CARIBBEAN UTILITIES COMPANY, LTD.

NOTICE OF
2019 ANNUAL GENERAL MEETING
OF SHAREHOLDERS
AND
MANAGEMENT
INFORMATION CIRCULAR

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CARIBBEAN UTILITIES COMPANY, LTD.

TABLE OF CONTENTS

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CARIBBEAN UTILITIES COMPANY, LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the "Meeting") of Caribbean Utilities Company, Ltd. (the "Company") will be held at the Marriott Beach Resort, West Bay Road, Grand Cayman, Cayman Islands, on Thursday, May 9, 2019 at the hour of 12:00 p.m., Cayman Islands time, for the following purposes:

1. to receive and consider the Annual Report of the Company, including audited consolidated financial statements of the Company for the one-year period ended December 31, 2018 and the Report of the Auditors thereon;

2. to elect the directors of the Company;

3. to appoint Deloitte LLP as auditors of the Company and to authorize the board of directors of the Company (the "Board") to fix the auditors' remuneration;

4. to consider, and if thought advisable to pass, with or without variation, an ordinary resolution to approve the adoption of a revised compensation structure for the Board and the committees of the Board, as more particularly described in the accompanying management information circular of the Company dated as of March 11, 2019 (the "Information Circular"); and

5. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Information Circular prepared with respect to the Meeting and a form of proxy accompany this Notice. Only the holders of record of the Class A Ordinary Shares as at March 11, 2019 will be entitled to vote at the Meeting, while the holders of the Company's 9% Class B Cumulative Participating Preference Shares are entitled to receive notice of and be present at the Meeting. If you are a registered holder of Class A Ordinary Shares and are unable to attend the Meeting in person, please date and sign the accompanying form of proxy and, in the case of holders resident in the Cayman Islands, return it to the attention of the Company Secretary, Caribbean Utilities Company, Ltd., P.O. Box 38, Grand Cayman, Cayman Islands KY1-1101 (fax 345-949-4621), and, in the case of holders not resident in the Cayman Islands, return it to AST Trust Company (Canada), Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1 (fax 416-368-2502), to be received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting prior to the commencement of the Meeting or adjournment or postponement thereof.

Non-registered holders of Class A Ordinary Shares who receive these materials through their broker or other intermediary should complete and send a voting instruction form or other form of proxy, as appropriate, provided by their broker or other intermediary in accordance with their instructions.

DATED at George Town, Grand Cayman, Cayman Islands, the 11th day of March, 2019.

By Order of the Board of Directors

Letitia T. Lawrence
Company Secretary

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CARIBBEAN UTILITIES COMPANY, LTD.

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the "Information Circular") is furnished in connection with the solicitation of proxies by management of Caribbean Utilities Company, Ltd. (the "Company" or "CUC") for use at the Annual General Meeting of Shareholders of the Company to be held on Thursday, May 9, 2019, at the time and place and for the purposes set out in the accompanying Notice or at any adjournment or postponement thereof (the "Meeting"). This solicitation is made by management of the Company. Proxies will primarily be solicited by mail, but proxies may also be solicited personally, by telephone, e-mail, Internet or facsimile by directors, officers and employees of the Company and the cost of such solicitation will be borne by the Company. In accordance with Canadian Securities Administrators' National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made to deliver copies of the Notice of Meeting, this Information Circular and a form of proxy or voting instruction form (collectively, the "Meeting Materials") directly to non-objecting beneficial owners of Class A Ordinary Shares pursuant to the requirements of Canadian securities laws and the Company intends to pay for the delivery of these Meeting Materials to objecting beneficial owners ("OBOs") of Class A Ordinary Shares.

The information contained in this Information Circular is given as of March 11, 2019, unless otherwise indicated. All dollar amounts in this Information Circular are in United States dollars, and references to "$", "US$" or "US dollars" are to United States dollars unless otherwise indicated. References to "Cdn. $" are to Canadian dollars, and references to "CI$" are to Cayman Islands dollars. The closing rate of exchange, as reported by the Bank of Canada, for conversion of US dollars into Canadian dollars was Cdn. $1.3642 per US$1.00 on December 31, 2018. The official fixed exchange rate for conversion of CI$ into US$, as determined by the Cayman Islands Monetary Authority, has been fixed since April 1974 at US$1.20 per CI$1.00. Thus, the rate of exchange for conversion of Cayman Islands dollars into Canadian dollars was Cdn. $1.6370 per CI$1.00 on December 31, 2018. References to The Companies Law are references to the Cayman Islands Companies Law (2013 Revision).

SOLICITATION OF PROXIES

Appointment of Proxyholder

The persons named in the accompanying form of proxy are directors or officers of the Company designated by management of the Company. **Registered Shareholders may appoint a person or company to represent them and vote on their behalf at the Meeting other than the persons already named by management of the Company in the accompanying form of proxy to attend and act on such Registered Shareholder's behalf at the Meeting.** To do so, Registered Shareholders may cross out the names of management's designated persons and write the name of the person they wish to appoint in the space provided on their form of proxy or substitute it with another form of proxy. In either case, completed forms of proxy must be deposited with the transfer agent or the Company, as applicable (as referred to above) not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting or adjournment or postponement thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting or adjournment or postponement thereof.

Voting by Proxyholder

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to, and variations in, matters identified in the accompanying Notice and with respect to other business that may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendment, variation or other matters to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Class A Ordinary Shares represented by properly executed proxies given in favour of the persons designated by management of the Company in the form of proxy will be voted on such matters pursuant to the discretionary authority provided for in the form of proxy.

It is intended that the Class A Ordinary Shares, in the absence of specifications to the contrary, will be voted in favour of (a) the election of directors nominated by management, (b) the appointment of Deloitte LLP as

auditors at a remuneration to be fixed by the Board of Directors of the Company (the "Board"), and (c) the ordinary resolution approving the Compensation Structure (as defined below).

Deposit of Proxies

Registered Shareholders

If you are a registered holder of the Class A Ordinary Shares (a "Registered Shareholder"), a form of proxy accompanies this Information Circular and you may, and if it is not your intention to be present in person at the Meeting you are encouraged to, appoint a proxy by:

(a) completing, dating and signing the accompanying form of proxy and returning it to:: in the case of non-Cayman Islands residents, AST Trust Company (Canada) by fax at (416) 368-2502 or by mail or hand delivery to Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1, or by electronic mail to proxyvote@astfinancial.com; or in the case of Cayman Islands residents, with Caribbean Utilities Company, Ltd. by fax at (345) 949-4621 or by mail or hand delivery to Attention: Company Secretary, P.O. Box 38, Grand Cayman KY1-1101, Cayman Islands. The form of proxy must be signed by the Registered Shareholder or his or her duly authorized attorney authorized in writing or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney thereof; or

(b) logging on to the internet through AST Trust Company (Canada)'s website www.astvotemyproxy.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the accompanying form of proxy for the Shareholder's control number;

in all cases ensuring that the proxy is received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting prior to the commencement of the Meeting or adjournment or postponement thereof.

Non-Registered Shareholders

Non-registered holders of the Class A Ordinary Shares ("Non-registered Shareholders") are those whose shares are held in the name of an intermediary, such as a bank, trust company or securities broker (in each case, an "Intermediary").

In accordance with NI 54-101, the Company is distributing copies of the Meeting Materials to Intermediaries for distribution to OBOs and such Intermediaries are to forward the Meeting Materials to each OBO (unless the OBO has declined to receive such materials). OBO's may receive a voting instruction form or other form of proxy when Meeting Materials are forwarded to them by an Intermediary. The purpose of such forms is to permit Non-registered Shareholders to direct the voting of the Class A Ordinary Shares that they beneficially own, notwithstanding the fact that they are not the registered owner of such shares. OBOs should complete and return their voting instruction form or form of proxy in accordance with the instructions provided by the Intermediary.

In respect of any Meeting Materials sent directly to a NOBO by the Company or its agent, the NOBO's name and address and information about the NOBO's holdings of Class A Ordinary Shares have been obtained in accordance with applicable Canadian securities regulatory requirements from the intermediary holding on such NOBO's behalf. By choosing to send the Meeting Materials to NOBOs directly, the Company (and not the intermediary holding on the NOBO's behalf) has assumed responsibility for (i) delivering the Meeting Materials to the NOBO, and (ii) executing the NOBO's proper voting instructions. NOBOs are asked to return their voting instructions as specified in the request for voting instructions, which will allow for voting via mail, facsimile, electronic mail or over the Interest in the same manner as described with respect to Registered Shareholders.

Revocation of Proxies

A Registered Shareholder or NOBO who has returned a form of proxy or voting instruction form, as applicable, may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by delivering an instrument in writing executed by the Registered Shareholder or by his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof, duly endorsed, and to the office of the transfer agent or the Company, as applicable (as referred to above) not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the Meeting or adjournment or postponement thereof or with the Chairman of the Meeting prior to the commencement of the Meeting or adjournment or postponement thereof.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No current or proposed nominee director or executive officer of the Company, person who has been a director or executive officer of the Company since the beginning of the Company's most recently completed financial year, or any associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company is CI$3,562,520 divided into 60,000,000 Class A Ordinary Shares of nominal or par value of CI$0.05 each, 33,232,342 of which were issued and outstanding as of March 11, 2019 and each of which is entitled as such to one vote on each matter coming before the Meeting; 250,000 9% Class B Cumulative Participating Preference Shares (the "Class B Preference Shares") of a nominal or par value of $1.00 (CI$0.84) each, all of which are issued and outstanding but which do not carry the right to vote except (i) in the event the Company becomes in arrears in the payment of dividends, or (ii) as otherwise prescribed by the Articles; 419,666 Class C Preference Shares of a nominal or par value of $1.00 (CI$0.84) each, all of which have been issued and subsequently redeemed but still form part of the authorized capital of the Company; and one unissued non-voting Class D Cumulative Participating Preference Share of a nominal or par value of $0.67 (CI$0.56). Only holders of the Class A Ordinary Shares will be entitled to vote at the Meeting, while the holders of the Class B Preference Shares are entitled to receive notice of and to be present at the Meeting.

The Board has fixed March 11, 2019 as the record date for determining the shareholders of the Company entitled to receive notice of, and to vote at, the Meeting.

As of the date hereof, to the knowledge of the directors and executive officers of the Company, no person or company other than Fortis Energy (Bermuda) Ltd. ("FEBL"), beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company entitled to vote at the Meeting. FEBL currently holds 19,460,326 Class A Ordinary Shares, representing approximately 59% of the issued and outstanding Class A Ordinary Shares as of March 11, 2019. FEBL is a wholly-owned subsidiary of Fortis Inc. of St. John's, Newfoundland and Labrador, Canada. FEBL's registered office is located at Clarendon House, 2 Church Street, Hamilton, Bermuda HM 11, and its mailing address is the same.

