properties, including 380,000 square feet of office property, 20,000 square feet of industrial property and 315 acres of land.

ASHCOR

Ashcor is an Alberta-based company with a 25-year history, engaged in recycling and marketing of ash, a waste byproduct of electricity generation. Ashcor recently engineered a new commercial solution that expands its ability to recycle ash previously stored in the ground. The unique properties of Ashcor's recycled ash product offers many performance and financial benefits across a wide variety of applications including ready mix concrete and oil well cementing. It lowers the carbon dioxide intensity of concrete and also creates a useful product from what would otherwise be industrial waste.



OVERVIEW

Canadian Utilities is a diversified global energy infrastructure corporation delivering operating and service excellence 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).

UTILITIES

OVERVIEW

The Utilities 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, Saskatchewan and the northern regions of Canada have delivered reliable electricity and clean-burning natural gas to customers for many decades. International Operations consists of the regulated natural gas distribution business in Western Australia, and the electricity operations business in Puerto Rico; Canadian Utilities' 50 per cent ownership in LUMA Energy.

BUSINESS STRATEGY

Our strategy is to invest in regulated electricity and natural gas transmission and distribution assets, capitalize on opportunities to provide long-term contracted electricity and natural gas transmission and distribution services, and to enable renewable energy generation, delivery, and storage. Our strategic priorities are focused on investments that provide lower emissions and clean energy solutions for our customers, and continuing to invest in our core business while maintaining energy reliability, safety, and affordability.

MARKET OPPORTUNITIES

The utilities industry is changing with an increased focus on decarbonization, digitalization, decentralization, and evolving customer demand. The worldwide push towards reaching net-zero, evolving regulations to encourage the advancement of new technologies, emission reduction targets, and government incentives present opportunities for utility companies. Our natural gas and electric utilities are well positioned to capitalize on this movement.



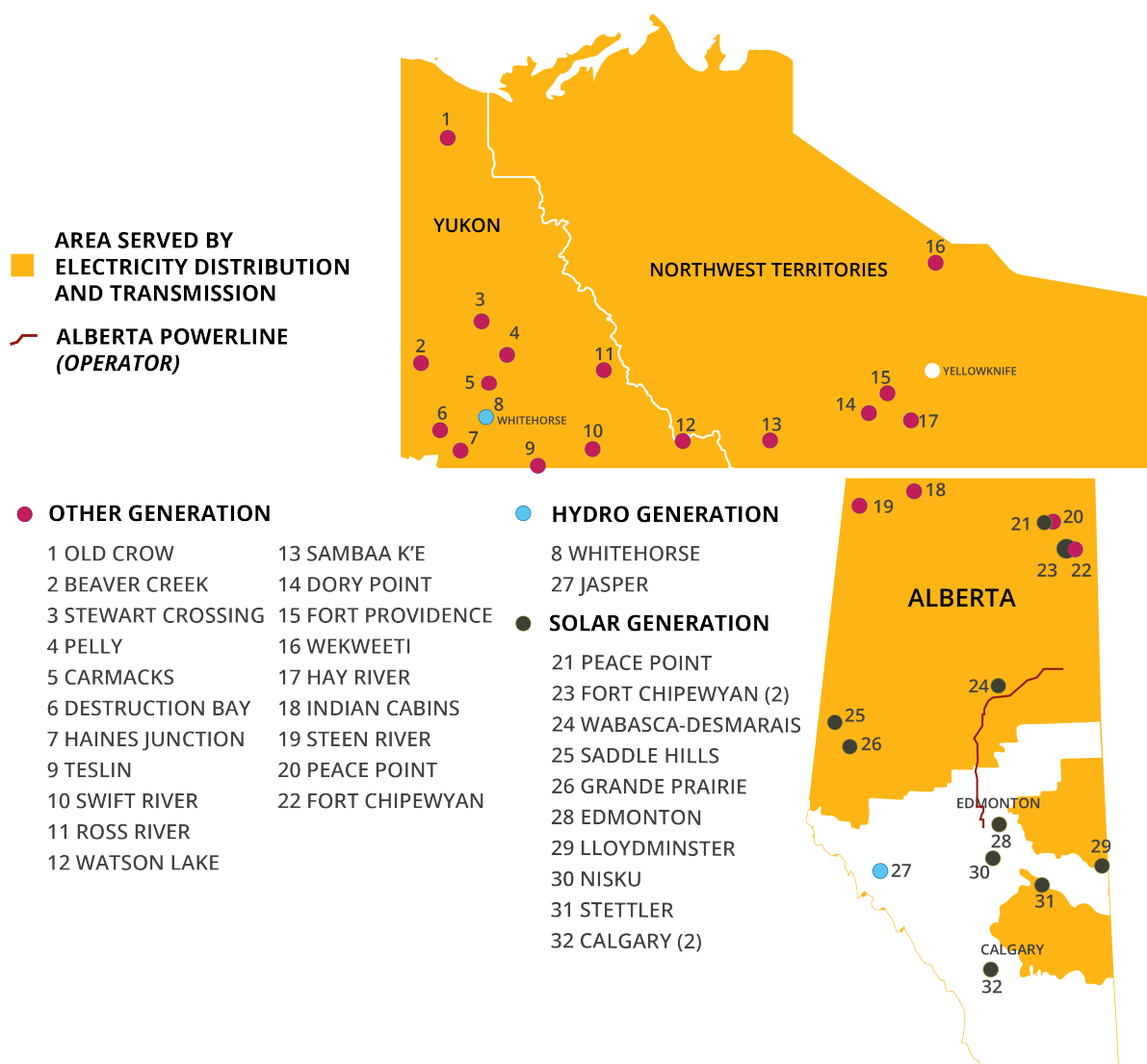
ATCO Employee, Alberta, Canada

MARKET CHALLENGES

Traditional utility industry challenges include the regulator's approval of customer rates that permit a reasonable opportunity to recover service costs on a timely basis, including a fair return on invested capital. Provincial and federal governments have expressed concerns about existing levels of customer rates and affordability, which may impact the pace of growth. The ongoing energy transition is driving policy uncertainty and risks delaying investment decisions that would align with our decarbonization targets. Technology risks associated with decarbonization, digitalization, and decentralization could lead to disruption of the Company's existing business models and create competitive market dynamics.

ELECTRICITY DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Electricity Distribution and Electricity Transmission, as well as the locations of electricity generation owned or operated by Electricity Distribution and Transmission, in western and northern Canada.



Electricity Distribution and Transmission transmit and deliver electricity to approximately 240 communities and rural areas in Northern and Central East Alberta. Among those served are the communities of Drumheller, Lloydminster, Grande Prairie, and Fort McMurray as well as the oil sands areas near Fort McMurray and the heavy oil areas near Cold Lake and Peace River. Electricity utility service is also provided to three communities in Saskatchewan. Electricity Distribution and Transmission is headquartered in Edmonton and has 38 offices throughout its service area.

The Yukon Electrical Company Limited (ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Northland Utilities Enterprises Ltd. (Northland Utilities) is a 50/50 partnership between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. Northland Utilities has two operating divisions: Northland Utilities (NWT) Limited (NWT) and Northland Utilities (Yellowknife) Limited (NUY). NUY and NWT serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Approximately 668,000 people live in the principal markets for electric utility service by Electricity Distribution and Transmission and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 263,000 customers. Electricity Distribution and Transmission has been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 14 per cent of the provincial electrical load and 13 per cent of the population.

The average monthly number of customers served by Electricity Distribution and Transmission, NUY, NWT and AEY in 2022 and 2021 is shown below.

	2022		2021	
	Number	%	Number	%
Residential	185,919	71	184,869	71
Commercial	34,960	13	34,771	13
Industrial	9,299	4	9,439	4
Rural, REA and other	32,400	12	32,291	12
Total	262,578	100	261,370	100

Electricity distributed to the various classes of customers in 2022 and 2021 is shown below.

	2022		2021	
	GWh	%	GWh	%
Residential	1,364	11	1,393	11
Commercial	2,325	19	2,264	18
Industrial	8,266	66	8,291	67
Rural, REA and other	534	4	543	4
Total	12,489	100	12,491	100

Electricity Distribution and Transmission, NUY, NWT and AEY own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,000-km of transmission lines and approximately 60,000-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,500-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, NUY and NWT distribute electricity to incorporated communities under the authority of franchises or by-laws. In rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to Electricity Distribution and Transmission, NUY or NWT, and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be determined by the regulatory authority. The franchise under which service is provided in the Yukon was granted under the *Public Utilities Act* (Yukon) and has no set expiry date.

Under the *Electric Utilities Act* (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the Alberta Utilities Commission (AUC). Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except inter-provincial inter-tie projects and those deemed "critical" by the Government of Alberta.

Alberta PowerLine

Canadian Utilities is the operator of Alberta PowerLine (APL) under a 35-year contract. APL owns a 500-km, 500-kV electricity transmission line running from Wabamun to Fort McMurray Alberta. APL is 60 per cent owned by TD Asset Management Inc. for and on behalf of TD Greystone Infrastructure Fund (Global Master) L.P., and IST3 Investment Foundation acting on behalf of its investment group IST3 Infrastruktur Global. The other 40 per cent is owned by seven Indigenous communities in Alberta: Athabasca Chipewyan First Nation, Bigstone Cree Nation, Gunn Metis Local 55, Mikisew Cree First Nation, by way of its business arm, the Mikisew Group of Companies, Paul First Nation, Sawridge First Nation and Sucker Creek First Nation.

Electricity Generation

Hydroelectric, Solar Generation and Diesel

Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 12 solar sites, and 20 diesel-generating plants, with an aggregate nameplate capacity of 47-MW in Alberta, the Yukon and Northwest Territories.

The hydroelectric assets include one facility in Whitehorse and one in Jasper that each generate 1.4-MW of hydroelectric power. The solar sites in Alberta include rooftop and ground mounted solar sites including the Fort Chipewyan Solar Project, the largest off-grid solar project in Canada, and Old Crow Solar project, the most northerly off-grid solar project. The diesel sites are spread throughout the Yukon, Northwest Territories and Alberta and serve remote communities that are not connected to the grid.

Canadian Utilities' Electricity Distribution and Transmission continue to advance their strategy to enable renewable energy generation and delivery while supporting their customers' energy needs. In August 2022, the Government of Northwest Territories announced it is providing Northland Utilities up to \$300,000 to support the installation of two public EV fast-charger stations in Yellowknife. In December 2022, ATCO Electric Yukon, a subsidiary of CU Inc., and Copper Niisüü Limited Partnership finalized landmark Electricity Purchase Agreements to underpin the Saa Sè Energy Project in Beaver Creek and the wind facility project in Burwash Landing to enhance energy autonomy for both the White River and Kluane First Nations. More information is presented in the Company's MD&A.

INTERNATIONAL ELECTRICITY OPERATIONS

LUMA Energy

LUMA Energy provides transmission and distribution services throughout Puerto Rico and serves approximately 1.5 million customers through its joint venture, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc. LUMA Energy operates approximately 30,000-km of transmission and distribution lines and has approximately 3,300 employees.



