

Health, Safety, and Environment Committee Terms of Reference

I. Overview and purpose

- A. The Health, Safety, and Environment Committee (the “Committee”) of Capital Power Corporation (the “Corporation”) monitors, evaluates, advises and makes recommendations, in accordance with these terms of reference, on matters relating to the impact of the operations of the Corporation, its subsidiaries and its affiliates on the environment and on the workplace health and safety of the employees of the Corporation and its subsidiaries and affiliates and of contractors who conduct work for or on behalf of the Corporation at its worksites. The Committee’s role includes monitoring, advising, and making recommendations to the board of directors of the Corporation (the “Board”) on matters relating to:
- i. the establishment, maintenance and review of the Corporation’s strategies, goals and policies relating to health, safety, and environment;
 - ii. matters of health, safety, and environment;
 - iii. the achievement of excellent corporate performance in health, safety, and environment;
 - iv. operational short and long term key performance metrics;
 - v. significant operational issues and potentially concerning operational trends; and
 - vi. major construction projects.

II. Structure

- A. The Committee will be composed of such number of directors of the Corporation (“Directors”) as may be specified by the Board from time to time, which number will be not less than three (“Committee Members”).
- B. The Chair of the Board is an ex-officio and non-voting member of the Committee, unless appointed by the Board as a Committee Member.
- C. At least once every calendar year, and as otherwise may be required, Committee Members and the chair of the Committee (the “Committee Chair”) will be appointed by the Board on the recommendation of the People, Culture, and Governance Committee (“PCG Committee”).
- D. A majority of Committee Members should be independent (as defined in National Policy 58-101 *Corporate Governance Guidelines*, as implemented by the Canadian Securities Administrators and as amended from time to time) and have no relationship to the

Corporation that may interfere with the exercise of their independence from the President and Chief Executive Officer (the “CEO”) and their management team (“Management”) and the Corporation.

- E. All members of the Board will be free to attend and participate at any meetings of the Committee, but only Committee Members will be entitled to vote on any question before the Committee. Other than members of the Board, entitlement to attend all or a portion of any Committee meeting will be determined by the Committee Chair or Committee Members.
- F. The Committee will meet at least twice per year and may call special meetings as required.

III. Duties and responsibilities

In the areas of environment, health, safety, and operations the Committee is responsible for:

- A. at least annually, confirming adequate environmental and Workers’ Compensation Board (or equivalent) insurance coverage;
- B. at least annually, reviewing and recommending to the Board, as required, the preparation, implementation and updating of a Corporate Health, Safety and Environment Policy;
- C. confirming that the Corporation has in place and maintains comprehensive and appropriate systems to effectively manage health, safety, and environmental matters;
- D. confirming that risks to the environment and/or workplace health and safety from the Corporation's operations have been reasonably identified and that their consequential risks to the Corporation, its subsidiaries and its affiliates and their respective directors, officers and employees, and to contractors who conduct work for or on behalf of the Corporation at its worksites, are being appropriately managed;
- E. assessing the health, safety and environmental performance of the Corporation, its subsidiaries and its affiliates, considering whether such performance complies with the health, safety and environment systems and policies of the Corporation;
- F. confirming, through the activities of the Integrated Site Assurance Team (“ISAT”) and internal health, safety and environmental audits, and external audits that appropriate environment and health and safety policies, procedures, standards, and programs are in place, understood and being adhered to, in order to ensure compliance with health, safety and environmental laws, regulations, permits and orders, and reviewing and recommending any changes or follow up actions stemming from such audits to the Board as required;
- G. reviewing any material events, incidents or issues relating to health, safety and environmental that may arise or be brought to the attention of the Committee and making appropriate recommendations to the Board;