To the knowledge of the Company, the directors and executive officers of the Company collectively beneficially own, or control or direct, directly or indirectly, 175,159 Class A Ordinary Shares, representing 0.53% of the issued and outstanding Class A Ordinary Shares as of March 11, 2019.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS

1. Presentation of Audited Consolidated Financial Statements

The consolidated financial statements of the Company for the one-year period ended December 31, 2018, together with the report of the auditors thereon, will be presented at the Meeting to shareholders of the Company for their consideration. A copy of the Report to Shareholders for the one-year period ended December 31, 2018, including audited consolidated financial statements, is enclosed herewith for shareholders of the Company who responded affirmatively to the Company's interim and annual consolidated financial statement mail card distributed with the proxy materials for the 2019 annual general meeting of shareholders of the Company. These documents are also available on the Company's website (www.cuc-cayman.com) and on the System for Electronic Document Analysis and Retrieval ("SEDAR") website (www.sedar.com).

Except as otherwise indicated, period-end information in this report reflects that of the one-year period ended December 31, 2018.

2. *Election of Directors*

The Articles of Association of the Company (the "Articles") provide that the Board shall consist of a minimum of seven and a maximum of 13 members. The number of directors within such range is determined by the approval of more than 50% of the votes cast by Shareholders, in person or by proxy, at a general meeting of shareholders of the Company called for that purpose.

The Board has proposed that the number of directors be set at 13. If any proposed nominee is elected as director, the office will be held until the next annual general meeting of shareholders of the Company or until a successor is duly elected or appointed, unless the office is earlier vacated in accordance with the provisions of The Companies Law or the Articles.

The Board currently consists of 11 members. The Articles provide for a mandatory retirement age of 70 years of age for directors of the Company. Directors are required to vacate the office of director and any officer's position at the first general meeting of shareholders of the Company after reaching such age. All of the nominated directors listed below are under 70 years of age.

Additional details pertaining to each of the proposed nominees for election as directors of the Company can be found on pages 10 through 18 of this Information Circular. The 13 proposed nominees are as follows:

J. Bryan Bothwell	Alphonsus Delaney	Jennifer P. Dilbert
Sheree L. Ebanks	Sophia Harris	J. F. Richard Hew
Woodrow S. Foster	Mark MacFee	Eddinton Powell
David E. Ritch	Gary J. Smith	Peter A. Thomson
Lynn R. Young		

Although management does not contemplate that any of the proposed nominees named above will be unavailable to stand for election or would decline to serve if elected, in the event of any vacancy among the proposed nominees, the Class A Ordinary Shares represented by the enclosed form of proxy will be voted in favour of the remaining proposed nominees and for such other substitute nominees as the Board may designate in such event.

Management and the Board recommend that Shareholders vote FOR the election of each of the proposed nominees for election as directors of the Company. The persons named in the enclosed form of proxy intend to vote FOR the election of each of the proposed nominees unless the Shareholder specifies that authority to do so be withheld.

3. *Appointment of Auditors*

The external auditors of the Company for the one-year period ended December 31, 2018 were Deloitte LLP ("Deloitte"), Springdale Street, St. John's, Newfoundland and Labrador, Canada. Deloitte was first appointed at the 2017 annual general meeting of shareholders of the Company held on May 11, 2017. The Company has been advised by Deloitte that the partners and senior management of Deloitte, together with each employee or consultant of Deloitte who participated in and who was in a position to directly influence the preparation of Deloitte's audit report on the audited consolidated financial statements of the Company for the year ended December 31, 2018, hold no interest in the securities of CUC and that Deloitte is independent with respect to the Company in accordance with the independence requirements of The International Federation of Accountants.

Fees paid by CUC to Deloitte in Fiscal 2018 and Fiscal 2017, respectively, for audit, audit-related and non-audit services were as follows:

	December 31, 2018 ($)	December 31, 2017 ($)
CUC Audit fees	259,533	284,415
DataLink Special Report	12,272	12,600
Total	**271,805**	**297,015**

Management and the Board, upon advice from the Audit Committee, recommend that Shareholders vote FOR the appointment of Deloitte LLP as the auditors of the Company and the authorization of the Board to fix the remuneration of the auditors. The persons named in the enclosed form of proxy intend to vote FOR such appointment and the authorization of the Board to fix the remuneration of the auditors unless the Shareholder specifies that authority to do so be withheld.

4. Revised Compensation Structure for Members of the Board and the Committees of the Board

Further to the recommendation of the Nominating and Corporate Governance Committee (the "NCG Committee"), in November 2018, the Board approved a revised compensation structure (the "Compensation Structure") for members of the Board and members of the Audit Committee and the NCG Committee (together with the Audit Committee, the "Committees"), subject to the approval of Shareholders. See "Nominees for Election as Directors — Director Compensation" on pages 19 and 20 of this Information Circular for a description of the current compensation structure for members of the Board and members of the Committees.

The Compensation Structure was approved by the Board following a review by the NCG Committee and the Board of current practices in director compensation among publicly traded companies listed on the Toronto Stock Exchange ("TSX") where the Class A Ordinary Shares trade. The proposed Compensation Structure establishes compensation within but at the lower end of the range of compensation paid to directors of other TSX-listed companies.

The proposed Compensation Structure, which would take effect immediately following the Meeting, subject to obtaining Shareholder approval, is as follows:

Board of Directors Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman	75,000	1,500
Director	18,000	1,500

Committee Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman, Audit Committee	6,000	1,500
Member	3,000	1,500

Notes:

(1) Mr. Hew would remain ineligible for retainer fees and meeting fees due to his status as an executive officer of the Company.

(2) Mr. Ritch would remain ineligible for retainer fees in respect of either of the Committees as he receives a retainer fee as Chairman of the Board.

Shareholders will be asked at the Meeting to consider and, if thought fit, pass an ordinary resolution approving the Compensation Structure (the "Compensation Resolution") as proposed above. The Compensation Resolution must be approved by more than 50% of the votes cast by Shareholders, in person or by proxy, at the Meeting to become effective. The form of Compensation Resolution is attached as Schedule A to this Information Circular.

Management and the Board recommend that Shareholders vote FOR the Compensation Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Compensation Resolution unless the Shareholder specifies that authority to do so be withheld.

NOMINEES FOR ELECTION AS DIRECTORS

This section provides information on each of the 13 proposed nominees for election as directors of the Company at the Meeting, including their background, experience, meeting attendance, other public board memberships and the number of CUC shares they hold. The proposed nominees for election as directors of the Company are all independent in accordance with the definition set out in Canadian Securities Administrators National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") with the exception of Mr. Hew, who is the President and Chief Executive Officer of the Company (the "CEO"); Mr. Smith, who is the Executive Vice-President of Eastern Canadian and Caribbean Operations at Fortis Inc., and Mr. Delaney, who is Executive Vice President, Chief Information Officer at Fortis Inc. FEBL, the wholly-owned subsidiary of Fortis Inc., is the controlling shareholder of the Company and accordingly Mr. Smith and Mr. Delaney are deemed under NI 58-101 to be non-independent. The term of office for each incumbent director nominee will expire on May 9, 2019, unless re-elected. The term of office for each director nominee to be elected at the Meeting shall expire on the date of the next annual general meeting of shareholders of the Company to be held.

None of the independent director nominees, in the opinion of the Board, has a material direct or indirect relationship with the Company that could reasonably be expected to interfere with that individual's exercise of independent judgment as a director of the Company. As such, more than a majority of the nominees for election as directors of the Company are independent within the meaning of NI 58-101. The independent directors include Mr. David E. Ritch, OBE, JP, who is the Chairman of the Board. The Chairman provides independent, effective leadership to the Board in the governance of the Company.

All of the below directors were elected at the 2018 Meeting, with the exception of Mrs. Sophia Harris and Mr. Mark MacFee.

<table>
<tr>
<td rowspan="2">
Grand Cayman,
Cayman Islands
Independent
Director Since: 2004
Age: 69</td>
<td colspan="2">J. Bryan Bothwell, MBE

Mr. Bothwell is a retired Chief Executive Officer (Managing Director) of Ansbacher (Cayman) Limited and was employed in the banking and trust industry in the Cayman Islands for 35 years prior to retirement. He is an Associate of the Chartered Institute of Bankers.

Mr. Bothwell currently serves as Chairman for the Cayman Islands National Pensions Board.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None</td>
</tr>
<tr>
<td>Board/Committee Membership
Board of Directors
Audit Committee (Chairman)</td>
<td>Meeting Attendance (%)
4 of 4 (100%)
4 of 4 (100%)</td>
</tr>
<tr>
<td>Securities Held:
March 12, 2018
March 11, 2019</td>
<td>Class A Ordinary Shares
12,893
12,893</td>
<td>Market Value(1)
$174,055.50
$193,395.00</td>
</tr>
</table>

Newfoundland and Labrador, Canada

Not Independent

Director Since: 2018
Age: 55

Alphonsus Delaney

Mr. Delaney is the Executive Vice President, Chief Information Officer of Fortis Inc., effective June 1, 2017. Mr. Delaney has had a career with the Fortis Group for over 30 years. In June 2014, he was appointed as the President and Chief Executive Officer of FortisAlberta. Prior to that, he served as the Executive Vice President of Operations, Engineering and Information Technology beginning in 2012 and Vice President, Operations and Engineering beginning in 2008. Mr. Delaney holds a Bachelor of Engineering (Electrical) degree from the Memorial University of Newfoundland.

Mr. Delaney serves on the Board of Directors of Fortis BC and is a member of the Executive Committee and the Cybersecurity Mutual Assistance Committee of Edison Electric Institute. He previously served on the boards of the Western Energy Institute, the Canadian Electricity Association, and is a member of the Association of Professional Engineers and Geoscientists of Alberta.

2018 Annual General Meeting — Votes in favour: 98.44%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors(2)	2 of 2 100%

Securities Held:	Class A Ordinary Shares	Market Value(1)
March 12, 2018	Nil	N/A
March 11, 2019	Nil	N/A

Grand Cayman, Cayman Islands

Independent

Director Since: 2017
Age: 61

Jennifer P. Dilbert, MBE, JP

Mrs. Dilbert was appointed as the Cayman Islands first Information Commissioner in January 2009 and served until December 2013 when she retired from the civil service. Prior to this, she served as the Cayman Islands Government Representative in the United Kingdom and as head of the Cayman Islands Monetary Authority.