On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to transform, modernize and operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

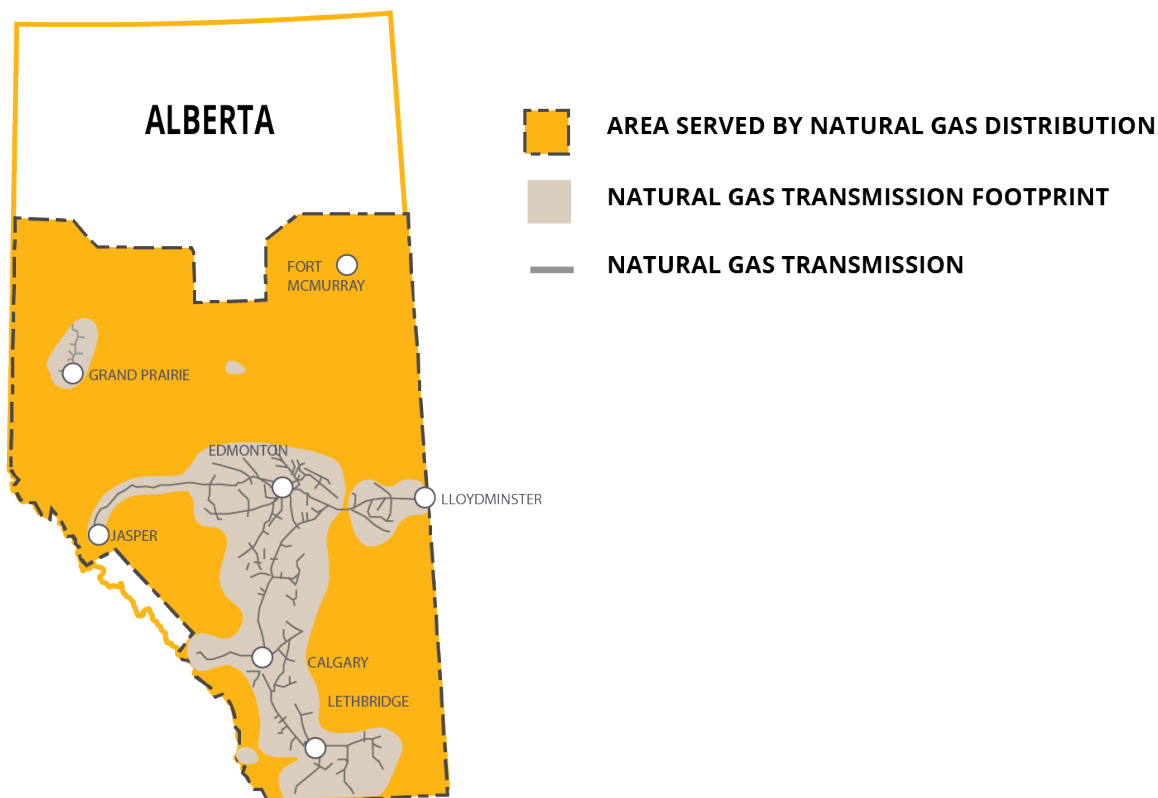


LUMA Energy, Puerto Rico

This innovative arrangement allows PREPA to retain ownership of all utility assets while benefiting from the expertise of a qualified operator. LUMA Energy combines Canadian Utilities' world-class utility operations and customer service expertise with Quanta's superior utility services and project execution capabilities.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Natural Gas Distribution and Natural Gas Transmission in Alberta.



Natural Gas Distribution

Natural Gas Distribution delivers natural gas throughout Alberta and in the Lloydminster area of Saskatchewan and serves approximately 1.3 million customers in nearly 300 Alberta communities.

Natural Gas Distribution's principal markets for distributing natural gas are in Edmonton, Calgary, Airdrie, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red Deer, Spruce Grove, St. Albert and Sherwood Park. These communities have a combined population of approximately 3.2 million people. Approximately 76 per cent of Natural Gas Distribution's customers were located in these 11 communities in 2022. Also served are 279 smaller communities as well as rural areas with a combined population of approximately 770,000.

The average monthly number of customers served by Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	Number	%	Number	%
Residential	1,167,506	92	1,151,862	92
Commercial	102,958	8	102,021	8
Industrial	340	—	343	—
Other	737	—	505	—
Total	1,271,541	100	1,254,731	100

The quantity of natural gas distributed by Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	PJ	%	PJ	%
Residential	127.7	46	127.6	47
Commercial	135.5	49	129.6	48
Industrial	13.1	5	12.9	5
Other	0.2	—	0.3	—
Total	276.5	100	270.4	100

Natural Gas Distribution owns and operates approximately 41,500-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 169 franchise agreements with communities throughout Alberta. These franchise agreements detail the rights granted to Natural Gas Distribution and its obligations to deliver natural gas services to consumers in the municipality.

All franchises are exclusive to Natural Gas Distribution and are renewable by agreement for additional periods of up to 20 years. If any franchise is not renewed, it remains in effect until either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be determined by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. Natural Gas Distribution has a 20-year franchise agreement with Edmonton that will expire on July 21, 2030. The franchises under which service is provided in other incorporated communities in Alberta have been granted for up to 20 years.

In Calgary, the distribution of natural gas operates under a municipal by-law. The rights of Natural Gas Distribution under this by-law, while not exclusive, are unrestricted as to term. The by-law does not confer any right for Calgary to acquire the facilities used in providing the service.

Hydrogen Blending Project

The advancement of hydrogen production in the province creates additional opportunities related to blending within existing natural gas infrastructure. Canadian Utilities has proposed projects that reinforce the safe use of hydrogen with the intent to eventually leverage Alberta's existing carbon capture and sequestration infrastructure to store emissions associated with the production process. These opportunities will contribute to system decarbonization and help support provincial and federal emissions targets.

Natural Gas Transmission

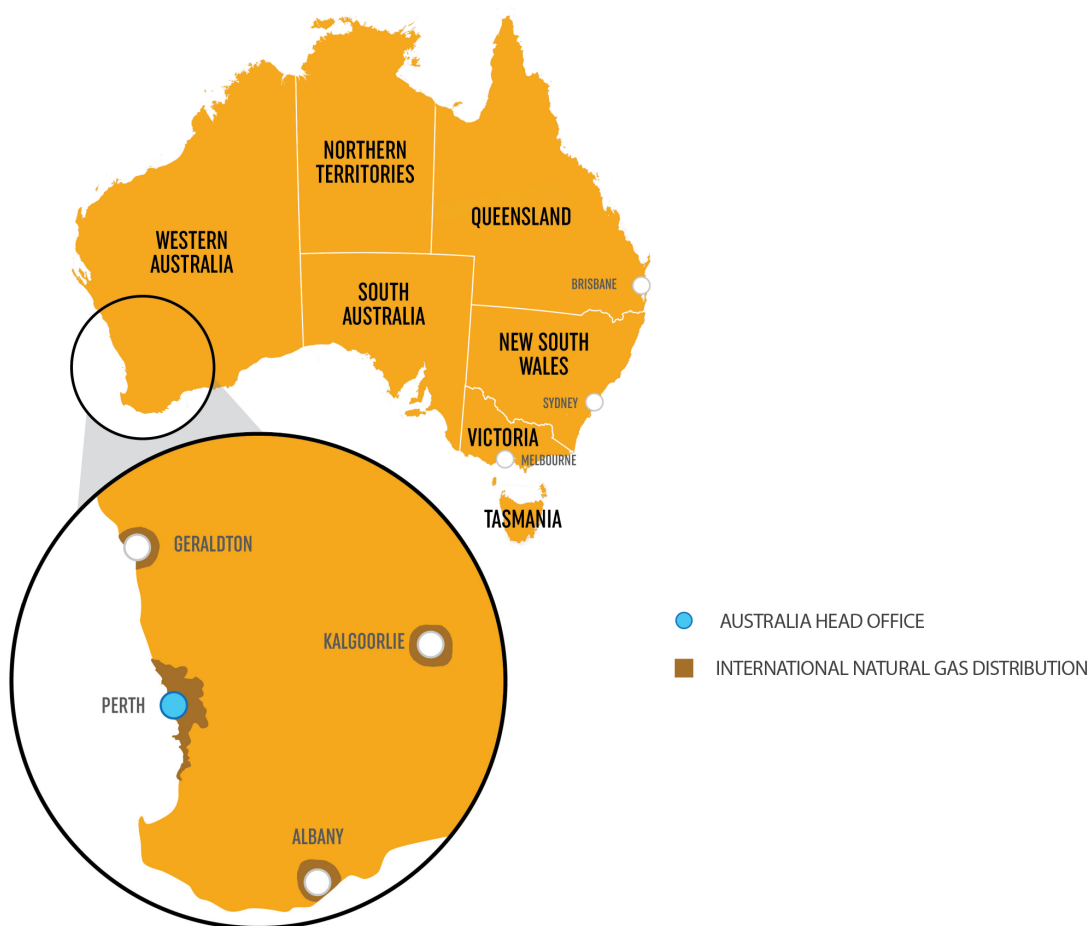
Natural Gas Transmission owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system from various gas processing plants as well as from connections with other natural gas transmission systems. The business transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province.

Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,100-km of pipelines, 14 compressor sites, approximately 3,700 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan, Alberta. The system has 183 producer receipt points, one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 4.85 billion cubic feet per day.

Included in the natural gas transmission system is the 101-km pipeline from the Pioneer Pipeline acquisition in 2021. This pipeline is facilitating the conversion of coal power plants to cleaner burning natural gas. As part of the acquisition, consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred a 30-km segment of pipeline to Nova Gas Transmission Ltd. (NGTL) that is located in the NGTL footprint. The transfer received approval from the Canada Energy Regulator on December 22, 2021, and the transfer was completed on February 25, 2022. More information is presented in the Company's MD&A.

INTERNATIONAL NATURAL GAS DISTRIBUTION

International Natural Gas Distribution's operations are shown in the following map.



International Natural Gas Distribution provides natural gas distribution services in Western Australia and serves approximately 792,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. International Natural Gas Distribution owns and operates approximately 14,000-km of natural gas pipelines and associated infrastructure and also distributes liquefied petroleum gas (LPG) to the community of Albany.

The average monthly number of customers served by International Natural Gas distribution in 2022 and 2021 is shown below.

	2022		2021 ⁽¹⁾	
	Number	%	Number	%
Residential	777,011	98	766,608	98
Commercial	14,369	2	14,105	2
Industrial	177	—	178	—
Total	791,557	100	780,891	100

(1) In 2022, management is using the average monthly number of customers as opposed to the number of customers at year end. 2021 numbers have been restated for comparability.

The quantity of gas distributed by International Natural Gas Distribution in 2022 and 2021 is shown below.

	2022		2021	
	PJ	%	PJ	%
Residential	10.4	37	10.6	38
Commercial	3.5	13	3.5	12
Industrial	13.8	50	14.2	50
Total	27.7	100	28.3	100

Hydrogen Blending

In Australia, Canadian Utilities continues to build on its work at the Clean Energy Innovation Hub, a test bed for hybrid energy solutions integrating natural gas, solar photovoltaic, battery storage and hydrogen production. In 2020, a 10 per cent hydrogen blend injected into the natural gas supply was successfully tested at the major depot at Jandakot in Perth, Western Australia. In 2021, Canadian Utilities successfully secured milestone based funding of \$2 million from the Western Australian Government for hydrogen blending initiation of 2,700 homes around the Jandakot depot site.

In 2022, Canadian Utilities successfully blended a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn. In partnership with Fortescue Future Industries (FFI), Canadian Utilities also constructed Western Australia's first Hydrogen Refuelling Station (HRS) that will enable Fortescue, Canadian Utilities and third parties such as the Western Australia Police to support their fleets of hydrogen fuel cell vehicles for emissions-free travel.



Western Australia's first Hydrogen Refuelling Station

REGULATORY INFORMATION

The regulatory framework and recent developments are described in the "Utilities Regulatory Information" section in ATCO's MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com.

ENERGY INFRASTRUCTURE

OVERVIEW

The Energy Infrastructure non-regulated businesses include: hydro, solar, wind, and natural gas electricity generation in Western Canada, Australia, Mexico, and Chile, as well as non-regulated electricity transmission, natural gas storage and transmission, Natural Gas Liquids (NGL) storage, and industrial water solutions in Alberta. Energy Infrastructure is also developing its clean fuels business including hydrogen, renewable natural gas, carbon capture and underground storage projects.

