Algonquin Power & Utilities Corp.
Green Financing Framework[1]

Company Overview

Algonquin Power & Utilities Corp. ("APUC") is a diversified generation, transmission and distribution utility with approximately US$11 billion of total assets. Through its two primary North American business groups: the Regulated Services Group which provides rate regulated natural gas, water, and electricity generation, transmission, and distribution utility services to over 800,000 connections; and the Renewable Energy Group which is committed to being a global leader in the generation of renewable energy through its ownership of, or interest in, long term contracted wind, solar and hydroelectric generating facilities.

APUC's team of more than 2,500 talented employees is focused on delivering continuing growth through an expanding pipeline of renewable energy development projects, organic growth within its rate-regulated generation, distribution and transmission businesses, and the pursuit of accretive acquisitions.

Our Sustainability Focus

APUC is committed to sustaining energy and water for life. We aim to be a top-quartile global utility, known for exceptional safety and reliability, customer experience, employee engagement, community inclusion, environmental and social responsibility, and financial performance.

Within our Sustainability Policy, we have outlined the sustainability principles that are core to our business. These principles were developed in alignment with the United Nations Sustainable Development Goals and focus on the areas in which we believe we can deliver meaningful and long-term benefits as we operate and grow our business.

Refer to APUC's Sustainability Policy and the most recent Sustainability Report, which can found on our website at www.AlgonquinPowerandUtilities.com.

Our Investment Focus

APUC and one or more of its subsidiaries may, from time to time, designate certain new issuances of bonds, notes, debentures, units and any other convertible debt instruments containing one or more of the foregoing (collectively, "Green Financings") as "green" under this Green Financing Framework. Any convertible instruments will be fully allocated before conversion. These offerings will be used to finance and/or refinance investments made in renewable power generation assets or businesses and to support the development of clean energy technologies.

APUC's Green Financing Framework aligns with the ***Green Bond Principles 2018***. The framework describes the following key components:

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[1] This version of APUC's Green Financing Framework is based on the International Capital Markets Association *Green Bond Principles* dated June, 2018.

1. *Use of Proceeds*
2. *Process for Project Evaluation and Selection*
3. *Management of Proceeds*
4. *Reporting*

1. Use of Proceeds

The proceeds obtained from Green Financings will be used to finance and/or refinance "Eligible Investments" (which may include minority equity participation) that will fall into the categories described below.

The look-back period for Eligible Investments will be up to 36 months prior to the date of the applicable issuance.

Area	Description	Eligible Investments
Renewable Energy Generation	Investments that help supply energy from renewable sources	**Solar Energy** – • Development and construction of new facilities • Facilities that are currently operational • Maintenance, refurbishment or repowering of existing facilities • Acquisition of facilities or businesses **Wind Energy** – • Development and construction of new facilities • Facilities that are currently operational • Maintenance, refurbishment or repowering of existing facilities • Acquisition of facilities or businesses **Hydroelectric Energy** – • Maintenance, refurbishment or repowering of existing facilities • Development and acquisition of new facilities with capacity ≤ 25MW
Energy Efficiency	Investments that help manage and store energy efficiently	**Energy Management and Storage Technologies or Assets** – • Development and construction of new facilities and infrastructure • Maintenance, refurbishment or repowering of existing facilities • Acquisition of facilities or businesses
Clean Transportation	Investments that help reduce carbon emissions	**Transportation and Infrastructure** – • Electric and plug-in hybrid vehicles • Development and construction of charging infrastructure

Sustainable Water and Wastewater Management	Investments that help provide clean drinking water and sewer services	**Water and Wastewater Management** – • Desalination and other technologies that reduce the demand for freshwater resources in water stressed areas when powered by renewable energy • Acquisition, expansion, and upgrade of facilities and infrastructure that result in improved water quality and/or water use efficiency
Climate Change and Pollution Control	Investments to help adapt to climate change and reduce carbon content	• Infrastructure upgrades and investments to deal with climate change and reduce carbon content in products and carbon intensity of operations Resiliency enhancements for existing infrastructure to deal with climate change related issues (i.e. mitigation of flooding).
Sustainable Land Management	Investments that help protect biodiversity	• Preservation and restoration of natural landscapes

Exclusionary Criteria

Financing and/or refinancing "Eligible Investments" as outlined above will exclude any investment in the following areas:

- Fossil fuel energy efficiency
- Development of new hydroelectric facilities with a capacity exceeding 25 MW

2. Process for Project Evaluation and Selection

APUC's Treasury team will be responsible for determining if an investment is an Eligible Investment. The Treasury team will verify the suitability and eligibility of such investments in collaboration with APUC's project development and construction teams, APUC's enterprise risk management team, and select members of APUC's executive team.

Eligibility of investments will be evaluated based on several criteria such as financial, technical/operating, market, legal, and environmental, social and governance ("ESG") risks. In addition, APUC's Code of Business Conduct and Ethics and Supplier Code of Conduct set forth principles to guide behavior and standards that must be adhered to. These can be found on our website at www.AlgonquinPowerandUtilities.com.

3. Management of Proceeds

The green financing proceeds will be deposited to APUC or its subsidiaries' general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Investments. Our intention is full allocation within 36 months and as soon as practicable of an amount equal to the net proceeds to Eligible Investments, proceeds may be temporarily invested in cash or short term investment instruments or used to repay existing debt (i.e. credit facilities).

APUC will establish a Green Financing Register, and the Treasury team will be responsible for recording on an ongoing basis the allocation of the net proceeds to Eligible Investments.

4. Reporting

APUC will provide annual updates on allocation reporting and, where feasible, impact reporting on its website or in its financial statements until all proceeds of the applicable Green Financings have been allocated.

4.1 Reporting on the Allocation of Funds

The updates will contain information on the Green Financing program including amounts allocated to Eligible Investments, and the temporary placement of short-term investment instruments or repayment of existing debt for any balance of then-unallocated proceeds. Where feasible, APUC will incorporate the allocation of proceeds by Eligible Investment and provide examples of Eligible Investments being financed with Green Financing proceeds until all proceeds have been allocated.

4.2 Reporting on Impact

Where feasible, updates will include qualitative and quantitative impact indicators. Examples of impact indicators that may be included are:

- Installed capacity
- Renewable energy production
- Greenhouse gas emissions reduced and/or avoided
- Water treated and/or saved
- Land restored and preserved
- Threatened species protected and conserved

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