Mrs. Dilbert serves on the Board of Directors and is Treasurer of the National Gallery of the Cayman Islands and is a board member of the Fidelity Bank and Trust group of companies.

Mrs. Dilbert previously served as Executive Director of Deutsche Bank (Cayman) Ltd. and as Inspector of Financial Services for the Cayman Islands Government.

She has also served on the Board of Directors of the Cayman Islands Monetary Authority; the Council of the Cayman Islands Stock Exchange; Vice President of the Cayman Islands Bankers' Association; and is a board member of Aall Bank and Trust Company.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)
Audit Committee	4 of 4 (100%)

Securities Held:	Class A Ordinary Shares	Market Value(1)
March 12, 2018	1,173	$15,876.00
March 11, 2019	1,288	$19,320.00

Grand Cayman,
Cayman Islands

Independent

Director Since: 2014
Age: 62

Sheree L. Ebanks

Mrs. Ebanks is the Chief Executive Officer of the Cayman Islands Institute of Professional Accountants, a non-profit professional society and regulatory body. She holds an MBA from Liverpool University. She currently serves as a member of the Audit Committee of RBC Royal Bank of Canada (Cayman) Ltd, is the Chair of the Investment Committee of the Public Service Pensions Board and previously served as director and Head of Wealth Management and Fiduciary Services at Butterfield Bank (Cayman) Limited. She also served as Chairman of the Board of Governors at UCCI; a member of the Council of the Cayman Islands Stock Exchange; and Deputy Chairman of the Board of the National Roads Authority.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	3 of 4 (75%)
NCG Committee	2 of 3 (66%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	10,104	$136,404.00
March 11, 2019	24,885	$373,275.00

Grand Cayman,
Cayman Islands

Independent

Director Since: 2014
Age: 49

Woodrow S. Foster

Mr. Foster is the Managing Director of Fosters Food Fair IGA and a director of the Foster Group of Companies.

Mr. Foster also serves as the Chairman for LIFE (Literacy is For Everyone) Ltd, a non-profit charity organization in the Cayman Islands. In addition, he was the Co-Chair of the Ready2WorkKY Committee, a Cayman Islands Government initiative and is a member of the Education Council for the Cayman Islands Government Ministry of Education.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	2 of 4 (50%)
NCG Committee	1 of 3 (33%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	Nil	Nil
March 11, 2019	Nil	Nil

Grand Cayman,
Cayman Islands

Independent

Director Since: N/A
Age: 52

Sophia Harris

Mrs. Harris is the Managing Partner of Solomon Harris, which she established in 1997. Mrs. Harris holds a Bachelor of Laws degree from the University of Liverpool in England.

Mrs. Harris serves as a member of the Audit Committee and as a director on the Board of Directors of Butterfield Bank (Cayman) Limited and previously served as its Chairperson. Mrs. Harris is a member of the Cayman Islands Anti-Corruption Commission. She has also served on the Board of Governors for the University College of the Cayman Islands and the Cayman Islands Immigration Appeals Tribunal.

2018 Annual General Meeting — Votes in favour: N/A

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
N/A	N/A

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	Nil	N/A
March 11, 2019	Nil	N/A

Grand Cayman,
Cayman Islands

Not Independent

Director Since: 2003
Age: 54

J. F. Richard Hew

Mr. Hew is the President & Chief Executive Officer of Caribbean Utilities Company, Ltd., where he has been employed since 1988. Mr. Hew holds a Bachelor of Science degree in Electrical Engineering from the University of Florida and a Master of Business Administration from Wilfred Laurier University, Ontario, Canada. He is a registered Professional Engineer in the State of Florida.

Mr. Hew serves as director on the Board of Directors of FortisTCI Limited and previously served as director on the Board of Directors of Newfoundland Power Inc. in St. John's, Newfoundland and Labrador, Canada.

2018 Annual General Meeting — Votes in favour: 98.44%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	31,167	$420,754.50
March 11, 2019	31,167	$467,505.00

Grand Cayman,
Cayman Islands

Independent

Director Since: N/A
Age: 61

Mark MacFee

Mr. MacFee is the President of the Yello Media Group, where he has served since 2014 and is also a member of the Board of Directors, and Chairman of the Finance and Audit Committee. Previously Mr. MacFee served as Chief Executive Officer to Global Directories and as Chief Financial Officer for Cable and Wireless Caribbean. Mr. MacFee is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BA degree in Economics and Accounting.

Mr. MacFee currently serves as an independent director on Landis Insurance Company Ltd, Landrin Insurance Corporation and Warco Insurance Corporation in the Cayman Islands and on the boards of the Caribbean subsidiaries of the Yellow Media Group Ltd. He has previously served the boards for various telecommunications companies across the Caribbean region including serving as Chairman of the Audit Committee, Chairman of the Operations Committee and director on the Tenders Committee and Remuneration Committee for Telecommunications of Trinidad and Tobago.

2018 Annual General Meeting — Votes in favour: N/A

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
N/A	N/A

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	Nil	N/A
March 11, 2019	Nil	N/A

Providenciales,
Turks and Caicos
Islands

Independent

Director Since: 2007
Age: 60

Eddinton M. Powell

Mr. Powell is the President and Chief Executive Officer of FortisTCI Limited, in the Turks and Caicos Islands. He holds a Bachelor of Science Degree in Accounting from the International College, Cayman Islands and a Master's Degree in accounting and business from Nova Southeastern University. Mr. Powell has completed executive courses at the Harvard University Business School and the New York Institute of Finance.

Mr. Powell currently serves on the boards of the Belize Electric Company Limited, an indirect wholly-owned subsidiary of Fortis Inc., and The Caribbean Electric Utility Services Corporation. He previously served as Senior Vice President and Chief Financial Officer of Caribbean Utilities Company, Ltd., on the Board of Directors of Belize Electricity Ltd., and as Chairman of Cayman Islands Development Bank.

2018 Annual General Meeting — Votes in favour: 98.11%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)
Audit Committee	4 of 4 (100%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	731	$9,868.50
March 11, 2019	771	$11,565.00

Grand Cayman,
Cayman Islands

Independent

Director Since: 1988
Age: 67

David E. Ritch, OBE, JP

Mr. Ritch is the senior partner of Ritch & Conolly, a Cayman Islands law firm practicing, inter alia, banking, general corporate and insolvency law. He holds an LL.B Degree with Honours from the University of the West Indies and attended the Inns of Court School of Law in London, England, where he completed the Bar Final exams as an Honours student. He was called to the Bar of England and Wales by the Honourable Society of the Inner Temple and is also admitted as an Attorney-at-Law in the Cayman Islands.

Mr. Ritch currently serves as non-executive Chairman on the Board of Directors of FirstCaribbean International Bank Limited, on the Board of Directors of FirstCaribbean International Bank (Cayman) Limited and is a member of the Board of Directors of CIBC Bank and Trust (Cayman) Limited. He is also serves as a member of the Audit Committee, the Risk Committee and the Compensation Committee and as the Chairman of the Nominating and Corporate Governance Committee of FirstCaribbean International Bank Limited.

2018 Annual General Meeting — Votes in favour: 98.44%

Other Public Company Directorships: FirstCaribbean International Bank Limited

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors (Non-Executive Chairman)	4 of 4 (100%)
Audit Committee	4 of 4 (100%)
NCG Committee (Chairman)	3 of 3 (100%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	56,192	$758,592.00
March 11, 2019	58,735	$881,025.00

Newfoundland and
Labrador,
Canada

Not Independent

Director Since: 2016
Age: 57

Gary J. Smith

Mr. Smith is the Executive Vice President, Eastern Canadian and Caribbean Operations of Fortis Inc., effective June 1, 2017. Mr. Smith has had a career with the Fortis Group for over 32 years. In August 2014, he was appointed as the President and Chief Executive Officer of Newfoundland Power Inc., and prior to that, served as Vice President of Customer Operations and Engineering beginning in 2008. Mr. Smith holds a Bachelor of Engineering (Electrical) from Memorial University of Newfoundland and is a graduate of Memorial's Executive Development Program. He has completed the Finance for senior executives program at the Harvard Business School.

Mr. Smith is a member of the Association of Professional Engineers and Geoscientists of Newfoundland, a member of the Steering Committee on Power Engineering for the Canadian Standards Association, and a member of the Board of Directors of the Canadian Electricity Association.

2018 Annual General Meeting — Votes in favour: 98.13%

Other Public Company Directorships: Newfoundland Power Inc.

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)
NCG Committee	3 of 3 (100%)

Securities Held:	Class A Ordinary Shares	Market Value[1]
March 12, 2018	Nil	Nil
March 11, 2019	Nil	Nil

Grand Cayman,
Cayman Islands

Independent

Director Since: 1986
Age: 67

Peter A. Thomson

Mr. Thomson retired as Chief Executive Officer for Caribbean Utilities Company, Ltd. in August 2005.

Mr. Thomson serves on a number of Cayman Islands resident fund management companies as independent director and investment advisor. Mr. Thomson also serves as a director of the Peter N. Thomson Family Foundation.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)

Securities Held:	Class A Ordinary Shares	Market Value(1)
March 12, 2018	54,723	$738,760.50
March 11, 2019	17,427	$261,405.00

Ladyville,
Belize

Independent

Director Since: 2011
Age: 61

Lynn R. Young

Mr. Young is the President and Chief Executive Officer of Belize Electric Company Limited (BECOL), an electricity generating company. He holds a Bachelor of Science, Mechanical Engineering from the University of the West Indies, Trinidad & Tobago and a Master of Business Administration from the University of Western Ontario, London, Ontario.

Mr. Young also serves as director on the boards of FortisTCI Limited, Belize Electric Company Limited, an indirect wholly-owned subsidiary of Fortis Inc., the University of Belize, and is Chairman of the Kolbe Foundation, a non-profit agency based in Belize.

2018 Annual General Meeting — Votes in favour: 98.45%

Other Public Company Directorships: None

Board/Committee Membership	**Meeting Attendance (%)**
Board of Directors	4 of 4 (100%)

Securities Held:	Class A Ordinary Shares	Market Value(1)
March 12, 2018	Nil	Nil
March 11, 2019	Nil	Nil

Notes:

(1) Market Value is calculated using the closing price on the TSX as of March 12, 2018 and March 11, 2019, respectively.

(2) Mr. Delaney attended all Board meetings following his election as a director at the annual general meeting of shareholders of the Company held on May 10, 2018 (the "2018 Meeting").

The following individuals proposed for election to the Board serve on the boards of other reporting issuers or equivalents, as follows, as submitted by each nominee:

Name	Reporting Issuers
David E. Ritch, OBE, JP	FirstCaribbean International Bank Limited
Gary Smith	Newfoundland Power Inc.