BUSINESS STRATEGY

Energy transition is a key component of our growth strategy, focused on the three pillars of clean fuels, renewable generation, and energy storage. Energy Infrastructure is striving to be a leader in clean energy development while focusing on delivering reliable, affordable and clean energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas and Australia. Energy Infrastructure continues to actively explore potential opportunities that will complement our growing renewable portfolio. Additionally, we continue to optimize and drive growth in our energy storage business. Storage is critical to energy stability and to support the reliability of the grid as the world transitions to clean, but more intermittent, sources of energy.

MARKET OPPORTUNITIES

In developed markets, the political and societal push to address climate change with decarbonization goals and the energy transition are driving the demand for clean energy, mainly supplied through renewables and clean fuels. Energy markets will be focused on providing firm, reliable and affordable energy supply as the share of renewables grows; this will drive further investment into storage and grid balancing solutions to improve system reliability.

MARKET CHALLENGES

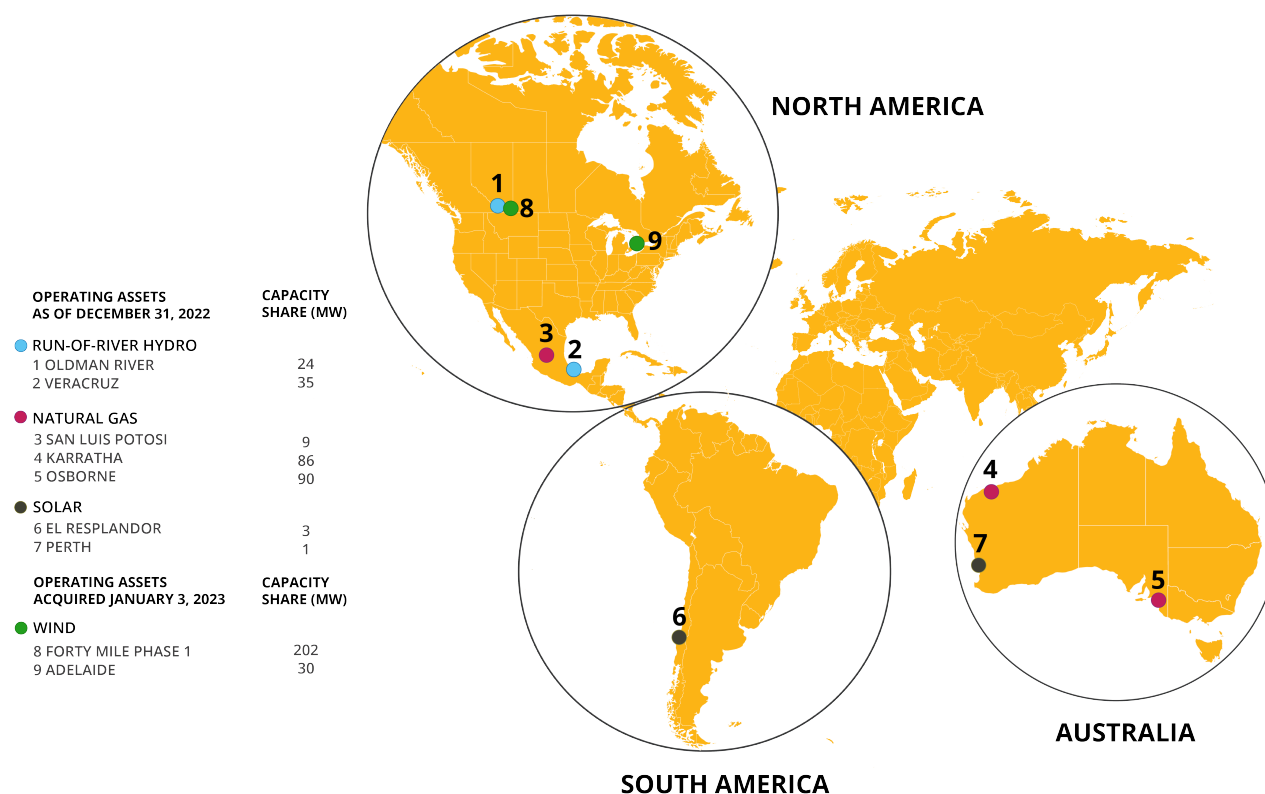
There is significant competition as financial, strategic and traditional fossil fuel-based energy producers become increasingly interested in renewables and clean fuels as part of the global energy transition. Government policy and regulatory constraints present challenges to renewables and clean fuel projects aligned with energy transition strategies. Macroeconomic conditions such as global economic activity, interest rates, inflation, and political uncertainty pose challenges for investment.



Forty Mile Wind, Alberta, Canada

ELECTRICITY GENERATION

Electricity Generation owns 248-MW of non-regulated electricity generation operating assets in Canada, Mexico, Australia and Chile as of December 31, 2022. On January 3, 2023, an additional 232-MW of operating assets were acquired along with a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development.



More information about the 2023 Renewable Energy Portfolio Acquisition can be found in the "[Strategic Acquisition of Renewable Generation Assets](#)" investor presentation available on the ATCO website: www.atco.com.

Canada

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s)	Contract Expiry Date
CANADA									
Oldman River Pincher Creek, AB	Hydroelectric	2003	32	75	24	—	Piikani Nation	Merchant	—
Forty Mile Phase 1 ⁽³⁾ Bow Island, AB	Wind	2022	202	100	202	150	—	Microsoft Corporate & Merchant	2038
Adelaide ⁽³⁾ Strathroy, ON	Wind	2015	40	75	30	30	Aamjiwnaang First Nation	Ontario Power Authority	2035
Total Operating			274		256	180			

In Development

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s)	Customer(s)	Contract Expiry Date
Barlow Calgary, AB	Solar	Partial Dec 2022	27	100	27	—	—	—	—
Deerfoot Calgary, AB	Solar	Est. 2023	37	100	37	37	—	Microsoft Corporate	2038
Empress Empress, AB	Solar	Est. 2023	39	100	39	—	—	—	—
Total In Development			103		103	37			

(1) Name plate capacity.

(2) Piikani Nation means Piikani Resource Development Inc.

(3) Subsequent to the year ended December 31, 2022, these assets were acquired as part of the Renewable Energy Portfolio Acquisition from Suncor Energy Inc.

Oldman River Hydro Plant

The Oldman River Hydro Plant is a 32-MW run-of-river project in southern Alberta, commissioned in 2003. The facility is jointly owned by Canadian Utilities and the Piikani Nation. Power generated at the plant meets the needs of up to 25,000 households.

2023 Renewable Energy Portfolio Acquisition

In October 2022, Canadian Utilities announced it had entered into a definitive agreement with Suncor Energy Inc. to acquire a portfolio of wind and solar assets and development projects located in Alberta and Ontario. The 30-MW Adelaide wind facility in Ontario and 202-MW Forty Mile wind project in Alberta were added to the non-regulated electricity generation assets upon close of the acquisition on January 3, 2023.

Concurrent with the close of this acquisition, Canadian Utilities entered into a new 15-year renewable energy purchase agreement (REPA) with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' newly acquired Forty Mile Wind Phase 1 Project in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term power purchase agreement.

Alberta Solar

In September 2021, Canadian Utilities announced that it had acquired the development rights to build three solar projects, the Deerfoot and Barlow projects in Calgary, Alberta, and the Empress Solar project near Empress, Alberta. The Barlow project achieved partial energization in December 2022, with full commercial operations expected in the second quarter of 2023. The Deerfoot and Empress projects are expected to commence commercial operations by the fourth quarter of 2023. Collectively they are expected to generate a combined capacity of 103-MW for the province.

In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project.

Mexico

Canadian Utilities and its Mexican partner, Grupo Ranman, own 11-MW of distributed generation located in the World Trade Centre industrial park in San Luis Potosí, Mexico.

Canadian Utilities owns Electricidad del Golfo, a long-term contracted, 35-MW hydroelectric power station based in the state of Veracruz, Mexico.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s)	Contract Expiry Date
MEXICO									
Distributed Generation San Luis Potosí	Gas-Fired	2016	11	79	9	9	Grupo Ranman	Various	2026
Electricidad del Golfo Veracruz	Hydroelectric	2014	35	100	35	35	—	Various	2028
Total - Mexico			46		44	44			

(1) Name plate capacity.

(2) Grupo Ranman means RANMAN Energy Inc.

Australia

Canadian Utilities maintains ownership in and currently operates two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia. These facilities collectively generate 266-MW of power and provide energy for thousands of public sector, domestic, industrial and commercial clients.

Karratha Power Station

Commissioned in 2010, the 86-MW Karratha Power Station is critical energy infrastructure and a reliable, scheduled electricity generation facility located in the North West Interconnected System in the resource rich region of the Pilbara in Western Australia. The facility supplies electricity to the state owned regional electric utility, Horizon Power, under a 20-year tolling power off-take contract. The facility consists of two online open cycle, dry low emission natural gas turbines and a spare third gas turbine on site. The plant is managed by highly competent and locally stationed ATCO crew and meets all its contractual performance requirements including commercial availability target, heat rate, noise pollution and nitrous oxide emissions.

Osborne

Osborne is a 50/50 joint venture between ATCO Power Australia and Origin Energy that commenced commercial operation on December 7, 1998. The 180-MW Osborne facility, operated by ATCO Power Australia, is located near Adelaide, South Australia, and is designed to accommodate operation in both cogeneration and combined cycle modes. Prior to July 2015, Osborne sold its electrical output under a long-term (20-year) PPA to Origin Energy. In July 2015, the PPA was amended to a tolling agreement whereby Origin Energy Electricity Limited (as the electricity off-taker) supplies the natural gas at its own cost and in turn, utilizes the facility for its required electricity output.

In 2018, Canadian Utilities negotiated a five-year extension to the PPA with Origin Energy Electricity Limited for Osborne to December 31, 2023. On February 3, 2023, Canadian Utilities executed an extension to the current Power Purchase Agreement. The extension is for a period of three years with a further one year option. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s) ⁽²⁾	Customer(s) ⁽²⁾	Contract Expiry Date
AUSTRALIA									
Osborne South Australia	Gas-Fired Combined-cycle	1998	180	50	90	90	Origin Energy	Origin Electricity	2026
Karratha Western Australia	Gas-Fired Open-cycle	2010	86	100	86	86	—	Horizon Power	2030
Total - Australia			266		176	176			

(1) Name plate capacity.

(2) Full names of customers and partners:

- Origin Electricity means Origin Energy Electricity Limited
- Origin Energy means Origin Energy Limited

Australia Solar

Canadian Utilities acquired Source Energy Co. (Source) in July 2018, a behind the meter retail company in Western Australia with expertise in managing energy needs for high-density apartment buildings, using a mix of rooftop solar panels and energy from the grid, matched with smart metering technology. Source provides customers with advice on how to save energy and money with sustainable energy solutions. In 2022, Source generated approximately 1-MW of solar energy capacity.

Hydro Development - Central West Pumped Storage Hydro Project

In February 2021, Canadian Utilities announced an agreement to acquire the rights to develop the 325-MW Central West Pumped Storage Hydro project, located approximately 175-km west of Sydney, Australia. The acquisition marks Canadian Utilities' first potential renewable energy investment on Australia's east coast. The project is in close proximity to significant renewable energy resources and will be integral in supporting the development of new renewable generation capacity in the state of New South Wales. In September 2022, a \$9 million AUD recoverable grant was awarded by the NSW Government to help fund pre-investment activities. A final investment decision on project construction is expected in 2023.

Chile

Solar Generation Facility

In 2019, Canadian Utilities entered into a partnership with Impulso Capital, a Chilean developer, to build and operate the El Resplandor solar project. This project located in Cabrero, Chile, provides solar energy to the Chilean electricity grid.

