

Capital Power Corporation  
("Capital Power" or the "Corporation")

## **BOARD DIVERSITY POLICY**

Capital Power recognizes and embraces the benefits of having a diverse Board of Directors, and sees enhancing and maintaining diversity at the Board level as essential to our competitive advantage. Diversity on the Board demonstrates the Corporation's commitment to diversity at all levels within Capital Power. Capital Power is committed to fostering an inclusive culture based on merit and free of conscious or unconscious bias.

At all times, Capital Power seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business, the nature of the environment in which Capital Power operates and the skills and experience the Board as a whole requires to be effective. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, Capital Power will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board balanced appropriately. For purposes of this policy, diversity includes, without limitation, business and industry experience, geography, gender, age, visible minorities, Aboriginal peoples, persons with disabilities, sexual orientation and other diversity characteristics.

The Board is required to report annually to shareholders on the diversity of its members, including the number and percentage of women directors and the number and percentage of directors who are members of each of the other "designated groups" as defined in the *Employment Equity Act* (Canada) (in general terms, women, visible minorities, Aboriginal peoples and persons with disabilities).

Directors are requested to identify whether they are a designated group member or have another diversity characteristic for consideration by the Board when assessing its composition and Capital Power's disclosure is based on such self-identification.

The Board's Corporate Governance, Compensation & Nominating Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness.

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and background on the Board.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard

for the benefits of diversity and will (i) require that the slate of candidates presented to the Committee in every search for new Directors include at least 50% women, and (ii) give extra weight to qualified female candidates. It is our goal to have women comprise no less than 30% of our Board of Directors and 30% of our Executive Team.

- As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of Capital Power on the Board and the diversity of the Board.

Capital Power believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for Director in light of the needs of the Board. Other than as indicated in this policy, the Board has not adopted additional specific Board diversity goals.

Annually, the Committee will review this policy and assess its effectiveness in promoting a diverse Board and the progress of Capital Power in achieving target(s) (if any) set out in this policy.