Compliance with TSX Requirements

The current process for the election of directors to the Board is compliant with Cayman Islands company and Canadian securities laws, including the requirements of the TSX. Under the TSX Company Rules, a listed issuer must adopt a majority voting policy unless it qualifies under an exemption from doing so. CUC is exempt from adopting a majority voting policy as it is majority controlled. The Board has not adopted a majority voting policy for the election of directors. As the Company is a controlled company with a controlling shareholder, it is the Board's view that a majority voting policy for the election of directors would not serve a useful purpose for shareholders of the Company since the controlling shareholder would necessarily cast a majority of the votes to be cast in an election of the directors. Under policies adopted by the Board, shareholders of the Company have the ability to vote for, or withhold from voting for, each individual director proposed for election to the Board.

Overall Attendance

The Board held four meetings, the Audit Committee held four meetings, and the NCG Committee held three meetings, during the one-year period ended December 31, 2018. Overall meeting attendance by the directors during the one-year period ended December 31, 2018 was as follows:

Meeting Attendance for the One-Year Period Ended December 31, 2018

Name	Board of Directors	Audit Committee	NCG Committee	Attendance %
J. Bryan Bothwell, MBE	4 of 4	4 of 4	N/A	100
Jennifer P. Dilbert	4 of 4	4 of 4	N/A	100
Alphonsus Delaney[(2)]	2 of 2	N/A	N/A	100
Sheree L. Ebanks	3 of 4	N/A	2 of 3	71
Woodrow Foster	2 of 4	N/A	1 of 3	42
J.F. Richard Hew[(1)]	4 of 4	N/A	N/A	100
Eddinton M. Powell, JP	4 of 4	4 of 4	N/A	100
David E. Ritch, OBE, JP	4 of 4	4 of 4	3 of 3	100
Gary Smith	4 of 4	N/A	3 of 3	100
Peter A. Thomson	4 of 4	N/A	N/A	100
Lynn R. Young	4 of 4	N/A	N/A	100

Note:

(1) Mr. Hew is not a member of any Committees but attends all Committee meetings in his capacity as President and CEO.

(2) Mr. Delaney attended all Board meetings following his election as a director at the 2018 Meeting.

The Board and each Committee have established policies reserving time immediately prior to the end of each Board and Committee meeting when the Board or Committee meets without management present. Such meetings were held at the end of each of the four Board and seven Committee meetings held in 2018. Independent directors may also meet without management present from time to time as circumstances warrant. No such meetings were held in 2018.

Directors' Compensation

The following table summarizes individual director compensation for the one-year period ended December 31, 2018:

Director[1]	Retainer ($)	Meeting Fees ($)	Total Fees Earned ($)	All Other Compensation ($)	Total Compensation ($)
J. Bryan Bothwell, MBE	18,000	12,000	30,000	—	30,000
Jennifer P. Dilbert	15,000	12,000	27,000	—	27,000
Alphonsus Delaney[3]	7,667	3,000	10,667	—	10,667
Sheree L. Ebanks	15,000	7,500	22,500	—	22,500
Woodrow Foster	15,000	4,500	19,500	—	19,500
Eddinton M. Powell, JP	15,000	12,000	27,000	—	27,000
David E. Ritch, OBE, JP	75,000	16,500	91,500	—	91,500
Gary Smith	15,000	10,500	25,500	—	25,500
Peter A. Thomson	12,000	6,000	18,000	260,947[2]	278,947
Lynn Young	12,000	6,000	18,000	—	18,000

Notes:

(1) For compensation information relating to Mr. Hew, refer to the Summary Compensation Table on page 30 of this Information Circular.

(2) Includes cost of: (i) medical benefits in the aggregate amount of $20,395; and (ii) defined benefit pension payments in the aggregate amount of $240,552.

(3) Mr. Delaney was elected as director at the 2018 Meeting and the annual Board retainer fee was pro-rated for the remainder of the year.

Each director of the Company is entitled to compensation for their membership on the Board and the Committees and attendance at meetings of the Board and meetings of the Committees, whether in person or by conference call, as set out in the summary tables below. In addition, each director is reimbursed for reasonable travel and other expenses associated with attendance at meetings of the Board and meetings of the Committees.

Board of Directors Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman	75,000	1,500
Director	12,000	1,500

Committee Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman, Audit Committee and NCG Committee	6,000	1,500
Member	3,000	1,500

Notes:

(1) Mr. Hew is ineligible for retainer fees or meeting fees for serving on the Board as he is an executive officer of the Company.

(2) Mr. Ritch is ineligible for retainer fees in respect of the Committees as he receives a retainer fee as Chairman of the Board.

The compensation arrangements for Mr. Thomson are as follows: (i) a lifetime pension that commenced on January 1, 2018, equal to the annual consulting fee paid to Mr. Thomson during the final 12 months of the consulting period, adjusted from time to time to reflect changes in the cost of living up to a maximum of 4% per annum (with retirement income continuing upon Mr. Thomson's death paid to his surviving spouse, reduced by 40% of the then-current value of such income); (ii) continuation of Mr. Thomson's medical benefits commensurate to those provided to the CEO until the date that Mr. Thomson ceases to be a director of the

Company after which he shall receive medical benefits commensurate with those provided under the Company's medical plan for retirees so long as such benefits are reasonably available to the Company; and (iii) the use of a car when needed until Mr. Thomson ceases to be a director of the Company.

The pension cost of the defined benefit pension plan for Mr. Thomson has been actuarially determined using the projected benefits method. A defined benefit pension expense of $0.04 million has been recorded for the one-year period ended December 31, 2018, a decrease of $0.03 million when compared to the expense of $0.07 million recorded for the one-year period ended December 31, 2017.

CORPORATE GOVERNANCE REPORT

The Board and management of the Company acknowledge the critical importance of good corporate governance practices in the proper conduct of the affairs of the Company. The Company's governance framework is routinely reviewed and examined against evolving best practices and to ensure that the Board continues to effectively oversee the management and business affairs of the Company. The Company's corporate governance practices comply with the corporate governance guidelines promulgated in Canadian Securities Administrators' National Policy 58-201 *Corporate Governance Guidelines*.

Code of Ethics and Whistle-Blower Policy

The Board adopted a Code of Business Conduct and Ethics (the "Ethics Code") in 2018, replacing the Board of Directors Code of Ethics adopted in 2004, reflecting current corporate governance requirements and practices among Canadian publicly listed companies. The Ethics Code applies to the Board as well as officers and employees of the Company and is posted in its entirety on the Company's website (www.cuc-cayman.com) and on the SEDAR website (www.sedar.com).

The Company has a business ethics enforcement policy (the "Whistle-Blower Policy"), which is one way the Company seeks to ensure compliance with the Ethics Code. The Board initially adopted the Whistle-Blower Policy in 2004 and updated the policy in 2018, reflecting current corporate governance requirements and practices among Canadian publicly listed companies. The Whistle-Blower Policy outlines procedures for directors, officers and employees of the Company to report suspected violations of the Ethics Code to the Chairman of the Audit Committee and other designated individuals. Reports can be made through a third-party managed website for confidential and anonymous reporting. The Board receives reports on compliance with the Ethics Code through the Audit Committee.

The Board encourages a culture of ethical conduct by appointing officers which it believes to be of high integrity and monitoring their performance so as to set an example for all employees. Review and acknowledgement of all key policies, including the Ethics Code and the Whistle-Blower Policy, is mandated for all employees, officers and directors of the Company annually.

The Board does not nominate for election any candidate who has a material interest in any entity which conducts business with the Company and requires directors to disclose any potential conflict of interest that may develop. Under the Articles, a director may not vote in respect of any contract or proposed contract or arrangement in which he or she is interested, and if he or she does so, his or her vote shall not be counted. In addition, the Board has adopted a practice that if a director is interested in any contract or proposed contract arrangement, the director recuses himself or herself from a discussion of the matter by the Board.

Board of Directors

The Board has adopted a mandate for the Board, the full text of which is disclosed in Schedule B of this Information Circular.

The Board annually appoints two standing committees from among its members: the Audit Committee and the NCG Committee. The Company does not have an executive committee of the Board. Each committee has a written mandate that sets out the activities or areas of the Company's business to which the committee is required to devote its attention and the chair of each Committee is responsible for compliance with these mandates.

The Board has implemented a written position description for the Chairman of the Board to be reviewed on an annual basis. While there are no specific position descriptions for the chair of each Committee, the responsibilities of the chair of each Committee are consistent with the normal duties of chairs of committees including chairing meetings and, together with management, setting the agenda for meetings. In addition, the Board has developed a written position description for the CEO.

The Board annually, or more frequently if required by internal or external developments, reviews the strategic plan of the Company through review and discussion of the outcomes of management's annual strategic planning exercise. This strategic review includes an integrated assessment of corporate risk, supported by the analysis and outcomes of the Company's enterprise-wide risk management program including risk management strategies. The Board and the Audit Committee also consider the appropriateness of risk management strategies in conjunction with the review of interim and annual financial results and in view of changes in the business environment.

Audit Committee

The Audit Committee assists the Board by overseeing the external audit of the Company's annual financial statements, reviewing the annual audited financial statements and quarterly financial statements with management of the Company and the Company's external auditors before the Company discloses the information, and reviewing the Company's systems of internal control over financial reporting and compliance with legal, regulatory and other financial management requirements and policies with a view to the reporting systems providing the information required to enable the Board to effectively discharge its responsibilities with respect to public disclosure.

Reference is made to the Company's most recent Annual Information Form in respect of the information required to be disclosed therein under Form 52-110F1 *Audit Committee Information Required in an AIF*, and including further information regarding the Audit Committee and its mandate. The Company's most recent Annual Information Form is available on the Company's website (www.cuc-cayman.com) and on the SEDAR website (www.sedar.com).

The Audit Committee is currently composed of Messrs. Bothwell (Chairman), Ritch and Mrs. Dilbert, all of whom are independent, and Mr. Eddinton Powell, who, although deemed to be not independent on account of his role as an executive officer of an affiliate company, is not a member of management of the Company and has no relationship with management that can reasonably be expected to interfere with his exercise of independent judgement as a director and is exempt from the requirement to be independent under National Instrument 52-110 *Audit Committees* ("NI 52-110") pursuant to Section 3.3(2) of that instrument. The Company has relied on this exemption such that Mr. Powell may be a member of the Audit Committee in accordance with NI 52-110. The Board has determined in its reasonable judgment that Mr. Powell is able to exercise the impartial judgment necessary to fulfill his responsibilities as an Audit Committee member and that his appointment is required in the best interests of the Company and its shareholders.