Name & Location	Type	Date In Service	MW ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Contracted Capacity (MW)	Partner(s)	Customer(s)	Contract Expiry Date
CHILE									
El Resplandor Cabrero	Solar PV	2020	3	95	2.85	—	Impulso Capital	Merchant	—

(1) Name plate capacity.

ELECTRIC VEHICLE INPUT CHARGING STATIONS

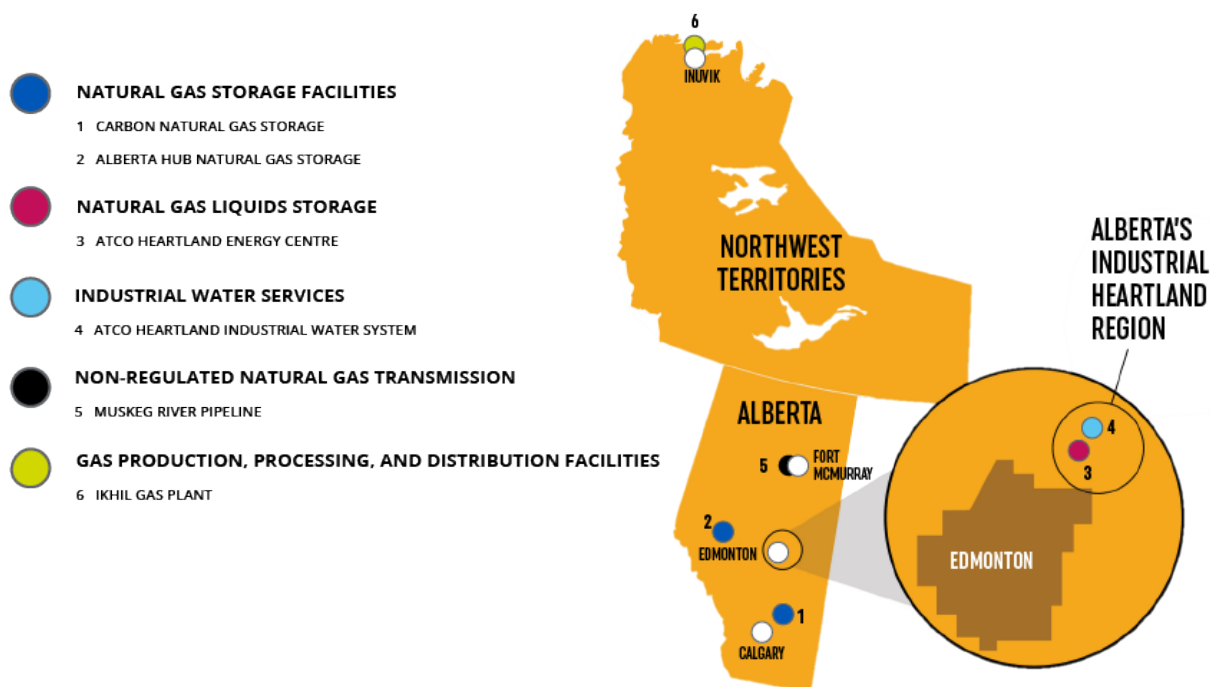
Electric vehicle (EV) fast charging stations provide end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. To date, Canadian Utilities has installed a total of 25 public fast EV charging stations, including 20 installed through the Peak to Prairies initiative in Southern Alberta.

NON REGULATED ELECTRICITY TRANSMISSION

Canadian Utilities operates 33-km of transmission lines across four non-regulated electricity transmission assets in Alberta, including Scotford transmission line and substation, Muskeg River transmission line and substation, Grand Rapids substation, and Air Products transmission line.

STORAGE & INDUSTRIAL WATER

Storage & Industrial Water builds, owns and operates non-regulated industrial water, natural gas storage, NGL storage, and natural gas related infrastructure to serve the midstream and petrochemical sector of western Canada's energy industry. It operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories.



Natural Gas Storage

Storage & Industrial Water provides customized natural gas storage tailored to customers' specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers.

Storage & Industrial Water owns and operates a natural gas storage facility at Carbon, Alberta. The facility is a natural gas reservoir with a seasonal storage capacity that was expanded in 2022 from 52 petajoules to 68 petajoules. The facility is connected to multiple transmission pipeline systems and has been in service for more than 50 years.

In December 2021, Canadian Utilities acquired the Alberta Hub natural gas storage facility near Edson, Alberta. The Alberta Hub is an underground natural gas storage facility, has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. The facility is a natural complement to our existing Carbon natural gas storage facility because we are able to recognize operating efficiencies and additional value through the combination of the assets and implementation of Carbon's commercialization strategy to the Alberta Hub.

Natural Gas Liquids Storage

The ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta includes assets held in a partnership between ATCO Energy Solutions Ltd. (60 per cent ownership share) and Petrogas Energy Corp. (40 per cent ownership share), focused on supporting customers through natural gas liquids and hydrocarbon storage, and the related infrastructure. The facility consists of five storage caverns, which have a combined storage capacity of 544,000 cubic metres and operate under long-term contracts. The first two caverns have been in service since the fourth quarter of 2016, two additional caverns came into service in the second quarter of 2018. The fifth cavern came into service in the second quarter of 2022.

Industrial Water

Storage & Industrial Water's multi-user water system is connected to the North Saskatchewan River through our industrial water system. We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers, including a long-term commercial agreement with Inter Pipeline Ltd. to provide water services to their integrated propane dehydrogenation and polypropylene plant known as the Heartland Petrochemical Complex. This industrial water system also supplies water for the development of salt caverns for our NGL storage facilities in the region. The water infrastructure capacity is 85,200 m³/day.

Non-regulated Natural Gas Transmission

Storage & Industrial Water owns the 116-km Muskeg River non-regulated natural gas pipeline that provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area. Service on the pipeline commenced in June 2002 under a long-term commercial agreement with Canadian Natural Upgrading Limited and other shipper participants.

Gas Production, Processing and Distribution Facilities

Storage & Industrial Water has a non-operating 33.3 per cent ownership interest in one natural gas production, gathering and processing facility, the Ikhil gas plant.

CLEAN FUELS

Canadian Utilities views the development of clean fuels as a critical aspect in the successful decarbonization of the energy system over the longer term and the Company is investing in projects that expand our market reach as global energy transition objectives continue to mature.

Renewable Natural Gas

Two Hills Renewable Natural Gas Facility

In July 2021, Canadian Utilities announced its partnership with Future Fuel Ltd. to build and operate the Two Hills RNG facility north of Vegreville, Alberta. The facility will combine organic waste from nearby municipalities with agricultural byproducts to produce approximately 230,000 gigajoules per year of renewable natural gas. The facility is targeting to commence commercial operations in 2023. The RNG produced will be delivered into the local gas distribution network and sold under a 15-year sales contract between Pacific Northern Gas Ltd. (PNG) and ATCO Future Fuel RNG Limited Partnership (ATCO Future Fuel).

Hydrogen Development

Suncor ATCO Heartland Hydrogen Hub (SAH3)

In May 2021, Canadian Utilities and Suncor Energy announced the decision to collaborate on early stage design and engineering of a potential clean hydrogen project. The project is currently progressing through early design and engineering phases, which will continue throughout 2023 ahead of the sanctioning decision currently expected as early as 2024.

Canadian Pacific Hydrogen Locomotive Project

In May 2022, Canadian Utilities announced an agreement with Canadian Pacific (CP) to provide engineering, procurement and construction services for two hydrogen production and refueling facilities in Calgary and Edmonton. The fuelling stations will be essential in bringing zero-emissions hydrogen locomotive propulsion into reality as part of CP's commitment to sustainable and responsible operations. The construction of these facilities will advance CP's innovative Hydrogen Locomotive Program, which has its sights set on building its first line-haul hydrogen-powered freight locomotive. Early stages of siting and construction has commenced, with production and supply of hydrogen expected to be provided to locomotives in 2023.

Atlas Carbon Sequestration Hub (Atlas Hub)

To support Canadian Utilities' hydrogen strategy and the development of SAH3, as well as the Province of Alberta's carbon sequestration ambitions, Canadian Utilities and its partners are developing the Atlas Carbon Sequestration Hub. The Atlas Hub development has been proposed east of Edmonton by a partnership led by Shell Canada Limited, ATCO Energy Solutions Ltd., and Suncor Energy Inc.

On March 31, 2022, Atlas Hub was shortlisted for further evaluation by the Government of Alberta. Proponents have been invited to work with the government to further evaluate the suitability of each location for safely storing carbon from industrial emissions. If the evaluation demonstrates that the proposed projects can provide permanent storage, companies can work with the government on an agreement that provides them with the right to inject captured carbon dioxide. This agreement will also ensure proponents will provide open access to all emitters and affordable use of the hub. Canadian Utilities and its partners continue to progress development of Atlas Hub, which is expected to advance throughout 2023.

CANADIAN UTILITIES CORPORATE & OTHER

Canadian Utilities' Corporate & Other segment includes Rūmi, Blue Flame Kitchen and Retail Energy through ATCO Energy which provides home products, home maintenance services, professional advice, and retail electricity and natural gas services in 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, Canadian Utilities Corporate & Other includes CU Inc. and Canadian Utilities preferred share dividend and debt expenses.

RETAIL ENERGY

ATCO Energy sells electricity and natural gas to residential customers through a variety of flexible plans.

RÜMI

On June 3, 2021, ATCO Energy launched Rūmi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional advice for homeowners. Rūmi currently offers approximately 60 services in Edmonton and Calgary.

BLUE FLAME KITCHEN (BFK)

The BFK has been serving Albertans for more than eight decades. BFK had its start in 1929 with simple natural gas appliance demonstrations and small cooking classes for homemakers and has since evolved into a comprehensive global resource for adults and kids alike. Today the BFK provides recipes and 'how-to' guides, online and virtual school programs and cooking classes, and offers events hosted at our home-style kitchen in Edmonton and our state-of-the-art learning centres in Calgary, Alberta and Jandakot, Western Australia. In 2022, BFK launched its branded quick serve and grocer program providing wholesale pre-packaged fresh and frozen foods to convenience stores, gas stations, and grocers.

THREE YEAR HISTORY

Summarized below are the major events, acquisitions, dispositions, and conditions that have influenced the Company's development during the past three years.

REVENUE SUMMARY

Each business unit's contribution to the Company's consolidated revenues is shown in the chart below.

Revenues ⁽¹⁾	2022		2021		2020	
	(\$ millions)	%	(\$ millions)	%	(\$ millions)	%
Structures & Logistics	929	19	777	18	714	18
Neltume Ports ⁽²⁾	—	—	—	—	—	—
ATCO Corporate & Other	1	—	(3)	—	(3)	—
Canadian Utilities Limited						
Utilities	3,384	68	3,041	71	2,932	74
Energy Infrastructure	312	6	209	5	195	5
Canadian Utilities Corporate & Other	352	7	265	6	106	3
Total	4,978	100	4,289	100	3,944	100

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2022 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

(2) Neltume Ports is accounted for as an investment in equity interest in associate company. Additional detail is discussed in Note 25 ("Investment in Associate Company") of the 2022 Consolidated Financial Statements.

The COVID-19 pandemic disrupted financial and commodity markets, supply chains, and affected production and sales across different industries in private and public sectors. In 2022, higher revenues in Canadian Utilities' Electricity Distribution and Natural Gas Distribution businesses were a result of rate relief provided to customers in 2021 in light of COVID-19 and subsequently the AUC decision to maximize the collection of 2021 deferred revenues in 2022.

ATCO's operations, financial position and performance were not significantly impacted by the COVID-19 pandemic over the last three years. This is primarily due to the nature of the Company's operations which are considered to be essential services.

