CAPITAL POWER CORPORATION

ETHICS POLICY

Certified to be a true copy of the Ethics Policy and approved by the Board of Directors on October 30, 2009 (Revised April 27, 2018)

Colleen Legge
Associate General Counsel and
Corporate Secretary

VERSION	DATE	ISSUE
1.0	2009/10/30	APPROVED BY THE BOARD OF DIRECTORS
1.1	2010/01/20	ADMINISTRATIVE UPDATES
1.2	2010/04/10	ADMINISTRATIVE UPDATES
1.3	2010/12/15	ADMINISTRATIVE UPDATES
1.4	2011/11/29	ADMINISTRATIVE UPDATES
1.5	2013/07/11	ADMINISTRATIVE UPDATES
1.6	2015/07/24	APPROVED BY THE BOARD OF DIRECTORS
1.7	2017/04/28	APPROVED BY THE BOARD OF DIRECTORS
1.8	2018/04/27	APPROVED BY THE BOARD OF DIRECTORS
1.9	2019/07/26	ADMINISTRATIVE UPDATES
1.10	2020/10/30	ADMINISTRATIVE UPDATES

I. POLICY STATEMENT

The vision of Capital Power Corporation is to become one of North America's most respected, reliable and competitive power generators. To help achieve its vision, we must maintain a culture that is focused on trust, integrity and respect.

This Ethics Policy (the "Policy") describes the general ethical responsibilities applicable to all employees ("Employees") of Capital Power Corporation and its subsidiaries (collectively "Capital Power"), including its management and Board of Directors ("Senior Management"). The Policy is also applicable to Capital Power's consultants, independent contractors and agents. Compliance with this Policy is a material condition of every Employee's ongoing employment and every Agent's continuing relationship with Capital Power.

Senior Management must create, cultivate and sustain a work environment at Capital Power in which Employees and Agents know that ethical and legal behaviour is imperative. Capital Power's integrity is its most important and valuable asset. Capital Power therefore requires its Senior Management to model ethical business conduct, to ensure that the Policy is communicated to everyone directly and indirectly supervised by them and to handle ethical questions, concerns and reports appropriately and in compliance with this Policy.

All Employees and Agents are required to read, understand and comply with this Policy. Failure to read this Policy does not exempt anyone from his or her responsibility to comply.

This Policy does not address all ethical situations that Employees and Agents may encounter. Instead, it is designed to be a guideline to help Employees and Agents make the right ethical decisions.

Capital Power's activities are affected by a variety of laws and regulations and must be undertaken in a way that fulfills its responsibilities to its shareholders, stakeholders, Employees, Agents and to the communities it serves. Accordingly, this Policy requires that Capital Power and its Employees and Agents conduct themselves in ways that are consistent with Capital Power's corporate responsibilities.

This Policy should be read in conjunction with all other Capital Power policies, procedures and standards. However, the provisions of this Policy should prevail in respect of any conflict amongst policies.

II. WAIVERS

It is not intended that there be any waivers of this Policy. In the unlikely event that a waiver is considered necessary, it must receive approval by Capital Power's Board of Directors.

III. POLICY ELEMENTS

Capital Power's employees recommend it as a place to work

WORK ENVIRONMENT POLICIES

All Capital Power policies regarding relations between Employees and the workplace must be adhered to in accordance with their terms. This includes but is not limited to Capital Power's policies that pertain to: respectful workplace; non-discrimination and harassment; environment, health and safety; work rules and regulations; appropriate dress and/or grooming standards; no weapons or violence; drugs and alcohol; and smoking.

Capital Power's shareholders recommend it as an investment

Capital Power's security holders entrust Capital Power's Employees to safeguard their investment. Excellent financial performance and the highest ethical standards of governance and compliance are mutually reinforcing. Such high ethical standards will build and maintain Capital Power's performance and reputation as an organization its shareholders can trust to safeguard and grow their investment and to report results with accuracy and objectivity. Only performance and reputation such as this will allow Capital Power to reach its full potential.

CAPITAL POWER ACCOUNTING AND AUDITING COMPLAINTS

Capital Power is committed to providing financial and other public disclosure that is full, plain and true. Capital Power therefore employs internal controls to prevent or detect improper accounting or reporting activities and requires its Employees to report any suspected or possible wrongdoing relating to accounting, reporting and auditing matters within Capital Power and its subsidiaries. Capital Power is committed to enabling such inquiries, suspicions and/or complaints ("Complaints") to be filed without fear of reprisal against the person who has made the Complaint. More particularly, Employees must report instances of suspected improper accounting and accounting-related activities, in accordance with Capital Power's ***Ethics Investigation Procedures,*** arising with respect to:

- financial accounting malpractice or impropriety or fraud;
- failure to comply with a legal reporting obligation;
- misrepresentation in the financial records and statements;
- endorsement of improper financial activities by management, external auditors or internal auditors;
- improper business conduct affecting outcome of financial transactions;
- departure from the significant accounting and financial policies without explanation or authorization; and
- any attempts to conceal any of the above.

CONFIDENTIAL INFORMATION

Capital Power's confidential information is one of its most valuable assets. The unauthorized use, disclosure or release of confidential information about Capital Power, during or after employment (or Agency relationship) with Capital Power, is strictly prohibited. Employees and Agents should not even share such confidential information with their family or friends.