- H. monitoring and reporting to the Board on current, pending or threatened material legal actions relating to health, safety, and environmental matters by or against the Corporation or any of its subsidiaries or affiliates;
- I. confirming and reporting to the Board any changes to international, federal, and provincial environmental and safety laws, regulations or voluntary programs substantially impacting the Corporation's business;
- J. monitoring and reporting to the Board on emerging public policy issues, trends and developments relating to health, safety and environmental matters which are relevant to the Corporation, its subsidiaries and affiliates;
- K. reviewing and recommending to the Board annual health, safety, and environmental disclosure, (including, but not limited to the annual Health, Safety & Environment disclosure in the Annual Information Form and Integrated Annual Report);
- L. conducting an annual review and survey of the effectiveness and performance of the Committee including a review of its compliance with these terms of reference. In conducting its review, the Committee should take into consideration all applicable legislative and regulatory requirements, and any guidelines recommended by regulators or stock exchanges with which the Corporation has a reporting relationship;
- M. on an ongoing basis, advising and counseling the CEO and Management of the Corporation on maintaining and improving health, safety, and environmental performance;
- N. reviewing these terms of reference at least annually and recommending any required material changes to the PCG Committee for further recommendation to the Board;
- O. providing a forum for the discussion of issues relevant to the operations of the Corporation, its subsidiaries and its affiliates;
- P. monitoring and reporting to the board regarding significant operational issues and potentially concerning operational trends;
- Q. monitoring and reporting to the board regarding major construction projects;
- R. reviewing and recommending to the Board annual and longer term health, safety, environment and operations related key performance indicators; and
- S. reporting to the Board as required.

IV. Meetings

- A. Committee meetings may be called by the Committee Chair or by a majority of the Committee Members. A majority of Committee Members will constitute a quorum. The Committee Chair will be a voting member and questions will be decided by a majority of votes.

- B. Meetings may be called with 24 hours' notice, which may be waived, before or after the meeting, by Committee Members. Attendance at a meeting will be deemed to be waiver of notice of the meeting, except where the Committee member attends the meeting for the express purpose of objecting to the transaction of business on the grounds that the meeting has not been duly called. .
- C. Meetings are chaired by the Committee Chair or in the Committee Chair's absence, by a Committee Member chosen from among and by Committee Members present at the meeting.
- D. At each meeting, an in camera session will be held with just the Committee members in attendance.
- E. Agendas will be set by the Committee Chair with assistance from the CEO, and Senior Vice President, Operations, and will be circulated with the materials for consideration at the meeting by the Corporate Secretary to all Committee and Board Members and, if directed by the Committee Chair, the CEO, and Senior Vice President, Operations no later than the day prior to the date of the meeting. However, it should be standard practice to deliver the agenda and the draft materials for consideration at the meeting at least five business days prior to the meeting, except in unusual circumstances.
- F. Except as provided in these terms of reference, the Chair of the meeting may establish rules of procedure to be followed at meetings.
- G. Meetings may be conducted with the participation of Committee Members by telephone, video, or other virtual meeting techniques which permits all persons participating in the meeting to hear and communicate with each other. A Committee Member participating in a meeting by those means is deemed to be present at the meeting.
- H. The powers of the Committee may be exercised at a meeting at which a majority of the Committee Members are present or by resolution in writing signed by all Committee Members who would have been entitled to vote on the resolution at a meeting of the Committee. In case of an equality of votes, the person acting as Chair of the Committee or meeting, as applicable, will not be entitled to a second or casting vote.
- I. A resolution in writing may be signed and executed in separate counterparts by Committee Members and the signing or execution of a counterpart will have the same effect as the signing or execution of the original. An executed copy of a resolution in writing or counterpart thereof transmitted by any means of recorded electronic transmission will be valid and sufficient.
- J. Attendance at all or a portion of Committee meetings by staff and others will be determined by the Committee and will normally include the CEO, the Senior Vice President Operations, the Corporate Secretary, and appropriate staff.
- K. The Corporate Secretary or such other person as may be designated by the Committee, will keep minutes of the proceedings of all meetings of the Committee which, following Committee approval, will, subject to determination by the Committee

otherwise, be available to any member of the Board. All minutes will be circulated to the Chair. With the exception of "in camera" items, minutes will be circulated to those receiving the agenda. Minutes will be retained by the Corporate Secretary.