STRUCTURES & LOGISTICS

ATCO Structures was awarded a number of significant contracts to manufacture and install workforce housing and permanent modular construction accommodation in North America and Australia during the previous three years. Contributions from these major workforce housing projects have been supplemented by improved rental revenues from a growing space rentals fleet.

Over the past three years, ATCO Frontec has benefited from a base of long-term facility operations and maintenance contracts as well as workforce lodging and support contracts.

For further details on Structures and Logistics contracts see the Business Description section of this AIF.

ATCO STRUCTURES

Pocatello Idaho Manufacturing Facility, United States

In the second quarter of 2020, ATCO Structures closed its manufacturing facility located in Pocatello, Idaho, relocated materials and equipment to its manufacturing facilities in Calgary, Alberta, and Diboll, Texas, and recorded \$3 million in one-time closure costs.

ATCO Sabinco S.A. Acquisition, Chile

In the fourth quarter of 2020, ATCO Structures acquired the remaining 50 per cent interest in its ATCO Sabinco S.A. joint venture partnership. With this strategic investment, ATCO Structures gained full ownership and control of its Chilean business. This acquisition included a large-scale modular manufacturing facility in Santiago, Chile,

1,776 additional space rental units at 81 per cent utilization, and capabilities to deliver workforce housing projects throughout South America. The transaction closed on December 30, 2020.

Alaska Space Rentals Fleet Sale, United States

In the fourth quarter of 2021, ATCO Structures completed the sale of its 42-unit Alaskan space rentals fleet in the US which enables the business to continue to focus on mainland US space rentals fleet expansion.

Triple M Housing Ltd. Acquisition

In December 2022, ATCO Structures acquired a 100 per cent ownership interest in Triple M Housing Ltd. a leading North American manufacturer of pre-fabricated, modular residential homes. Triple M is headquartered in Lethbridge, Alberta, and primarily serves Western Canada and segments of the US. Triple M will operate as a specialized housing division for ATCO Structures within Canada. Triple M has contributed earnings accretion to ATCO Structures post-acquisition.

ATCO FRONTEC

Kenya

In 2018, ATCO Frontec registered a company in Kenya, ATCO Frontec Pty Limited, with the aim of establishing a strong ATCO presence in East Africa. The Kenya office was closed in 2020.

NELTUME PORTS

Neltume Ports financial results have been consistent over the past three years. ATCO does not report revenue for Neltume Ports as it is accounted for using the equity accounting method.

Tidal Transport & Trading USA Acquisition

On September 3, 2021, Neltume Ports acquired a 70 per cent interest in Tidal Transport & Trading USA (Tidal). Tidal provides full-scale marine operation services focused primarily on stevedoring, hold cleaning, and port captaincy on the US West Coast, with operations in California, Oregon, and Washington.

AutoMobile International Terminal

On June 2, 2021, AutoMobile International Terminal, a 50/50 joint venture partnership with Terminal Zarate in Mobile, Alabama, had their grand opening and is now in service. The terminal is operating under a 10-year concession agreement with two consecutive 10-year extensions at the election of the joint venture partners for a total of up to 30 years. The port primarily serves the import and export requirements of the automotive market in the US.

Ownership Interest Increase

In 2021, Neltume Ports increased its ownership interest in Sagres from 86 per cent to 90 per cent, in Terminal Ontur from 20 per cent to 28 per cent, and in Puerto Coronel from 17 per cent to 25 per cent.

ATCO CORPORATE & OTHER

Executive Appointments

On October 6, 2021, the ATCO Board of Directors announced the appointment of Katie Patrick to the position of Executive Vice President, Chief Financial & Investment Officer of ATCO Ltd.

New Board of Directors Appointee

Effective September 1, 2021, Norman M. Steinberg was appointed to the Board of Directors of ATCO Ltd.

Board of Directors Retirement

In 2022, Charles W. Wilson retired as Director of the ATCO Ltd. Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 11, 2022.

Commercial Real Estate Transactions

In May 2021, ATCO Land and Development acquired 1,250 acres of land in Strathcona County, Alberta, adjacent to ATCO's Heartland Energy Centre, to support the land requirements of ATCO's Energy Transition initiatives in the region and subsequently transferred the land to an affiliate company for project development.

CANADIAN UTILITIES

UTILITIES

Revenues and earnings in the Utilities business are driven by capital investment. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. Utilities has invested over \$3 billion in capital over the last three years.

Capital Expenditures

Total capital expenditures for the Regulated Utilities in the last three years is provided in the table below.

(\$ millions)	Total	Year Ended December 31		
		2022	2021	2021
Electricity Distribution	733	282	230	221
Electricity Transmission	549	284	120	145
Natural Gas Distribution	860	329	294	237
Natural Gas Transmission	708	143	362	203
International Gas Distribution	260	99	91	70
Total	3,110	1,137	1,097	876

Electricity Distribution and Transmission

Capital expenditures in utility infrastructure in Alberta over the past three years has included the replacement of aging infrastructure, grid modernization, new customer connections and off-diesel initiatives.

International Electricity Operations

On June 22, 2020, LUMA Energy, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc., was selected by the P3A to transform, modernize and operate Puerto Rico's 30,000-km electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement. The transition period commenced in the second quarter of 2020.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

Natural Gas Distribution and Transmission

Capital expenditures in Natural Gas Distribution and Transmission over the past three years has been focused on the replacement of aging infrastructure, installation of new customer connections as well as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal to gas generating conversion of power plants.

Urban Pipelines Replacement (UPR) Program

The UPR program installed 140-km of new high-pressure pipelines within the Transportation Utility Corridor within Edmonton and Calgary to address safety, reliability and future growth. In addition, 200-km of pipelines were transferred from Natural Gas Transmission to Natural Gas Distribution, and 110-km of pipelines were abandoned. Natural Gas Distribution and Natural Gas Transmission will have invested \$914 million in the 12-year UPR program

which had all major components completed in 2022. Final clean up and project close outs remain to be completed in 2023.

Mains Replacement Program

Natural Gas Distribution has two mains replacement programs which were approved in 2011, the plastic mains replacement and the steel mains program. The plastic mains replacement includes 8,000-km of polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe that are planned for replacement by 2031. Natural Gas Distribution has replaced 2,407-km of PVC and PE pipe since the approval of this program. The steel mains program includes 9,000-km of steel pipe that is monitored and continually evaluated for replacement based on the performance history. Natural Gas Distribution has replaced 365-km of steel pipe since the approval of this program.

Pembina-Kepphills

In the second quarter of 2020, Natural Gas Transmission completed and placed in-service the \$230 million Pembina-Kepphills transmission pipeline. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day.



Pembina-Kepphills transmission pipeline construction, near Wabamun Lake, Alberta

Pioneer Pipeline

On September 30, 2020, Natural Gas Transmission entered into an agreement to acquire the 131-km Pioneer Pipeline from Tidewater Midstream & Infrastructure Ltd. (Tidewater) and its partner TransAlta Corporation (TransAlta) for a purchase price of \$265 million. The natural gas pipeline runs from the Drayton Valley area to the Wabamun area west of Edmonton, Alberta. Consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred to Nova Gas Transmission Ltd. the 30-km segment of pipeline that is located in the NGTL footprint.

The transaction to acquire the Pioneer Pipeline closed in 2021. The transfer to NGTL received approval from the Canada Energy Regulator on December 22, 2021, and on February 25, 2022, Natural Gas Transmission completed the transfer to NGTL of the 30-km segment of pipeline located in the NGTL footprint for \$63 million.

International Gas Distribution

Over the last 3 years, International Gas Distribution has continued the end of life mains replacement program and growth capital expenditures for the distribution network within the scope of works set out in the approved Access Arrangement. In 2021, capital expenditures included gas pipeline relocations at the request of the government in Western Australia. These relocations are due to significant infrastructure development programs and are fully funded by the government.

ENERGY INFRASTRUCTURE

Revenue in the Energy Infrastructure business continues to increase steadily since 2020 due to the Alberta Hub natural gas storage facility acquired in December 2021.

Electricity Generation

Calgary Solar Development Project Acquisitions

In September 2021, Canadian Utilities announced that it had acquired the development rights to build two solar projects, the Deerfoot and Barlow projects in Calgary Alberta, with a combined capacity of 64-MW. In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project. The Barlow project achieved its in-service date with the Alberta Electric System Operator along with exporting power to the grid with the energization of the first array of solar panels in December 2022, with full commercial operations expected in the second quarter of 2023. The Deerfoot project is expected to commence commercial operations by the fourth quarter of 2023.

Empress Solar Development Project Acquisition

In September 2021, Canadian Utilities announced that it had acquired the rights to the Empress Solar project, a 39-MW solar facility under development near Empress, Alberta. Electricity from this solar project may be sold through a contracted Power Purchase Agreement with any uncontracted electricity sold into the Alberta power grid. Project execution is underway with all major permits received. Commercial operations are expected to commence in the fourth quarter of 2023.

2023 Renewable Energy Portfolio Acquisition

In October 2022, Canadian Utilities announced it had entered into a definitive agreement with Suncor Energy Inc. to acquire a portfolio of wind and solar assets and development projects located in Alberta and Ontario. Subsequent to year-end, on January 3, 2023, the transaction closed for a purchase price of \$713 million, net of cash acquired and subject to working capital adjustments.

The acquisition includes a majority interest in the Adelaide wind facility in Ontario, the new 202-MW Forty Mile wind project in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development, including several late-stage projects.

Concurrent with the close of this acquisition, Canadian Utilities entered into a new 15-year renewable energy purchase agreement (REPA) with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' newly acquired Forty Mile Wind Phase 1 Project in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term power purchase agreement.

International Electricity Generation

La Laguna - Mexico Cogeneration Facility

In March 2018, Canadian Utilities entered into a commercial agreement with Chemours to build a 26-MW cogeneration facility, known as La Laguna Cogeneration, on the site of the Chemours Company Mexicana S. de R.L. de C.V.'s chemical facility near Gómez Palacio, Mexico.

Developed in partnership with RANMAN Energy, the La Laguna Cogeneration facility was expected to provide low-carbon and cost-effective heat and electricity under a long-term agreement. In February 2021, due to ongoing construction permitting delays, Canadian Utilities and Chemours terminated the La Laguna Cogeneration facility contract. Canadian Utilities has since recovered its costs incurred on the project.

Storage & Industrial Water

Natural Gas Storage - Acquisition of Alberta Hub Natural Gas Storage Facility

In December 2021, Canadian Utilities acquired a 100 per cent ownership interest in Alberta Hub, an underground natural gas storage business near Edson, Alberta. The acquisition is reported in the Energy Infrastructure segment and the aggregate consideration paid was \$135 million, which is comprised of \$84 million cash paid, net of cash acquired of \$51 million. The Alberta Hub natural gas facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. Complementing our existing natural gas storage facility at Carbon, Alberta, the facility provides customized storage solutions tailored to Energy Infrastructures customers' needs.

Commercial Real Estate Transactions

In May 2021, ATCO Land and Development acquired 1,250 acres of land in Strathcona County, Alberta, adjacent to ATCO's Heartland Energy Centre, to support the land requirements of ATCO's Energy Transition initiatives in the region and subsequently transferred the land to an affiliate company for project development.

CANADIAN UTILITIES CORPORATE & OTHER

Executive Appointment

On October 6, 2021, the Canadian Utilities Board of Directors announced the appointment of Brian Shkrobot to the position of Executive Vice President & Chief Financial Officer of Canadian Utilities Limited.

New Board of Directors Appointee

Effective September 1, 2021, Robert J. Hanf, K.C. was appointed to the Board of Directors of Canadian Utilities Limited.