Nominating and Corporate Governance Committee

The NCG Committee considers and proposes nominees for election to the Board and reviews and makes recommendations to the Board with respect to the compensation of directors. The NCG Committee is responsible for the development and enforcement of Board and Committee mandates, key policies, and guidelines relating to Company compliance with all corporate governance requirements including Board renewal and composition. The NCG Committee also has responsibility for the development and administration of the compensation program for the Company's senior officers and succession planning within the ranks of senior management subject to Board approval.

The NCG Committee is responsible for regular assessment of the effectiveness and contribution of the Board, the Committees and individual directors. It carries out this responsibility through an annual confidential survey of each director regarding his or her views on the effectiveness of the Board and the Committees, the results of which are summarized and reported to the NCG Committee and to the Chairman of the Board.

The NCG Committee is currently composed of Messrs. Foster, Ritch (Chairman), and Mrs. Ebanks each of whom are independent, and Mr. Smith, who is not considered an independent director, as discussed on page 10 of this Information Circular. Notwithstanding that Mr. Smith is not considered an independent director under NI 52-110, as the sole reason for his deemed non-independence under NI 52-110 is his affiliation with CUC's controlling shareholder FEBL, and as Mr. Smith is not a member of management of the Company and has no relationship with management of the Company that can reasonably be expected to interfere with his exercise of independent judgment as a director, the Board believes that Mr. Smith is in fact independent for this purpose.

Board Renewal & Term Limits

The Articles and the Board governance guidelines provide that directors of the Company are to be elected for a term of one year and will only be eligible for re-election until the annual general meeting of shareholders of the Company following the date on which the director achieves the mandatory retirement age of 70 years. Further, the Board governance guidelines require that directors elected on or after May 2014 are subject to a maximum term of 10 years of continuous service.

The NCG Committee annually reviews the term of service and retirement dates of directors. In this review, the NCG Committee considers the size and composition of the Board and addresses the succession planning needs associated with both the loss of skills and experience created by retiring directors and the need for continuity on the Board.

Board Composition & Diversity

The Board looks for potential directors whose backgrounds fit the Company's strategic objectives and business challenges. Diversity is an important consideration taken into account by the Nomination and Corporate Governance Committee when determining Board composition and when determining executive leadership for the Company. The NCG Committee considers gender, ethnic background, geographic representation and other personal characteristics that contribute to diversity among Board members. CUC has adopted a Diversity Policy that describes the principles underlying the Company's approach to diversity among its leadership at the Board and executive levels.

The Company believes that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, Board performance and effective decision-making. The NCG Committee's diversity objectives are supported by the age and term limit provisions set forth in the Articles and the Board governance guidelines, which encourage ongoing Board renewal and the regular consideration of diversity by the NCG Committee. Diversity is also an important consideration for the Company in determining executive leadership.

The Board considers the level of representation of women on the Board and in executive leadership positions. As part of this consideration, management and the NCG Committee have built and have committed to maintain a list of potential qualified women nominees for consideration as future Board appointments. In considering potential executive management candidates, the Company identifies talent based on a number of competencies as well as diversity, including gender. The Company keeps a list of the identified group of top talent candidates for potential executive management positions, which includes women, for further mentorship and executive management development.

The Company's Diversity Policy does not establish fixed targets for gender representation on the Board or in executive leadership positions. The Board believes that the identification of new directors is a strategic activity with long-term implications for the effectiveness of the Board. As such, the search must be driven by consideration of the resources the Board will need among its members as a whole in order to best serve the organization on an ongoing basis. The Board believes that the establishment of fixed targets for gender representation will not necessarily result in the identification or selection of the best candidates. However, there is a firm commitment to increase female representation on the Board and in executive leadership positions.

In assessing the relative effectiveness of the Board and its non-executive members, and identifying and selecting new nominees for the Board, the Company utilizes a skills and attributes matrix that outlines the different criteria including diversity, background, experience and expertise that have been identified as being important to achieving the objectives of the Company.

Member	AGE			Areas of Expertise								
	40-49	50-59	60-70	Business Development	Governance / Legal	Financial Expertise	Industry Experience	Other Boards	Regulatory Experience	HR	Marketing / PR	Information Technology
Bryan Bothwell			✓	✓		✓		✓	✓		✓	
Phonse Delaney		✓		✓			✓	✓	✓			✓
Jennifer Dilbert			✓	✓	✓	✓		✓	✓	✓		
Sheree Ebanks			✓	✓		✓		✓	✓	✓	✓	
Woody Foster	✓			✓				✓		✓	✓	
Sophia Harris		✓		✓	✓			✓				
Mark McFee			✓	✓		✓	✓	✓	✓			✓
Eddinton Powell			✓	✓		✓	✓	✓	✓	✓		
David Ritch			✓	✓	✓	✓		✓	✓	✓	✓	
Gary Smith		✓		✓	✓		✓	✓	✓	✓		
Peter Thomson			✓	✓		✓	✓	✓	✓			
Lynn Young			✓			✓	✓	✓	✓			

The Company believes that the current nominees include an appropriately diverse group of strong candidates with the required breadth and depth of skills and experience, which includes three women who will, upon election, represent 23% of the Board.

In considering the executive management and potential candidates for executive appointments, the Company identifies talent throughout the Company and the core competencies and characteristics that are desired for promotion to higher levels within the organization. The Board does not set specific gender representation targets when identifying and considering candidates for executive positions, although diversity, including gender, is considered in identifying the group of top talent candidates. Currently, one of the four named executive officers of the Company is female (representing 25% of the NEOs (as defined below)).

Board Orientation and Continuing Education

Each new director receives a detailed orientation whereby he or she meets with management and is provided with current and historical data pertaining to the operation of the Board, the Committees and the Company, governance trends and disclosure requirements, as well as an assessment of current strategic opportunities and issues facing the Company.

The Board regularly receives education and training sessions on the specific business of the Company and its subsidiary in addition to occasional presentations on matters of general importance and application to directors. In addition, specialist speakers are invited to address the Board on matters of strategic interest for the Company. The table below provides details of director training received during 2018.

Date	Topic/Description	Presented To:
February 2018	Cyber Security	Audit Committee
February 2018	Business Development Plan	Board of Directors
May 2018	Director Orientation	Alphonsus Delaney
November 2018	Data Protection Law	Board of Directors
November 2018	Outlook — Financial Industry & Economy	Board of Directors
November 2018	Key Policies & Code of Ethics	Board of Directors
November 2018	Investment Market Trends & Impact on Pensions	NCG Committee

External counsel present to the Board on the legal governance and disclosure developments impacting upon the Company approximately once per year. Management also regularly delivers presentations to the Board as required on developments in the business and regulatory environment impacting upon the Company. Meetings are regularly conducted with senior officers of the Company. Board and Committee meetings are held at

Company headquarters, enabling directors to observe operations and meet managers and employees. Each director is also subscribed to an online service designed to provide continual access to educational tools, training and resources for corporate directors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Review Framework

The Company monitors, reviews, and evaluates its executive compensation program annually to ensure that it provides reasonable compensation ranges at appropriate levels and remains competitive and effective.

The CEO takes into account the corporate performance against pre-determined objectives and recommends a set of new performance objectives for the following year. Individual performance reviews, incentive award payouts, and compensation adjustments, if any, are also determined at this stage. The CEO does not make recommendations to the NCG Committee with respect to his own compensation.

In the final step, the NCG Committee reviews the recommendations put forward by the CEO regarding current year's compensation payouts and next year's performance objectives, subject to the approval by the Board. The NCG Committee and the Board may exercise discretion when making compensation decisions in appropriate circumstances and make deviations from the prescribed incentive award formulas, when determined to be necessary.

The Company recognizes the importance of having knowledgeable and experienced individuals appointed to the NCG Committee. All members of the NCG Committee have the necessary background and skills to provide effective oversight of executive compensation and ensure that sound risk management principles are being adhered to in order to align corporate and shareholder interests. More specifically, Mr. Foster and Mrs. Ebanks have significant senior leadership experience from their positions as the managing director of Fosters Food Fair IGA and the Chief Executive Officer of the Cayman Islands Institute of Professional Accountants, respectively. The NCG Committee benefits from Mr. Smith's significant directorship experiences with other utilities companies and years of executive leadership. Mr. Ritch's experience as chairman of the board of directors of FirstCaribbean International Bank Limited brings significant risk management experience to the NCG Committee.

It is the responsibility of the NCG Committee to review, recommend and administer the compensation policies for the Company's executive officers, including the CEO, Chief Financial Officer and the other two executive officers of CUC (collectively, "Named Executive Officers" or "NEOs"), subject to approval by the Board. The NCG Committee's review of compensation programs seeks to address organizational and market changes that may affect the competitiveness of the existing pay programs, identify and mitigate risks inherent in the current pay structure, as well as oversee ongoing compliance with disclosure and corporate governance requirements. The NCG Committee held three meetings during the one-year period ended December 31, 2018.

Compensation Risk Assessment and Mitigation

As the Company's electric operations are regulated, the Company's activities are governed by extensive reporting and approval mechanisms. The Company's ongoing compliance with emerging best practices ensures that risks associated with the Company's compensation program are being continually monitored and controlled.

The NCG Committee reviews the Company's executive compensation program annually against a compensation risk assessment checklist with the aim of ensuring that the program does not encourage management to take inappropriate or excessive risks. The executive compensation program seeks to mitigate risk by incorporating performance targets that encourage both achievements of specific individual targets as well as satisfaction of CUC's corporate goals.

The executive compensation program includes mechanisms to ensure risk-taking behavior is minimized. Examples include:

- A balanced mix of compensation between fixed salary and variable awards, and between short — and long-term incentives.
- A cap on short-term incentive awards.
- Using three or four-year vesting periods for longer term PSU or option awards.
- NEOs are not permitted to hedge against declines in the market value of equity securities received as compensation.

Based on its most recent review, the NCG Committee has concluded that there does not appear to be any risks arising from the executive compensation program that are reasonably likely to have a material adverse effect on CUC.

Elements of Total Compensation

The following chart sets out the various elements of CUC's executive compensation, the objectives of each element of compensation, including what the element of compensation is meant to reward, and how CUC determines the amount for each element of compensation.

