

## **CHAIR'S TERMS OF REFERENCE**

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The Chair of the Board of Directors (the “Board”) of Capital Power Corporation (the “Corporation”) plays a critical leadership role in promoting the optimum functioning of the Board, and in maintaining a positive working relationship with the President and Chief Executive Officer of the Corporation (the “CEO”).

The terms of reference for the Chair will:

- assist the Corporate Governance, Compensation and Nominations Committee (the “CGCN Committee”) to focus on the desired skill sets when nominating an individual to chair the Board;
- assist the CGCN Committee in providing a basis upon which to assess the performance of the Chair; and
- give the Chair insight into the responsibilities of the position.

### **A. APPOINTMENT**

On the recommendation of the CGCN Committee, the Board will appoint a Chair (the “Chair”) from among the existing Board members.

If the Chair is absent from a meeting, or a portion of a meeting, of the Board, then the Chair of the CGCN Committee (the “CGCN Chair”) shall be appointed by the Board as Acting Chair for that meeting.

At any other time where a vacancy, either temporary or permanent, occurs in the Chair’s position, then the CGCN Chair shall be deemed Acting Chair until the next Board meeting. At the next Board meeting the Board will ratify and confirm the CGCN Chair as Acting Chair until either the Chair is able to resume his or her duties or a new Chair is appointed, as the case may be.

Board Chair succession will be conducted as provided for in the Director Tenure and Succession Policy.

The Chair or Acting Chair presiding at any meeting of the Board shall have a vote in all matters considered by the Board.

### **B. RESPONSIBILITIES**

The prime responsibility of the Chair is to chair effective Board meetings and meetings of the shareholders, monitor and oversee the strategic agenda of the Corporation, and provide leadership and advice respecting the business planning processes, corporate governance systems and supporting material provided to the Board.

The Chair ensures the responsibilities of the Board are well understood by both the Board and Management and that the boundaries between the Board and Management are clearly understood and respected.

### C. OBJECTIVES AND PRINCIPAL DUTIES

1. The Chair functions in a leadership capacity, and has a statutory authority and obligation to preside over meetings of the Board, and to perform the duties and exercise the powers assigned by the Board.
2. In performing this function, the Chair shall:
  - a. Chair meetings of the Board, ensuring that meetings are properly convened, business is conducted legally and accurate minutes of proceedings are recorded;
  - b. Working with the CEO and the Corporate Secretary, set Board meeting schedules, establish agendas that address areas within the Board's responsibility and ensure the information packages and presentations are focused and of appropriate length, content and context to support sound decisions;
  - c. Encourage full participation by directors in and vigorous debate of issues at meetings, creating an open atmosphere for directors to ask questions or dissent freely;
  - d. Maintain open channels of communication with directors between meetings;
  - e. Ensure the adoption by the Board of good corporate governance practices which will ensure the Corporation remains a strong, viable and competitive corporation;
  - f. Provide leadership in Board organization, effectiveness and renewal making recommendations respecting optimum Board and committee structures, processes, operations and memberships;
  - g. Ensure that resources available to the Board are adequate to support its work;
  - h. Take a lead role in assessing and addressing any concerns related to the performance of the Board or any committee of the Board;
  - i. Assist directors, collectively and individually, to achieve full utilization of individual abilities, recommending director orientation and training opportunities where required;

- j. Work with committee chairs to establish effective communication and information-sharing mechanisms and clear delineation of responsibilities between committees of the Board;
- k. Coach, support and assist the CEO by:
  - i. Building an open and constructive relationship between the CEO, senior Management and the Board;
  - ii. Ensuring that information Management processes support the early identification of issues appropriately addressed by the Board;
  - iii. Communicating Board directives and requests to the CEO and reporting responses to the Board;
  - iv. Communicating with the CEO between meetings;
  - v. Contributing to the performance assessment and compensation review process of the CEO;
- l. Work with the CEO to develop and maintain productive relationships with all stakeholders and represent the Board with shareholders, regulators, customers, stakeholders, the community and the media;
- m. Ensure the Board represents and protects the interests of the shareholders.