Board of Directors Retirement

In 2022, Charles W. Wilson retired as Director of the Canadian Utilities Limited Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 4, 2022.

Participation in Canadian Utilities Dividend Reinvestment Plan

On January 13, 2022, the Company reinstated its dividend reinvestment program (DRIP) for eligible Class A and Class B share owners who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019.

The DRIP allows eligible Class A and Class B share owners of Canadian Utilities to reinvest all or a portion of their dividends in additional Class A shares.

In the full year of 2022, Canadian Utilities issued 527,471 Class A shares under the DRIP using re-invested dividends of \$20 million.

Rümi Launch

On June 3, 2021, ATCO Energy launched Rümi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional advice for homeowners. Rümi currently offers approximately 60 services in Edmonton and Calgary.

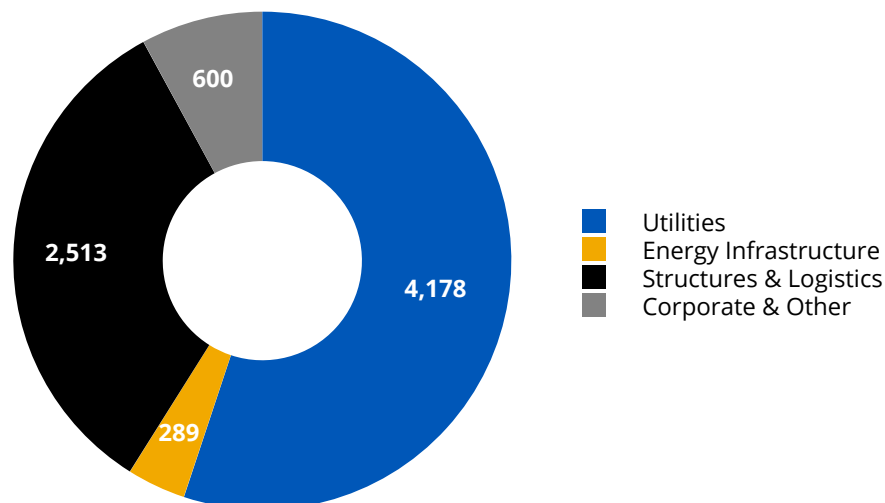
Wipro Master Service Agreement

In the fourth quarter of 2020 and first quarter of 2021, Canadian Utilities signed Master Services Agreements (MSAs) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed information technology services. These services were previously provided by Wipro Ltd. (Wipro)

under ten-year MSAs expiring in December 2024. The transition of the managed IT services from Wipro to Kyndryl and IBM commenced on February 1, 2021 and was complete by the end of 2021.

EMPLOYEE INFORMATION

At December 31, 2022, the Company had 7,580 employees. The accompanying chart represents the employee numbers in each segment. The chart does not include 4,043 employees in joint ventures (including LUMA Energy), and 7,400 employees in the Neltume Ports equity investment.



SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Sustainability, Climate Change and Energy Transition is described in the "Sustainability, Climate Change and Energy Transition" section in ATCO Ltd.'s MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com. Our 2022 Sustainability Report will be published in May 2023.

BUSINESS RISKS

Business risks are described in the "Business Unit Performance" and "Business Risks and Risk Management" sections in ATCO Ltd.'s MD&A and are incorporated herein by reference. The MD&A may be found on SEDAR at www.sedar.com.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

<i>(Canadian dollars per share)</i>	2022	2021	2020
Class I and Class II Shares	1.85	1.79	1.74

The Company's practice is to pay dividends quarterly on its Class I and Class II Shares. The Company has increased its common share dividend each year since 1993. On January 12, 2023, the Board of Directors declared a first quarter dividend of 47.56 cents per share. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 28, 2023 is as shown below:

Share Description	Authorized	Outstanding
Preferred Shares issuable in series	20,000,000	—
Junior Preferred Shares issuable in series	8,000,000	—
Class I Shares	300,000,000	101,488,182
Class II Shares	50,000,000	12,424,996

PREFERRED SHARES AND JUNIOR PREFERRED SHARES

The Preferred Shares and Junior Preferred Shares are issuable from time to time in one or more series with rights, restrictions, conditions and limitations as may be determined by the Board of Directors. Both the Preferred Shares and Junior Preferred Shares have priority over the Class I Shares and Class II Shares in the payment of dividends and the distribution of assets on the liquidation, dissolution or winding up of the Company.

CLASS I NON-VOTING SHARES AND CLASS II VOTING SHARES

Each Class II Share may be converted into one Class I Share at any time at the share owner's option. If an offer to purchase all Class II Shares is made, and such offer is accepted and taken up by the owners of a majority of the Class II Shares, and, if at the same time, an offer is not made to the Class I Share owners on the same terms and conditions, then the Class I Shares will be entitled to the same voting rights as the Class II Shares. The two share classes rank equally in all other respects, except for voting rights.

Of the 10,200,000 Class I Shares authorized for grant of options under our stock option plan, 8,305,300 Class I Shares were available for issuance at December 31, 2022. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

NORMAL COURSE ISSUER BID

We believe that, from time to time, the market price of our Class I Shares may not fully reflect the value of our business, and that purchasing Class I Shares represents a desirable use of available funds. The purchase of Class I Shares, at appropriate prices, will also minimize any dilution resulting from the exercise of stock options.

On March 9, 2022, we commenced a normal course issuer bid to purchase up to 1,011,907 outstanding Class I Shares. The bid will expire on March 8, 2023. Between March 9, 2022 and February 28, 2023, 486,400 shares have been purchased for \$23 million.

All purchases were made by means of open market transactions through the facilities of the Toronto Stock Exchange (TSX). A copy of the notices filed with the TSX may be obtained by any share owner without charge by contacting the Corporate Secretary at the head office of the Company.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets forth, as of December 31, 2022, the number of ATCO securities of each class that are held, to the knowledge of Company, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Class I Non-Voting Shares	254,021	0.251%

(1) Held in trust pursuant to the Company's mid-term incentive plan (MTIP). The trustee is Canadian Western Trust Company. As of 2020, the Company no longer grants awards under the MTIP. Following the approval of the termination of the MTIP by the Board of Directors, the trustee may release the shares from escrow in accordance with the terms of the MTIP and the related Trust and Agent Services Agreement.

LONG-TERM DEBT

The Company and its subsidiaries have issued unsecured debentures and fixed-to-floating rate subordinated notes. Details with respect to the issued and outstanding long-term debt can be found in Note 14 of the 2022 Consolidated Financial Statements. These debentures and subordinated notes are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR at www.sedar.com.

CREDIT FACILITIES

At December 31, 2022, ATCO and its subsidiaries had the following lines of credit.

(\$ millions)	Total	Used	Available
Long-term committed	3,396	1,080	2,316
Uncommitted	669	258	411
Total	4,065	1,338	2,727

Of the \$4,065 million in total lines of credit, \$669 million was in the form of uncommitted credit facilities with no set maturity date. The other \$3,396 million in credit lines was committed, with maturities between 2024 and 2026, and may be extended at the option of the lenders.

Of the \$1,338 million in lines of credit used, \$656 million was related to ATCO Gas Australia Pty Ltd. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia Pty Ltd's term debt financing needs. The majority of the remaining usage is for the issuance of Canadian Utilities' letters of credit and ATCO Structures & Logistics' funding to expand its global rental fleet and working capital needs on workforce housing projects. Details with respect to the credit facilities can be found in Note 14 of the 2022 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR at www.sedar.com.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer's capacity and willingness to meet its financial commitment on an obligation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

Credit ratings are important to the Company's financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost-effective access to funds required for operations and growth.

The following table shows the current credit ratings assigned to ATCO Ltd., Canadian Utilities Limited, CU Inc., and ATCO Gas Australia Pty Ltd.

	DBRS	S&P	Fitch
ATCO Ltd.			
Issuer	A (low)	BBB+	BBB+
Canadian Utilities Limited			
Issuer	A	BBB+	A-
Senior unsecured debt	A	BBB	A-
Commercial paper	R-1 (low)	A-1 (low)	F2
Preferred shares	PFD-2	P-2 (low)	BBB
CU Inc.			
Issuer	A (high)	A-	A-
Senior unsecured debt	A (high)	A-	A
Commercial paper	R-1 (low)	A-1 (low)	F2
Preferred shares	PFD-2 (high)	P-2	BBB+
ATCO Gas Australia Pty Ltd ⁽¹⁾			
Issuer and senior unsecured debt	N/A	BBB+	N/A

(1) ATCO Gas Australia Pty Ltd is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

On March 2, 2022, S&P Global Ratings revised its issuer rating on ATCO Ltd. and Canadian Utilities Limited from 'A-' with a negative outlook to 'BBB+' with a stable outlook. S&P Global Ratings affirmed ATCO subsidiary CU Inc.'s 'A-' issuer credit rating and stable outlook, reflecting S&P's view that CU Inc. is an insulated entity to ATCO Ltd. and Canadian Utilities Limited.

On March 17, 2022, Fitch Ratings assigned a first-time issuer rating of 'A-' with a stable outlook to both Canadian Utilities Limited and CU Inc., as well as a first-time issuer rating of 'BBB+' with a stable outlook to ATCO Ltd.

On March 24, 2022, S&P Global Ratings affirmed ATCO subsidiary ATCO Gas Australia Pty Ltd's 'BBB+' issuer credit rating and stable outlook.

On August 2, 2022, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities subsidiary CU Inc.

On August 4, 2022, S&P Global Ratings affirmed Canadian Utilities subsidiary CU Inc.'s 'A-' long-term issuer credit rating and stable outlook. On August 11, 2022, S&P Global Ratings affirmed its 'BBB+' long-term issuer credit rating and stable outlook on Canadian Utilities Limited.

On September 12, 2022, DBRS Limited affirmed its 'A (low)' long-term corporate credit rating and stable outlook on ATCO Ltd. and its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.

On September 21, 2022, S&P Global Ratings affirmed its 'BBB+' long-term issuer credit rating and stable outlook on ATCO Ltd.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

An 'A' issuer rating by DBRS is the third highest of ten categories. An issuer rated 'A' is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than 'AA'. A-rated issuers may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than 'AAA' and 'D' contains the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

An 'A' issuer rating by S&P is the third highest of ten categories. An entity rated 'A' by S&P has a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in

circumstances and economic conditions than an entity in higher-rated categories. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

An 'A' rating by Fitch is the third highest of eleven categories. An 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

A 'BBB' issuer rating by S&P is the fourth highest of ten categories. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

An 'A-1 (Low)' rating by S&P is the third highest of eight categories in its Canadian commercial paper ratings scale. A short-term obligation rated 'A-1 (Low)' is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.

An 'F2' rating by Fitch is the second highest of seven categories. 'F2' indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

PREFERRED SHARE CREDIT RATINGS

A 'PFD-2' rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are generally of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as 'PFD-1' rated companies. Each rating category is denoted by the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'P-2' rating by S&P is the second highest of eight categories S&P uses in its Canadian preferred share rating scale. An obligation rated 'P-2' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. A 'high' or 'low' designation shows relative standing within a rating category. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class I Shares and Class II Shares are listed on the TSX.

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volume of the Company's shares, traded on the TSX under the symbols ACO.X for Class I shares and ACO.Y for Class II shares during 2022 as reported by the TSX:

2022	Class I Shares			Class II Shares		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	42.96	40.54	5,000,468	45.00	40.31	5,984
February	42.94	40.90	4,668,479	44.00	40.00	6,150
March	43.24	41.12	5,920,589	44.00	40.00	955
April	46.31	42.49	4,315,768	49.94	40.00	10,465
May	48.04	44.45	6,462,920	49.75	40.00	4,943
June	45.82	41.45	6,547,647	49.50	42.00	5,077
July	47.75	43.08	3,801,987	49.69	42.50	12,085
August	48.46	45.61	5,212,201	51.00	44.40	798
September	48.10	42.30	5,419,308	51.49	42.40	8,631
October	43.63	39.80	4,402,458	46.60	39.95	19,700
November	43.66	40.87	5,316,369	46.60	40.00	4,982
December	44.71	42.02	4,405,469	50.00	40.45	1,852

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS ⁽¹⁾



ROBERT T. BOOTH, K.C.