Elements	Objective	Amount Determination
Annual Base Salary . .	Market-competitive, fixed level of compensation. Reflects the skills, competencies, experience, and performance appraisals of the NEOs.	• Reviewed and set annually using the Hay system of job evaluation.
Short-term Incentive Plan	Short-term incentive intended to attract and retain highly qualified executives and to promote consistent and continuous effort in reaching CUC's strategic goals.	• Corporate and individual performance targets set annually. • Individual targets based on specific individual objectives. • Corporate targets based on earnings per share and controllable operating expenses. • Awarded as a percentage relative to base salary.
Performance Share Unit Plan	Mid-term incentive intended to promote a greater alignment of interests between participating employees of the Company and shareholders of the Company and to motivate participants to achieve "over and above" performance in the future to enhance Company profitability and value.	• Corporate performance target set annually. • Targets based on company share performance relative to an index of utility companies over a specified period.
Stock Option Plan . . .	Long-term incentive intended to encourage increased share ownership by key employees of the Company as incentive to increase share value, aligning executive and shareholder interests.	• Grants based on personal performance, employee salary level and years of service.
Retirement Benefits . .	Intended to provide for competitive and appropriate replacement income upon retirement based on years of service to the Company.	• Provided in accordance with terms of defined contribution pension plans.
Group Benefits	Intended to provide competitive and adequate protection in case of sickness, disability or death.	• Provided in accordance with terms of group benefit plans.
Executive Perquisites .	Intended to provide a competitive compensation in context of total compensation.	• Limited perquisites offered.

The Company's executive compensation program is designed to provide competitive and effective levels of compensation. In addition to base salary, a significant portion of executive compensation is dependent upon individual performance, corporate performance and increasing shareholder value. The NCG Committee and the Board recognize the need to provide a total compensation package that will attract and retain qualified and experienced executive officers. Although no specific group of comparator companies exists for the Company to reference, the NCG Committee reviews data collected, internally and by independent compensation consultants, from across the Fortis group of companies, from utility companies in similar geographical regions and from other companies in the Cayman Islands, in addition to other relevant information, in the discharge of its duties.

The principal elements of the Company's executive compensation program are base salary and the short-term incentive (the "STI Plan") plan. Performance share units ("PSUs") and stock options are also granted periodically as part of the Company's executive compensation program as mid to long-term incentives, but play a less significant role in the overall compensation package.

Base salary is determined using the Hay system, a methodology used in respect of job evaluations that assists corporations with mapping and aligning organizational roles and jobs, and taking into account the particular executives experience, responsibility, seniority, abilities and the data from the reference groups outlined above.

The NEOs participate in the STI Plan, a strategic management tool intended to ensure consistent and continuous effort in reaching the Company's strategic goals. The STI Plan is intended to provide annual cash bonuses to management, including the NEOs, based on their degree of success in attaining corporate and individual objective and measurable performance targets that are set annually as part of the corporate strategic business plan. Financial targets such as earnings per share and controllable operating expenses are included in the corporate targets measured under the STI Plan. Additional targets are also established annually relating to customer service, system reliability, safety, environment, and employee development/training. Performance is monitored and measured through the use of key performance indicators. The amount of each bonus is determined under the STI Plan by way of an annual assessment of corporate and personal performance and awarded as a percentage relative to each executive's salary. The total amount distributed under the STI Plan is based upon corporate performance as recommended annually by the NCG Committee to the Board.

The STI Plan performance indicators and the weighting each has on the short-term incentive payout, the STI Plan target and maximum payouts as a percentage of salary vary by position. The weightings for 2018 for the NEOs were as follows:

	Corporate Targets	Individual Targets	Total Targets
CEO	75%	25%	100%
Other NEOs	60%	40%	100%

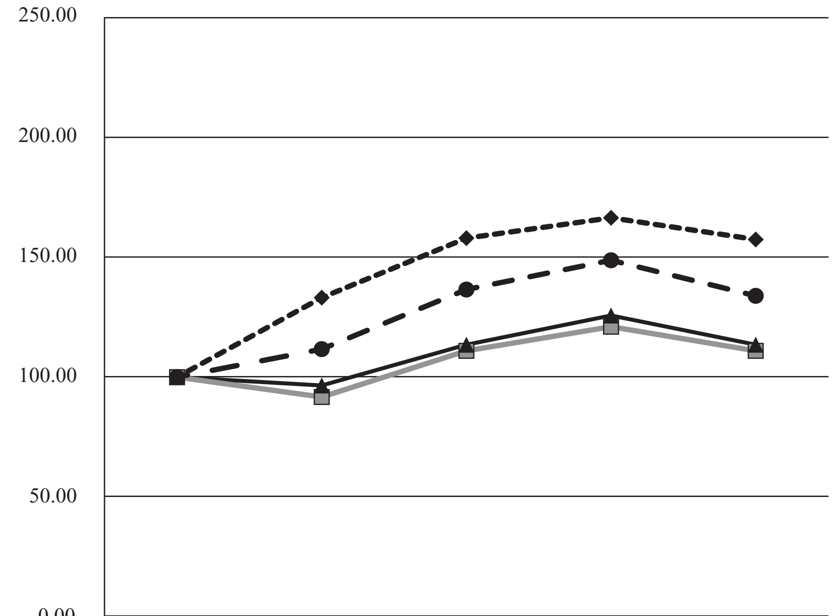
Shareholders approved the executive stock option plan (the "Option Plan") in 1991. The Option Plan provides for the grant of options to purchase Class A Ordinary Shares to employees and officers in accordance with the terms of the Option Plan. The purpose of the Option Plan is to encourage increased share ownership by key employees as an incentive to increase share value. Options are exercisable for 10 years from the date of the option. CUC does not make loans available to executives for the purchase of such shares. Grants of options are dependent upon personal performance as measured against targets relating to the individual's performance, and the number of shares made available under each option is determined using a lock-step grid which determines the number of shares available based on the employee's salary level and years of service. Previous grants are taken into account when considering new grants to NEOs. No stock option grants were made to NEOs in 2018.

The Board established a PSU Plan ("PSUP") in September 2013 to provide a medium-term alternative incentive plan for NEOs and key employees. The PSUs provide an additional incentive to achieve objective mid — to long-term corporate performance goals. The PSUP is administered by the NCG Committee with the approval of the Board. Each PSU granted represents a unit with an underlying value equivalent to the value of a Class A Ordinary Share as at January 1 in the year of the grant. The NCG Committee approves each grant and the relative number of PSUs granted, which are awarded in an amount relative to a percentage of base salary for the participants of the PSUP. Upon the completion of the three-year performance period, the applicable PSUs vest in full on December 31. Cash payment is made upon vesting of the PSUs in an amount equal to the value of a Class A Ordinary Share on the vesting date multiplied by 0-120% of the number of PSUs granted, as determined by the NCG Committee with the approval of the Board, after evaluation of CUC's performance over such three-year period against predetermined corporate objectives relating to total return performance.

Share Performance Graph (financial years completed December 31, 2014-2018)

The following graph compares the five-year cumulative total shareholder return on the Class A Ordinary Shares, in both Cdn and US dollars, with the cumulative total return of the S&P/TSX Composite Index and S&P/TSX Utilities Index considering a Cdn. $100 investment and assuming reinvestment of dividends. Periods 2014 through 2018 reflect the index value as at December 31. The closing price of the Class A Ordinary Shares on the TSX as of December 31, 2018 was $12.25 per share. The return on the Class A Ordinary Shares has been converted to Canadian dollars at the rate of exchange at the fiscal year-end as reported by the Bank of Canada.

Total Return Comparison for CUC in US$ and Cdn$, S&P TSX Composite Index and S&P Composite Utilities Index



	2014	2015	2016	2017	2018
CUC INDEX (Cdn$)	100.00	133.29	158.20	166.72	157.63
CUC INDEX (US$)	100.00	111.73	136.68	148.94	134.04
S&P/TSX Composite Index	100.00	91.68	111.01	121.11	111.01
S&P/TSX Composite Index – Utilities (Sector)	100.00	96.51	113.58	125.81	113.58

As stated above under the subheading "Elements of Total Compensation", the Company's executive compensation program is designed to provide competitive levels of compensation and, except to the extent that the structure of such compensation is directly dependent on fluctuations in the price of the Class A Ordinary Shares, as provided for under the Option Plan and the PSUP, the Company does not generally expect compensation changes to closely follow such share price fluctuations.

The chart above incorporates US to Canadian dollar exchange rates as set out in the table below.

Exchange Rate for Conversion of United States to Canadian Dollars (2014-2018)

The table below reflects the US to Canadian dollar exchange rates from 2014 to 2018 as reported by the Royal Bank of Canada.

	2014 (Dec 31)	2015 (Dec 31)	2016 (Dec 31)	2017 (Dec 31)	2018 (Dec 31)
US: Canadian	1:1.1601	1:1.3840	1:1.3427	1:1.2545	1:1.3642

Summary Compensation Table

The following table sets forth the annual and long-term compensation earned for services rendered during the one-year periods ended December 31, 2018, December 31, 2017 and December 31, 2016 by the NEOs disclosed in accordance with National Instrument 51-102 *Continuous Disclosure Obligations*. There were no other NEOs of the Company during these periods.

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)(1)	Option-based Awards ($)	Annual Incentive Plan ($)(2)	Pension Value ($)(3)	All Other Compensation ($)(4)	Total Compensation ($)
J.F. Richard Hew	2018	299,008	72,336		73,792	44,955	46,072	536,163
President & CEO	2017	288,095	74,743	—	89,286	45,391	44,981	542,496
	2016	288,095	54,000	—	89,286	37,143	50,413	518,937
Letitia T. Lawrence	2018	207,361	40,675		42,917	20,811	16,598	328,362
Vice-President,	2017	202,500	42,036	—	51,190	21,783	15,855	333,364
Finance & CFO	2016	202,500	27,000	—	50,000	12,543	16,425	308,468
Sacha N. Tibbetts	2018	193,095	36,606		39,606	19,341	19,570	308,218
Vice President, Customer	2017	183,155	35,831		47,619	17,274	15,336	299,215
Service & Technology(5)	2016	157,855	16,200	—	35,714	9,452	14,689	233,910
David C. Watler	2018	207,361	40,675		37,625	20,811	25,635	332,107
Vice President, Operations	2017	202,500	42,036		50,000	20,929	32,786	348,251
	2016	202,500	27,000	—	50,000	12,543	35,417	327,460

Notes:

(1) Share Based Awards are PSUs that were awarded during the respective financial year on March 16, 2016, March 21, 2017 and February 12, 2018. The awards were valued at $$10.80, $13.46 and $13.70 per unit, respectively, at the date of the grant using the intrinsic value on the first trading day of the year and the assumption of a 100% payout amount.

(2) Annual Incentive Plan consists of STI Plan bonus payments as approved by the NCG Committee and the Board and which relate to personal and Company performance for the 12-month periods ended December 31, 2018, 2017 and 2016. See "Compensation Discussion and Analysis" starting on page **25** of this Information Circular.

(3) Includes Company contributions to the Silver Thatch Pension Plan.

