

PRESIDENT AND CHIEF EXECUTIVE OFFICER

TERMS OF REFERENCE

Subject to the direction and oversight of the Board of Directors (the “Board”) of Capital Power Corporation (the “Corporation”), the President and Chief Executive Officer (the “President and CEO”) is responsible for all aspects of the business of the Corporation. The CEO shall have the following clear priorities:

- 1) Provide effective and inspiring leadership to the Corporation. It will be important for the President and CEO to develop a working relationship with key members of his team and motivate the employees to perform to high expectations.
- 2) Communicate effectively with the internal and external stakeholders of the Corporation.
- 3) On a longer term basis, the President and CEO must plan for the continued growth of the Corporation’s business. Shareholders will demand strong near term operating performance and a realistic, growth plan for the future. A President and CEO who successfully delivers on this mandate will see the Corporation rewarded with superior valuation relative to peers and a strong competitive position in the power industry.
- 4) Develop effective and professional relationships with the Board and the Chair.
- 5) Be the Corporation’s primary external spokesperson with shareholders and other stakeholders.

KEY RESPONSIBILITIES

Strategic Leadership:

- 1) Formulate and recommend goals, strategies, and objectives to the Board that ensure the maximization of shareholder value and the long-term success of the Corporation.
- 2) Lead and manage the Corporation within the parameters established by the Board.
- 3) Review and report regularly to the Board concerning the Corporation’s progress towards its goals and all material deviations from the goals, strategies, and objectives approved by the Board, including updating and making changes as required, and involving the Board in the early stages of developing strategy.
- 4) Implement the capital and operating plans that support the strategic plans approved by the Board.

- 5) Review and report regularly to the Board on the overall progress and results against operating and financial objectives and initiate courses of action for improvement.
- 6) Ensure that the nature and types of operational risks (risk profile) are communicated to the Board and that systems are in place to manage those risks.
- 7) Keep the Board fully informed of all significant operational, financial, and other matters relevant to the Corporation, including legal, regulatory, and governmental policy developments.
- 8) Ensure that information Management processes support the early identification of issues to be addressed by the Board.

Financial Leadership:

- 1) Provide effective oversight of the capital structure and ongoing financial management of the Corporation. Responsible for ensuring the timely and accurate preparation, disclosure, reporting and communication of financial statements for the Corporation.
- 2) Communicate the Corporation's plans and results in a thoughtful and effective manner to all shareholders, lenders, analysts and other financial stakeholders. Also work effectively with all other relevant external parties: governments, regulatory agencies, and other relevant interest groups.
- 3) Develop annual capital commitment and expenditure budgets for approval by the Board.
- 4) Develop annual operating forecasts of revenue, expenditures, operational results, and financial performance.
- 5) Authorize the commitment of funds to capital projects included in budgets approved by the Board or within the limits of the Signing Authority Policy approved by the Board.
- 6) Authorize commitment of corporate resources, transactions and arrangements in the ordinary course of business, in order to pursue the approved strategies, business plans, and objectives of the Corporation, provided, however that major commitments, exposures, and risks are reported to the Board in a regular and timely basis.
- 7) Take reasonable steps to ensure that the Corporation's assets are adequately safeguarded and optimized in the best interests of the shareholders.

Administrative Leadership:

- 1) Set the tone for the values and culture of the Corporation. Communicate these principles in a clear and compelling fashion both internally and externally. The Corporation's culture places a premium on workplace safety and the President and CEO will set the tone and drive accountability.
- 2) Develop and maintain a sound, effective organizational structure and ensure that all members of the organization have their responsibilities and authorities clearly established.
- 3) Work with Management and staff members to ensure appropriate policies, procedures and systems exist for the effective operation of a company of the Corporation's size and sophistication. It will be important not to "over bureaucratize" the Corporation, but rather to ensure that appropriate systems and metrics are in place to facilitate its highly effective operation.
- 4) Recommend to the Corporate Governance, Compensation and Nominating Committee (the "CGCN Committee"), the appointment of executive officers.
- 5) Discuss periodically with the CGCN Committee executive performance, compensation and succession and development plans.
- 6) Ensure that Management processes and structures are in place to monitor projects, oversee the adherence to policies and limits, approve significant financial activities, review business unit operation and provide direction on issues of strategic importance.
- 7) Ensure the programs are in place for Management and employee development to achieve full utilization of individual abilities.
- 8) Provide the Board, at Board and Committee meetings, with exposure to key members of the Corporation senior Management and other employees who have the potential to become members of senior Management.

Public Leadership:

- 1) Ensure that effective communications and appropriate relationships are maintained with the shareholders of the Corporation and other stakeholders.
- 2) Maintain or cause to be maintained such industry, government, public and other external relationships as are deemed advisable and in the interests of the Corporation.
- 3) Manage and oversee the required interaction between the Corporation and the public and act as the principal spokesperson for the Corporation.

Compliance Leadership:

- 1) Establish effective control and coordination mechanisms for all operations and activities, and take reasonable steps to ensure the integrity of the internal control and management information systems.
- 2) Work with the Chair and the CGCN Committee to ensure the adoption of good corporate governance practices, which will ensure the Corporation remains a strong, viable and competitive corporation.
- 3) Take reasonable steps to ensure the safe, efficient operation of the Corporation and to ensure compliance with the Corporation's environmental, health and safety policies, procedures and practices.
- 4) Ensure that all operations and activities of the Corporation are conducted in accordance with laws, regulations, the Corporation's Ethics Policy, Disclosure and Insider Trading Policy, sound business practices, and the other policies and practices approved by the Board.
- 5) Ensure every officer of the Corporation acts honestly and in good faith with a view to the best interests of the Corporation.
- 6) Foster a high performance corporate culture that promotes ethical practices and encourages individual integrity, accountability, and social responsibility.

Shareholder/Investor Relations:

- 1) Be responsible for maintaining and developing shareholder and investor relations, as well as maintaining and developing community links.
- 2) Be responsible for communication of relevant information to the shareholders pertaining to the Corporation's performance as per prescribed disclosure regulations and direction of the Board.