Primary residence Calgary, Alberta, Canada

Director since 2008

Age 70

Independent Until his retirement in December 2022, Mr. Booth was a partner in a law firm that acts as legal counsel to ATCO. Following his retirement from that law firm, Mr. Booth is now considered to be an independent director.

Until his retirement in December 2022, Bob Booth practiced law in Calgary, Alberta for 45 years with Bennett Jones LLP where he was a partner since 1984. Mr. Booth's legal practice covered many areas of the natural resources and energy fields, including oil and gas exploration, production and marketing, pipeline transportation, power generation and transmission, and energy utility businesses. During his legal career Mr. Booth also acted for clients supporting the Canadian military. He served from 2005 until 2023 as the CEO and Chair of the Board of Milit-Air Inc., a federal not-for-profit company having a role in the training of military pilots in Canada.

He is a former President and Honorary Counsel to the Royal Military Colleges alumni associations; a former director and Honorary Counsel to the Canadian Defence Associations Institute; a former director of the Canadian Global Affairs Institute; and a former director of the Canadian Energy Law Foundation. He currently serves on the Boards of the Lord Strathcona's Horse (Royal Canadians) Regimental Society and Foundation. Since 2014 Mr. Booth has also served on the Board of Prospect Human Services, an Alberta not-for-profit society assisting persons who face barriers to entering the workforce.

Mr. Booth obtained a B.Eng. degree from the Royal Military College of Canada in 1974, and an LL.B. from Dalhousie University in 1977. In 2009, he obtained his ICD.D certification from the Director Education Program at the Institute of Corporate Directors.



DENIS M. ELLARD

Primary residence Calgary, Alberta, Canada

Director since 2014

Age 76

Independent

Prior to his retirement in 2003, Mr. Ellard was Senior Vice President Business Development, ATCO. Over his 35-year career, Mr. Ellard held several senior positions within the organization, including Senior Vice President and General Manager, Northwestern Utilities Limited; Senior Vice President, Canadian Utilities Limited; and President, ATCO Singlepoint Ltd. His responsibilities included oversight of operations, management, and regulatory matters, as well as reviews of risk, general safety, and environmental issues.

Mr. Ellard has served in various capacities on several community and industry boards, including the Alberta Economic Development Authority.

Mr. Ellard has a B.Sc. in Mechanical Engineering and an MBA with a major in Finance from the University of Alberta.



MICHAEL R.P. RAYFIELD ⁽³⁾

Primary residence Toronto, Ontario, Canada

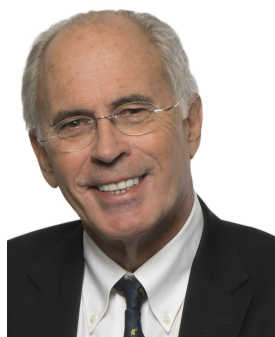
Director since 2009

Age 80

Independent

Mr. Rayfield was Vice Chair, Investment and Corporate Banking, BMO Capital Markets until 2013. He was responsible for senior corporate relationships in Canada, the US and the UK, and management of BMO's investment banking business in China and India. Mr. Rayfield was also on the Canadian Management Committee. He has extensive international banking experience in North America, South America and Australia. Mr. Rayfield is also a director of ATCO Structures & Logistics Ltd.

Mr. Rayfield is a graduate of The Chartered Institute of Bankers in the UK; the Senior Manager's Program at Harvard Business School; and the Advanced Executive Program at J.L. Kellogg Graduate School, Northwestern University. He studied at Cambridge University and is a graduate of the Director Education Program at the Institute of Corporate Directors where he obtained extensive enterprise risk and financial strategy knowledge.



ROBERT J. ROUTS, PhD ⁽²⁾⁽³⁾

Primary residence Brunnen, Switzerland

Director since 2012

Age 76

Independent

Dr. Routs is the Lead Director of ATCO and is a director of ATCO Structures & Logistics Ltd., ATCO Australia Pty Ltd and Neltume Ports S.A. Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. He was responsible for the global refining, chemical, marketing, trading and renewable businesses. During his career, he held various senior management positions in the US, Canada and The Netherlands, including Chairman of Shell Canada prior to the buyout of the public shareholding by Royal Dutch Shell plc. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.

Dr. Routs is an emeritus member of the International Advisory Council to the Economic Development Board of Singapore and received the Distinguished Friend of Singapore medal. Dr. Routs was Chairman of the Board of Aegon NV from 2009 until 2019 and Chairman of the Board of Royal DSM NV from 2011 until May of 2021. From 2010 to February 2021, Dr. Routs was a director of AECOM Technology Corporation.

Dr. Routs graduated in Chemical Engineering from the Technical University of Eindhoven in The Netherlands, where he also obtained a PhD in Technical Sciences. He completed the Program for Management Development at Harvard Business School in 1991.



NANCY C. SOUTHERN

Primary residence	Calgary, Alberta, Canada
Director since	1989
Age	66
Not Independent	As Chair & Chief Executive Officer, Ms. Southern is not independent because she has a material relationship with ATCO.

Nancy Southern is Chair & Chief Executive Officer of ATCO Ltd., as well as Chair & Chief Executive Officer of Canadian Utilities Limited, an ATCO company. Reporting to the Boards of Directors, she is accountable for the strategic direction, vision and governance for both companies, and has full responsibility for their ongoing operations.

After joining the ATCO Board of Directors in 1989, Ms. Southern served as Co-Chair of ATCO for 16 years prior to being elected Chair in December 2012. Ms. Southern was named President & Chief Executive Officer of ATCO in 2003. Ms. Southern also serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business.

Ms. Southern is a member of The US Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is a member of the Business Council of Canada and the University of Calgary School of Public Policy Advisory Council. In 2020, Ms. Southern joined the Premier's Economic Recovery Council with other policy and industry experts providing insight and strategies to accelerate diversification of Alberta's economy. That same year, Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



LINDA A. SOUTHERN-HEATHCOTT

Primary residence	Calgary, Alberta, Canada
Director since	2012
Age	59
Not Independent	Ms. Southern-Heathcott is not independent because she has a material relationship with ATCO. She is an immediate family member of the Chair & Chief Executive Officer.

Ms. Southern-Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. She is also a founding director and currently serves as Chair and Chief Executive Officer of AKITA Drilling Ltd., an oil and gas drilling contractor with drilling operations throughout North America. Ms. Southern-Heathcott brings significant management and business experience to the Board and was appointed Vice Chair of the Board of Directors of ATCO in 2016 and of Canadian Utilities and CU Inc. in 2017.

Ms. Southern-Heathcott is also Chair of Travel Alberta and serves on the Boards of ATCO Structures & Logistics Ltd., Sentgraf Enterprises Ltd. and TELUS Calgary Community Board.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2018, Ms. Southern-Heathcott was named an Honorary Lieutenant Colonel of the King's Own Calgary Regiment. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



NORMAN M. STEINBERG ⁽²⁾

Primary residence Côte Saint-Luc, Quebec, Canada

Director since 2021

Age 72

Independent

Norman M. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee.

From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance.

Mr. Steinberg is also Co-Chair of Dorel Industries where he chairs the Corporate Governance and Nominating Committee, a Director of Fiera Capital where he chairs the Nominating and Governance Committee, Senior Advisor to Persistence Capital Partners (private equity), Co-Chair of Women in Governance, Chair of the Board of Governors of the Montreal Symphony Orchestra, Vice-Chair (former Chair) of The McGill University Health Centre Foundation, member of the Board of Directors and Organizing Committee as well as former Canadian Co-Chair of the Australia-Canada Economic Leadership Forum, Strategic Advisor of Voyager Metals Inc., Senior Advisor of Teneo, and Vice-Chair of the Board of Advisors of Alexa Translations.

He served as a director of numerous other boards, including Gildan Activewear, Canadian Marconi Company, Centraide of Montreal and the Foundation of the Montreal Museum of Fine Arts. He was former president of the Canadian Club of Montreal and former Chairman of the Mount Royal Club of Montreal.

Mr. Steinberg holds a Bachelor of Science and a Bachelor of Civil Law from McGill University in Montreal, Québec.



ROGER J. URWIN, PhD, C.B.E. ⁽³⁾

Primary residence London, England

Director since 2014

Age 76

Independent

Dr. Urwin is the Lead Director of Canadian Utilities, Chair of the Board of Directors of ATCO Australia Pty Ltd and Chair of LUMA Energy, LLC. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the US, creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He was non-executive Chairman of Utilico Investments Limited until October 2015 and has been a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008.

Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, UK.



SUSAN R. WERTH ⁽²⁾ ⁽³⁾

Primary residence Calgary, Alberta, Canada

Director since 2014

Age 66

Independent

Ms. Werth retired as Senior Vice President & Chief Administration Officer, ATCO Ltd. and Canadian Utilities Limited in May 2014. In this role Ms. Werth was responsible for Human Resources, Corporate Secretarial, Marketing and Communications, Security, Real Estate, Aviation and Administration. She was Chair of ATCO's Disclosure, Management Pension, Crisis Management, and Donations & Sponsorship Committees. She was Vice President, Administration, ATCO Group from 1995 to 2000. During her career, Ms. Werth has gained a wealth of experience and brings significant insight into all aspects of ATCO's business. Ms. Werth is also on the Board of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.

(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.

(3) Member of the Audit & Risk Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
A.M. Beattie Alberta, Canada	President, Structures, ATCO Structures & Logistics Ltd.
K.M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary, ATCO Ltd. and Canadian Utilities Limited
M.G. Constantinescu Alberta, Canada	Senior Vice President & Chief Transformation Officer, ATCO Ltd. and Canadian Utilities Limited
P.D. Cook Alberta, Canada	Senior Vice President & Controller, ATCO Ltd. and Canadian Utilities Limited
L. Cooke Alberta, Canada	Senior Vice President & Chief Marketing Officer, ATCO Ltd. and Canadian Utilities Limited
G.D. Friesen Alberta, Canada	Senior Vice President, Corporate Affairs & Chief Government Affairs Officer, ATCO Ltd.
C.R. Jackson Alberta, Canada	Senior Vice President, Finance, Treasury, Risk & Sustainability, ATCO Ltd. and Canadian Utilities Limited
J. Landon Alberta, Canada	President, Frontec, ATCO Structures & Logistics Ltd.
R.J. Myles Alberta, Canada	Executive Vice President, Corporate Development, Canadian Utilities Limited
K.J. Patrick Alberta, Canada	Executive Vice President, Chief Financial & Investment Officer, ATCO Ltd.
R.A. Penrice Alberta, Canada	Executive Vice President, Corporate Services, ATCO Ltd. and Canadian Utilities Limited
S.J. Shortreed Alberta, Canada	Executive Vice President & Chief Technology Officer, ATCO Ltd. and Canadian Utilities Limited
N.C. Southern Alberta, Canada	Chair & Chief Executive Officer, ATCO Ltd. and Canadian Utilities Limited
W.K. Stensby Alberta, Canada	Executive Vice President, Puerto Rico, Canadian Utilities Limited
M.F. Wilmot Alberta, Canada	President, Retail and Chief Digital Officer, ATCO Ltd. and Canadian Utilities Limited

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

All of the executive officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Brunner, Ms. Cooke, Mr. Constantinescu, Mr. Myles, Ms. Penrice, Ms. Shortreed, and Mr. Wilmot:

- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.