(4) These amounts include (i) the benefit associated with the automobile supplied to NEOs by the Company, (ii) incremental value of group health premiums above those paid to other employees, and (iii) life insurance premiums paid by the Company.

(5) Mr. Sacha N. Tibbetts was appointed as Vice President, Customer Service & Technology and became an NEO on June 1, 2016.

Equity Compensation Plan Information as of December 31, 2018

Options for the purchase of Class A Ordinary Shares may be granted to employees and officers pursuant to the Option Plan. Consideration is given to the individual's present and potential contribution to the success of the Company in determining the number of Class A Ordinary Shares to be subject to each option.

The exercise price per Class A Ordinary Share in respect of an option is equal to the fair market value on the date of grant without any discount. Each option is for a term not exceeding 10 years and becomes exercisable on a cumulative basis at the end of each year following the date of grant. The number of Class A Ordinary Shares under the option shall be fixed and approved by the Shareholders.

Options granted under the Option Plan are personal to the grantee and are not assignable. Unless the Company otherwise agrees in writing, a participant's option shall terminate and may not be exercised after the earliest of (i) three months after the participant's termination of employment with the Company by reason of his or her disability (as determined by the Company in its sole discretion) or his or her retirement or early retirement, provided that the participant has not died prior to the expiration of such three-month period; (ii) 12 months after the participant's death; (iii) the date of the participant's termination of employment with the Company, unless such termination occurs by reason of the participant's death, disability, retirement or early retirement as contemplated in (i) or (ii) above; and (iv) the original expiration date of the participant's option.

The number of Class A Ordinary Shares reserved for issuance under the Option Plan is 1,220,100, of which 373,397, or 1.12% of the total issued and outstanding Class A Ordinary Shares, have been issued. The number of Class A Ordinary Shares subject to outstanding options is 45,000 and the number of Class A Ordinary Shares remaining available for future issuance under the Option Plan is 801,703, exclusive of issued and outstanding options, representing 2.41% of the total issued and outstanding Class A Ordinary Shares.

Subject to amendments requiring shareholder approval as set out below, the Board may amend or discontinue the Option Plan at any time without shareholder approval subject to TSX requirements, provided, however, that any amendment that may materially and adversely affect any option rights previously granted to a participant under the Option Plan must be consented to in writing by the participant. Under TSX requirements, Shareholder approval is required to amend the Option Plan:

a) to increase the number of Class A Ordinary Shares reserved for issuance under the Option Plan;

b) for any change in the maximum term of an option benefiting an insider of the Company; and

c) for a reduction in the exercise price of an option granted to an insider of the Company.

Examples of the types of amendments to the Option Plan that the Board would be entitled to make include, without limitation: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of an option or the Option Plan; and (c) a change to the termination provisions of an option or the Option Plan that does not entail an extension beyond the original expiration date.

No options to purchase Class A Ordinary Shares were exercised during the one-year period ended December 31, 2018. A summary of the number of securities to be issued upon exercise of outstanding options, the weighted-average exercise price of outstanding options and the number of securities remaining available for further issuance under shareholder approved equity compensation plans appears below:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Options Issued and Outstanding)
Equity compensation plans previously approved by Shareholders:			
Stock Option Plan	45,000	9.66	801,703
Employee Share Purchase Plan	Nil	N/A	62,785
Employee Long Service Bonus Plan	Nil	N/A	4,000
Total	45,000	9.66	868,488

There are no equity compensation plans that have not been approved by Shareholders.

The following table sets forth the annual burn rate, calculated in accordance with the TSX Company Manual, in respect of each of the equity compensation plans for each of the three most recently completed years:

	2018(1)	2017(1)	2016(1)
Stock Option Plan	Nil	Nil	Nil
Employee Share Purchase Plan	0.098%	0.061%	.053%
Employee Long Service Bonus Plan	Nil	Nil	Nil

Notes:

(1) The annual burn rate is calculated as follows and expressed as a percentage:

Number of Options granted under the specific plan during the applicable fiscal year Weighted average number of securities outstanding for the applicable fiscal year.

Incentive Plan Awards — Value Vested or Earned During the Year.

1. Outstanding Option-Based Awards

Stock option grants were awarded on March 9, 2012 at an exercise price of $9.66 under the Option Plan. There were no options granted in 2018.

The following table sets forth all outstanding options for the NEOs as at December 31, 2018.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price ($)	Grant Date	Option Expiry Date(1)	Value of Unexercised in-the-Money Options at Year-End ($)(2)
J.F. Richard Hew	45,000	9.66	March 9, 2012	March 9, 2022	116,550

Notes:

(1) All options vest on the basis of one quarter of the grant on each of the first through fourth anniversaries of the date of the grant and have a term of 10 years from the date of the grant.

(2) The closing price of the Class A Ordinary Shares on the TSX on December 31, 2018 was $12.25.

2. Performance Share Unit Plan

In February 2018, the NCG Committee and the Board approved 30,691 PSU grants under the PSUP to NEOs and key employees. The NCG Committee and the Board approved additional PSU grants to NEOs and key employees on the dates or in the amounts as follows: 25,000 in March 2016; and 31,279 in March 2017.

Each PSU represents a unit with an underlying value which is based on the value of one common share on January 1 of the grant year relative to the S&P/TSX Utilities Index. Upon completion of the three-year performance period, the applicable PSUs vest in full on December 31, and are paid out in cash upon evaluation by the NCG Committee of CUC's performance over the applicable three-year period against predetermined corporate objectives relating to total return performance.

The following table sets out the total number of PSUs not vested for the NEOs as at December 31, 2018:

	Share-based Awards		
Name	Number of share-based awards that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout of vested share-based awards not paid out or distributed ($)
J.F. Richard Hew	10,833	69,703	68,322
Letitia T. Lawrence	6,092	39,199	34,161
Sacha N. Tibbetts	5,334	34,014	20,497
David C. Watler	6,092	39,199	34,161

3. Options Granted or Vested During the One-Year Period Ended December 31, 2018

No options were granted to NEOs during the one-year period ended December 31, 2018. As at December 31, 2018, 45,000 of the options granted and outstanding to NEOs were in-the-money.

The following table sets forth the value of options and share based awards vested during the year for each of the NEOS:

Name	Option-based awards — Value vested during the year ($)	Share-based awards — Value vested during the year[(1)]
J.F. Richard Hew	0	68,322
Letitia T. Lawrence	0	34,161
Sacha N. Tibbetts	0	20,497
David C. Watler	0	34,161

Notes:

(1) All of the PSUs granted on March 6, 2015 vested on December 31, 2017 and were paid out in March 2018 in an amount based on the evaluation by the NCG Committee of the achievement of the predetermined corporate objectives relating to total return performance. The percentage of the amount paid out on the PSUs (0-120%) was determined based on the maintenance of successful average returns on Class A Ordinary Shares, relative to the return reported for the S&P/TSX Utilities Index over the three-year period commencing January 1, 2015.

Defined Contribution Pension Plan

Name	Accumulated Value at Start of Period ($)	Compensatory ($)	Accumulated Value at End of Period ($)
J.F. Richard Hew	615,395	44,955	623,994
Letitia T. Lawrence	343,632	20,811	330,848
Sacha N. Tibbetts	280,263	19,341	282,357
David C. Watler	393,413	20,811	391,356

As at December 31, 2018, each NEO was a member of a defined contribution pension plan (the "Pension Plan") which the Company has subscribed to for the benefit of employees of the Company and which complies with the provisions of the Cayman Islands National Pensions Law. As a term of employment, the Company contributes 7.5% of wages or salary in respect of employees who have completed 15 years of continuous service and have attained the age of 55 years and 5% of wages or salary for all other employees. Mr. Hew receives an additional Company contribution of 5% pursuant to the terms of his employment contract.

As at December 31, 2018, normal retirement age under the Pension Plan was age 65 and early retirement may be taken at age 60. Upon reaching normal or early retirement age, individuals can elect to defer their pension, receive annual lump sum payments or request approval to receive monthly pension payments. Retirees were eligible to participate in the Company's employee health care benefits provided they have a minimum of five years of service. The Company subsidized the monthly premium to a fixed contribution towards the designated Standard Health Insurance plan.

Termination and Change of Control Benefits

CUC has entered into employment contracts with each of the NEOs, which contracts set out the circumstances under which payments and other benefits would be paid in connection with a termination of employment as summarized below.

The employment of each of the NEOs may be terminated without cause ("Involuntary Termination") by the Company at its sole discretion. Each of the NEOs is entitled upon Involuntary Termination to notice in writing ("Notice") as specified in the table below. In addition to Notice, Mr. Hew is entitled upon Involuntary Termination to a payment or payments equal to 24 months of salary. Following Involuntary Termination, all NEOs are entitled to the continued provision of benefits, perquisites and retirement plan contributions (the "Benefits Payments") or, at the Company's sole discretion, a payment or payments in lieu of the Benefits Payments for the periods specified below.

Each of the NEOs, except Mr. Hew, is entitled to two weeks salary for every year of continuous employment with the Company prior to Involuntary Termination ("Continuous Employment Payment").

Involuntary Termination may also be deemed to have occurred if, without the consent of the NEO, the Company imposes specified adverse changes in the terms of the NEO's employment, including responsibilities, duties and functions incompatible with the position, material reduction in salary, inhibition in incentive or opportunity or reduced benefits, perquisites, retirement arrangements or working facilities or materially diminishes the title or status of the position, provided that the NEO gives written notice to the Company of the change within 90 days of its occurrence and the Company fails to rectify the change within 14 days ("Unrectified Involuntary Termination"), in which case the Company shall pay the NEO's salary in lieu of notice, Benefits Payments and, if applicable, Continuous Employment Payment, for the period of Notice.

Upon Involuntary Termination, unless otherwise agreed in writing by the Company, stock options granted pursuant to the Option Plan, and PSUs granted under the PSUP shall immediately terminate. The Company had no such written agreements with any NEO as at December 31, 2018.

Upon Involuntary Termination, pension contributions accumulated under the Company's defined contribution benefit plan would continue to be held on deposit pending either retirement eligibility by age or transfer to another pension plan or withdrawal in accordance with Cayman Islands pension law.