- Ms. Cooke joined ATCO as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.
- Mr. Constantinescu was appointed Senior Vice President & Chief Transformation Officer in February 2018. Prior to joining the Company, he was Chairman and Chief Executive Officer of Orthoshop Geomatics Ltd. from January 2006 through January 2019.
- Mr. Myles was appointed Executive Vice President, Corporate Development in March 2020. Prior to joining the Company, Mr. Myles was Chief Operating Officer, Industrial, of Stuart Olson Ltd., from January 2016 through October 2019.
- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.
- Ms. Shortreed joined ATCO in September 2019. Prior to joining the company, Ms. Shortreed was the Vice President and Chief Information Officer at Bruce Power Ltd. from July 2013 to December 2018.
- Mr. Wilmot joined ATCO as President, ATCO Energy in early 2018 and was appointed Chief Digital Officer later that year. Prior to joining ATCO, Mr. Wilmot was Senior VP Marketing, Digital and Chief Loyalty Officer at Westjet Airlines Ltd. from 2011 until early February 2018.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

At December 31, 2022, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly (via corporate holdings or otherwise), 11,550,550 (92.1 per cent) of the issued and outstanding Class II Shares of the Company. In addition, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly (via corporate holdings or otherwise), 66,605,318 (97.2 per cent) of the issued and outstanding Class B common shares of Canadian Utilities Limited.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 28, 2023, there were 12,424,996 Class II Shares outstanding. To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class II Shares is Sentgraf Enterprises Ltd. (Sentgraf). Sentgraf owns 11,483,120 Class II Shares representing 92.4 per cent of the outstanding Class II Shares. Sentgraf is controlled by the Sentgraf Spousal Trust (the Spousal Trust) and Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner.

No director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, greater than 10 per cent of the Company's Class II voting common shares, nor any associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

Except as otherwise disclosed below, no director, executive officer or controlling security holder of the Company is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director or executive officer of any other issuer that, while that person was acting in that capacity:

- i. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- ii. was subject to an event that resulted, after the person ceased to be a director or executive officer, in the Company being the subject of a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation for a period of more than 30 consecutive days; or
- iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Nancy C. Southern was until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

Ms. Penrice served as Executive Vice President & Chief Operating Officer of Sears Canada Inc. (Sears) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (Sears Group) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (the Court) that, among other things, granted the Sears Group protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears' common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores.

Personal Bankruptcies

No director, executive officer or controlling security holder of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No current director, executive officer or controlling security holder of the Company has:

- i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or
- ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by any such member of the Board will be provided to the Company. However, the Company's procedures provide that each director and executive officer must comply with the disclosure requirements of the *Business Corporations Act* (Alberta) regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class I Shares and Class II Shares is TSX Trust Company at its principal offices in Calgary, Toronto, Montreal and Vancouver.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is occasionally named as a party in claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favour or that such claim may not have a material adverse effect on the Company. For further information, please refer to Note 30 of the 2022 Consolidated Financial Statements. For information specific to the 2022 AUC Enforcement Proceeding, please refer to the "Utilities Regulatory Frameworks" section presented in ATCO's MD&A.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has prepared the auditor's report for the Company's 2022 Consolidated Financial Statements. PricewaterhouseCoopers LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to strategic plans, goals and targets, including ESG targets and the commitment to achieve net zero GHG emissions by 2050; expected emissions reductions; expected electricity generation capacity and/or productive capacity of assets and projects, including assets and projects that have been acquired or that are expected to be developed in the future; the expected timing of commencement or completion of activities and/or contracts; the impact or benefits of contracts, including contract value, or fees to be paid or received; growth expectations; information pertaining to projects described under "Hydrogen Development" and "Hydro Development"; the expected purchase and sale of electricity; and the timing for commencement, construction or commercial operations of projects.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these

expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to successfully achieve its net-zero GHG target by 2050; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and other environmental, social and governance targets; continuing collaboration with certain regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential termination or breach of contract by contract counterparties; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see "Business Risks and Risk Management" in the MD&A for the year ended December 31, 2022.

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Additional information, including directors' and named executives officers' remuneration, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent Management Proxy Circular dated March 9, 2022.

Additional financial information is provided in the Company's audited 2022 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2022. Corporate information is also available on the Company's website: www.ATCO.com.

Information relating to Canadian Utilities or CU Inc. may be obtained on request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street SW, Calgary, Alberta, T3E 8B4, or by telephone (403) 292-7500.

GLOSSARY

2022 Consolidated Financial Statements means ATCO Ltd.'s Consolidated Financial Statements for the year ended December 31, 2022.

AESO means Alberta Electric System Operator.

Alberta Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

AUD means Australian dollars.

Class I Shares means Class I Non-Voting Shares of the Company.

Class II Shares means Class II Voting Shares of the Company.

Company means ATCO Ltd. and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

Consumer price index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

GHG means greenhouse gas.

Gigawatt hour (GWh) is a measure of electricity consumption equal to the use of 1 billion watts of power over a one-hour period.

IFRS means International Financial Reporting Standards.

LNG means liquefied natural gas.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2022.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

NGTL means Nova Gas Transmission Ltd.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

PPA means Power Purchase Agreement.

REA means Rural Electrification Association. REAs are constituted under the *Rural Utilities Act* (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

Regulated Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission and International Natural Gas Distribution.

REPA means Renewable Energy Purchase Agreement.

RNG means renewable natural gas. It is a renewable fuel produced by capturing methane emissions which would otherwise be released to the atmosphere.

SEDAR means The System for Electronic Document Analysis and Retrieval.

Terajoule (TJ) is a unit of energy equal to approximately 948.2 million British thermal units.

USD means United States dollars.

APPENDIX 1

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

The Audit & Risk Committee (the “Committee”) of ATCO Ltd. (the “Corporation”) is responsible for contributing to the effective stewardship of the Corporation by assisting the Board of Directors of the Corporation (“Board”) in fulfilling its oversight of:

- The integrity of the Corporation's financial statements.
- The Corporation's compliance with laws and regulations including applicable legal and regulatory commitments.
- The independence, qualifications and appointment of the Corporation's external auditor.
- The performance of the Corporation's internal audit function and external auditor.
- The accounting and financial reporting processes of the Corporation.
- Audits of the financial statements of the Corporation.
- The risk management processes of the Corporation.

AUTHORITY

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation's external auditors.
- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- Inspect all the books and records of the Corporation and its subsidiary entities and to discuss such books and records in any manner relating to the financial position and/or risk related issues of the Corporation and its subsidiary entities with the officers, employees and internal and external auditors of the Corporation and its subsidiary entities. All employees are directed to cooperate with the Committee's requests.
- Meet with the Corporation's officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audit services provided by the Corporation's external auditor.

COMPOSITION

The Board shall elect annually from among its members an Audit & Risk Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Corporation;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Corporation and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be independent.

MEETINGS

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Corporation's external or internal auditor. Matters related specifically to Risk Management as described under "Duties and Responsibilities" will be on the agenda for two of the Committee meetings each year.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee.
- The external auditor has the right to appear before and be heard at any meeting of the Committee.
- Meetings will be scheduled to permit timely review of Committee materials.
- A majority of the Committee will constitute a quorum.
- Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Governance & Secretarial Department.

DUTIES AND RESPONSIBILITIES

Public Reporting

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - complex or unusual transactions and highly judgmental areas;
 - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IFRS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Corporation's annual and interim financial statements, MD&A, earnings press releases, AIF, and Sustainability Reports before the Corporation publicly discloses this information.

- Review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant items pertaining to year-end financial disclosure documents.
- If delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Corporation publicly discloses this information.
- Recommend to the Board the approval of the Corporation's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- Be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board:
 - the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation; and
 - the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor of the Corporation (Non-audit Services). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit & Risk Committee on a cumulative basis for the year at each quarterly meeting.
- The Committee shall adopt and periodically review practices and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

Internal Auditor

- Be satisfied that the internal audit function has been effectively carried out and the internal auditor has adequate resources.
- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.

Risk Management

- Understand the principal risks of the Corporation:
 - review and consider with management the Corporation's risk taking philosophy;
 - review and discuss with management the Corporation's risk inventory and related mitigation plans;
 - receive presentations, reports and other information about extraordinary risks, emerging risks and significant trends that could materially affect the Corporation's ability to achieve its strategic objectives, including those related to sustainability and environmental, social and governance (ESG) matters;

- review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant risks identified by management; and
- review and discuss with management the Corporation's performance relative to its sustainability, ESG and safety objectives and/or targets.
- Be satisfied that management has appropriate processes in place to identify, assess, manage and monitor risk.
- Review the Corporation's insurance programs for adequacy annually.

Other

- Ensure that the Corporation has appropriate procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors, Internal Audit and Crisis Management Committee mandates.
- The Committee will inquire into any other matters referred to it by the Board.

REPORTING

The Committee shall report to the Board on such matters and questions relating to the financial position or risk management of the Corporation as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Vice President, Internal Audit of the Corporation shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Corporation's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT & RISK COMMITTEE

The following are the members of the Corporation's Audit & Risk Committee, all of whom are independent and financially literate:

- M.R.P. Rayfield (Chair) - Mr. Rayfield was Vice Chair, Investment and Corporate Banking, BMO Capital Markets until 2013. He is a graduate of The Chartered Institute of Bankers in the UK and held a series of executive roles in the domestic and international banking sectors during his career. Mr. Rayfield is also a graduate of the Senior Managers Program at Harvard Business School and the Advanced Executive Program at J.L. Kellogg Graduate School, Northwestern University, where he received comprehensive training in financial strategy and business accounting. He is also a graduate from the Director Education Program at the Institute of Corporate Directors where he obtained extensive enterprise risk and financial literacy knowledge.
- R.J. Routs - Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. Prior to that, he held various senior management positions at Royal Dutch Shell in the US, Canada and The Netherlands. Additionally, Dr. Routs has been a member of the Audit and Pension Committees for several public companies. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.
- R.J. Urwin - Dr. Urwin has been the Chief Executive Officer of several major public companies. He was the Group Chief Executive of National Grid plc from 2001 until his retirement in 2006, and was responsible for compliance with the US Sarbanes-Oxley requirements. Dr. Urwin has been a member of the Audit Committee for a number of UK public companies.

- S.R. Werth - Until her retirement as Senior Vice President & Chief Administration Officer of ATCO and Canadian Utilities Limited in 2014, Ms. Werth was responsible for the financial and operating performance of the corporate administrative functions of both companies. She also Chaired numerous committees including the ATCO & Canadian Utilities Disclosure Committees, the ATCO Crisis Management Committee, as well as the Canadian Utilities Management Pension Committee. Membership on these committees required a strong understanding of financial reporting, public reporting requirements and risk management strategies.

PRE-APPROVAL PROCEDURES

The Corporation's Audit & Risk Committee has adopted a procedure for approval of external auditor services. The procedure prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the procedure has been pre-approved by the Audit & Risk Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit & Risk Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit & Risk Committee.

Services provided by the external auditor are subject to an engagement letter. The procedure mandates that the Audit & Risk Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Corporation and its subsidiaries for professional services provided by PricewaterhouseCoopers LLP for each of the past two years were as follows:

(\$ Millions)	2022	2021
Audit fees ⁽¹⁾	5.1	4.4
Audit-related fees ⁽²⁾	0.3	0.1
Tax fees ⁽³⁾	0.4	1.3
All other fees ⁽⁴⁾	0.2	0.2
Total	6.0	6.0

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

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

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

(4) Other fees include aggregate fees paid to the external auditor for consulting services related to diversity engagement and the Company's finance and accounting function.