Name	Notice of Termination for Involuntary Termination	Period of Benefits Payments Following Involuntary Termination	Benefits Payments Payable upon Involuntary or Unrectified Involuntary Termination Assuming a Termination Date of December 31, 2018 ($)(1)	Continuous Employment Payment for Involuntary or Unrectified Involuntary Termination Assuming a Termination Date of December 31, 2018 ($)(2)	Salary Amount Payable upon Unrectified Involuntary Termination in Lieu of Notice Assuming a Termination Date of December 31, 2018 ($)
J.F. Richard Hew	1 month	24 months	$155,711	$598,016	$ 24,917
Letitia T. Lawrence	6 months	12 months	$ 27,472	$149,894	$103,680
Sacha N. Tibbetts	6 months	12 months	$ 29,706	$151,261	$ 96,548
David C. Watler	6 months	12 months	$ 36,524	$234,019	$103,681

Notes:

(1) Includes (i) the estimated benefit associated with the automobile supplied by the Company based on costs incurred during the one-year period ended December 31, 2018; (ii) incremental value of group health premiums above those paid to other employees; (iii) Pension Plan contributions; and (iv) life insurance premiums.

(2) In addition to one-month Notice of Involuntary Termination, Mr. Hew would be entitled to payment equivalent to 24 months of salary upon Involuntary Termination. Each of the other NEOs is entitled to two weeks salary for every year of employment with the Company prior to Involuntary Termination. As of December 31, 2018, Letitia T. Lawrence, Sacha N. Tibbetts and David C. Watler have been with the Company for 18, 20 and 29 years, respectively.

Share Incentive Arrangements

The Company has the following employee share incentive arrangements that allow participants to acquire Class A Ordinary Shares: Employee Share Purchase Plan, Employee Long Service Bonus Plan and the Option Plan. All of the Company's share incentive arrangements have been approved by the TSX.

Employee Share Purchase Plan

CUC has an Employee Share Purchase Plan (the "Purchase Plan") to encourage participation and long-term investment by its employees. The Company provides interest-free advances to employees to purchase Class A Ordinary Shares, with such advances recovered through payroll deductions over the next year. Dividends on Class A Ordinary Shares purchased on behalf of employees under the Purchase Plan are paid in full to participating employees. The minimum semi-annual participation in the Purchase Plan is 50 Class A Ordinary Shares per employee, and the maximum semi-annual participation is 1,000 Class A Ordinary Shares per employee. Employees are not eligible to participate in the Purchase Plan following termination of their employment with the Company. Unless an employee whose employment has been terminated makes arrangements satisfactory to CUC for the repayment of the unpaid balance of the advance, CUC is entitled to withhold from such employee's compensation the unpaid balance of such advance without limiting any other recourse or remedy the Company may have under applicable law with respect to being repaid the balance of the advance.

The Class A Ordinary Shares required to satisfy the requirements of the Purchase Plan may be issued from treasury at the 20-day average market price, which is equal to the simple average of the closing market prices of the 20 consecutive trading days immediately preceding the issuance of such shares, or from purchases in the open market at the discretion of the Company as approved by the TSX.

The number of Class A Ordinary Shares reserved under the Purchase Plan for issuance from treasury is currently 62,785.

Under the Purchase Plan, together with any other security-based compensation arrangements of the Company, the Class A Ordinary Shares reserved for issuance to insiders cannot exceed 10% of the outstanding Class A Ordinary Shares, and the number of Class A Ordinary Shares issued to insiders within a one-year period cannot exceed 10% of the outstanding Class A Ordinary Shares. In addition, the number of Class A Ordinary Shares issued under the Purchase Plan and any other security-based compensation arrangement to any one insider, during a one-year period, cannot exceed more than 5% of the outstanding Class A Ordinary Shares.

The Purchase Plan can be amended by the Board at any time, without the approval of Shareholders, provided that an amendment to (a) increase the number of Class A Ordinary Shares reserved for issuance under the Purchase Plan; (b) add non-employee members of the Board as participants under the Purchase Plan; (c) eliminate or decrease the limitations on insider participation set forth above; and (d) amend the amendment provision of the Purchase Plan to eliminate a matter listed as requiring Shareholder approval, will require the approval of Shareholders.

A total of 32,355 Class A Ordinary Shares were acquired by participants under the Purchase Plan during the one-year period ended December 31, 2018 (all issued from treasury), representing 0.10% of the current issued and outstanding Class A Ordinary Shares.

Employee Long Service Bonus Plan

The Company also has an Employee Long Service Bonus Plan (the "Bonus Plan") whereby long-service employees and non-executive directors (i.e., those with more than 10 years of employment with the Company) are awarded 10 Class A Ordinary Shares for each year of service, with such awards presented on the 10th, 15th, 20th, 25th, 30th, 35th and 40th anniversaries of employment. Employees are not eligible to participate in the Bonus Plan following termination of their employment with the Company.

The Class A Ordinary Shares required to satisfy the requirements of the Bonus Plan may be issued from treasury at the 20-day average market price, which is equal to the simple average of the closing market prices of the 20 consecutive trading days immediately preceding the issuance of such shares, or from purchases in the open market at the discretion of the Company as approved by the TSX.

Following the awarding of Class A Ordinary Shares to eligible employees under the Bonus Plan in 2010, the Company suspended further awards under the Bonus Plan.

Executive Stock Option Plan

See "Equity Compensation Plan Information as of December 31, 2018" on page 33 of this Information Circular for a description of the Option Plan and the number of Class A Ordinary Shares currently reserved for issuance under the Option Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company, including financial information, is provided in the Company's audited annual consolidated financial statements for the year ended December 31, 2018 and related management's discussion and analysis.

The Company shall provide to any person or company, upon request to the Company Secretary, at any time, the documents referred to above, free of charge, provided the Company may require the payment of a reasonable charge from such a person or company who is not a holder of securities of the Company (these documents, as well as additional information regarding the Company, are available free of charge on the Company website at www.cuc-cayman.com and on SEDAR at www.sedar.com).

Contact details for the Company Secretary are as follows:

Caribbean Utilities Company, Ltd.
P.O. Box 38
Grand Cayman KY1-1101
Cayman Islands
345-949-5200 (phone)
345-949-4621 (fax)

APPROVAL OF DIRECTORS

The contents of this Information Circular and the sending of it to the shareholders of the Company have been approved by the Board.

Dated the 11th day of March, 2019.

Letitia T. Lawrence
Company Secretary

SCHEDULE A

RESOLUTION OF THE CLASS A ORDINARY SHAREHOLDERS

Approval of Revised Board of Directors and Committee Compensation Structure

WHEREAS the Board of Directors of the Company has approved that the remuneration of members of the Board of Directors and its Audit Committee and Nominating and Corporate Governance Committee be fixed in accordance with accepted corporate governance procedures as recommended by the Nominating and Corporate Governance Committee, pending approval by the Class A Ordinary Shareholders of the Company;

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The remuneration schedule for members of the Board of Directors and its Audit Committee and Nominating and Corporate Governance Committee, attached as Appendix 1 to Schedule A of the Company's 2019 Information Circular dated March 11, 2019, is hereby approved to be effective immediately following the approval by the Class A Ordinary Shareholders of the Company at the 2019 Annual General Meeting of Shareholders;

2. Any director or officer of the Company is hereby authorized and directed, for and in the name of and on behalf of the Company, to execute (whether under corporate seal of the Company or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts or things as he may determine to be necessary or desirable in connection with or to give effect fully to the provisions of the foregoing resolution, the execution of any such document or the doing of any such act or thing to constitute conclusive evidence of such determination.

APPENDIX 1 TO SCHEDULE A

Proposed New Board and Committee Compensation Structure

Board of Directors Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman	75,000	1,500
Director	18,000	1,500

Committee Retainer and Meeting Fees

Position	Retainer Per Annum ($)	Meeting Fee ($)
Chairman, Audit Committee	6,000	1,500
Member	3,000	1,500

Notes:

(1) Mr. J.F. Richard Hew, President and Chief Executive Officer of the Company, would be ineligible for retainer fees and meeting fees due to his status as an executive officer of the Company.

(2) Mr. David E. Ritch, Chairman of the Board of Directors, would not be eligible for retainer fees in respect of either the Nominating and Corporate Governance Committee or the Audit Committee.

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "Board") of Caribbean Utilities Company, Ltd. (the "Company") is responsible for the stewardship of the Company. The Board will provide independent, effective leadership to supervise the management of the business and affairs of the Company to grow value in a profitable and sustainable manner.

1. Composition

The Board will be comprised of between seven and 13 directors, as determined by the Board and as required under the Articles of Association of the Company ("the Articles"). Board members will be elected at the annual meeting of shareholders each year and will serve until their successors are duly elected except as set out under the Articles.

2. Duties and Responsibilities

Members of the Board are expected to attend meetings of the Board and any Board committees of which the directors are members, and to review related meeting materials in advance.

The Board will:

A. Strategic Planning and Risk Management

1. Adopt a strategic planning process and approve, on an annual basis, a strategic business plan for the Company that considers, among other things, the strategic opportunities and risks of the business;
2. Monitor the implementation and effectiveness of the approved strategic business plan;
3. Assist the President and Chief Executive Officer ("the CEO") in identifying the principal risks of the Company's business and the implementation of appropriate systems to manage such risks;

B. Human Resources Management

1. Select, appoint and evaluate the CEO and determine the terms of the CEO's employment with the Company;
2. Appoint all officers of the Company in consultation with the CEO and determine their terms of employment, training, development and succession planning (including the processes for appointing, training and evaluating senior management), with the authority to approve and amend, as necessary, the employment contracts of all officers;
3. Satisfy itself, to the extent feasible, as to the integrity of the CEO and other officers and the creation of a culture of integrity throughout the Company;

C. Finances, Controls and Internal Systems

1. Review and approve all material transactions including acquisitions, divestitures, dividends, capital allocations, expenditures and other transactions that exceed threshold amounts set by the Board;
2. Evaluate the Company's internal controls relating to financial and management information systems in conjunction with the Audit Committee and the Company's internal audit function;

D. Communications

1. Adopt a disclosure policy that seeks to ensure that effective communications, including statutory communication and disclosure, are established and maintained with employees, shareholders, financial community, media, customers, the general public and other stakeholders of the Company;

E. Governance

1. Develop the Company's approach to corporate governance issues, principles, practices and disclosure;
2. Establish appropriate procedures to evaluate director independence standards and allow the Board to function independently of management;
3. Appoint from among the directors an Audit Committee, the Nominating and Corporate Governance Committee and such other committees of the Board as deemed appropriate and delegate responsibilities thereto in accordance with their mandates;
4. Develop and monitor compliance with the Company's code of ethics and, through the Audit Committee, its Whistle-Blower Policy;
5. Evaluate and review the performance of the Board, each of its committees and its members.

F. Board Meetings

1. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Board may, on occasion and in appropriate circumstances, hold a meeting by telephone conference call.
2. Meet in separate, non-management, in camera sessions at each regularly scheduled meeting.
3. Meet in separate, non-management, closed sessions with any internal personnel or outside advisors, as needed or appropriate.

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