Capital Power's confidential information is all information that is not currently known or generally available to the public. It includes information owned by Capital Power or pertaining to Capital Power, or other organizations or individuals, and information entrusted to Capital Power under an expectation or duty of confidentiality. Confidential information further includes, but is not limited to, business strategies and plans, special methods of operation, contracts, technical innovations, client and customer lists, purchasing histories, pricing and margin information, research and development, sales reports, marketing research, employee records, training materials, draft documents and similar originals or copies of records (whether or not Employees or Agents have contributed to their creation), and any other information that may be of value to parties other than Capital Power for personal gain or other advantage. When an Employee leaves Capital Power and when an Agent's relationship with Capital Power ends, they must return and not retain any copies of, in any format whatsoever, any and all confidential information.

Confidential information does not include information that is in the public domain, unless it is in the public domain by reason of a violation of this Policy or is otherwise placed in the public domain by someone under a duty to maintain confidentiality.

It is the responsibility of each Employee and Agent to take proper and reasonable measures to safeguard Capital Power's confidential information from unauthorized use, disclosure or release, including information contained in personal files, personal computers, Capital Power laptop computers or any other electronic information storage devices, from unauthorized external or internal access, disclosure or loss.

If an Employee or Agent becomes aware that Capital Power's confidential information has been wrongfully used, disclosed or released, he or she should report the incident promptly to his or her manager or any member of Senior Management.

THEFT OR INAPPROPRIATE USE OF CAPITAL POWER ASSETS AND RESOURCES

All Employees and Agents are responsible for protecting Capital Power assets and resources from theft and inappropriate use, and must safeguard Capital Power assets and resources against loss, and unauthorized or improper use:

- **Non-Computer Resources —** Capital Power resources, such as Employee and Agent time, materials, supplies, equipment, vehicles, tools and relationships, are provided for the purpose of furthering Capital Power business and any other use thereof is tantamount to theft and is strictly prohibited;
- **Name, Logo or Letterhead —** Capital Power's name, logo and corporate letterhead must not be used for any purpose other than in the normal course of official Capital Power business;

- **Patents and Inventions —** Inventions, discoveries, and copyright material, made or developed by personnel in the course of, and relating to, their employment or other relationship with Capital Power, are the property of Capital Power unless a written contract states otherwise;
- **Computer and Electronic Communication Resources —** Personal use of Capital Power computing assets by Employees and Agents, including, but not limited to, internet access, telephones and voice mail, email use, texting, instant messaging, blogging, and computer use, must be kept to a minimum; occasional and incidental personal use is only permitted so long as it does not interfere with work.

  Employees and Agents must:
  - Use electronic resources only for authorized purposes;
  - Take reasonable measures to protect their user IDs, passwords and Capital Power's system from unauthorized use;
  - Access only information that is their own, that is publicly available, or to which they have been given authorized access;
  - Use only legal versions of copyrighted software in compliance with Capital Power's vendor license requirements; and
  - Be considerate in their use of shared resources by refraining from monopolizing systems, broadcasting unsolicited messages, overloading networks with excessive data, degrading services, or wasting computer time, connect time, disk space, printer paper, manuals or other resources.

  Employees and Agents must NOT:
  - Create email rules to auto-forward Capital Power emails to electronic accounts that are outside the Capital Power domain;
  - Share, use or disclose network account passwords to any other person, internal or external to Capital Power;
  - Connect any unauthorized or non-Capital Power-owned workstations or laptops to Capital Power's network;
  - Browse the private files or accounts of others, except as authorized;
  - Perform activities intended to circumvent security, corporate policies, or access controls or intended to damage any Capital Power computer, computing device, network or electronic information; or
  - Install outside software in Capital Power equipment, without prior written permission from Senior Management.

- **Social Media –** Social Media is defined as the various online tools sites and applications used to communicate various types of content and information in the public domain. All Employees and Agents who create or contribute to social networks, photo and video sharing websites, blogs, wikis or any other kind of publicly-accessible forum or site that allows users to share information with others, including but not limited to; Twitter, Facebook, Snapchat, Instagram and YouTube or comment on online media stories, have a responsibility to adhere to the following guidelines:

- **Think before you post.** Be mindful of what you write on social networks and avoid any comments that can be interpreted as slurs or inflammatory. Once posted, comments and content may remain public, or be archived, stored and retrieved indefinitely. Think of all posts to any social media platform as writing a signed letter to the editor of a newspaper – do not write anything or post any material that you would be embarrassed about seeing printed on the front page of a print publication.
- **Practice transparency.** Assume that you can always be identified when you write or post on a social network. It is good practice to be honest, identify yourself, be accurate, factual and disclose any vested interest you may have in something you are discussing. Be thoughtful about how you present yourself. The lines between personal and professional lives are blurred in online social networks, so when needed use a disclaimer such as: "I am an employee of Capital Power; however, this is my personal opinion."
- **Confidentiality and privacy are paramount.** Do not post confidential or proprietary information. Adhere to Capital Power's policies regarding confidential information, such as the Ethics Policy. Never speak or act on behalf of Capital Power without appropriate authorization.
- **Be a good online citizen.** Be a good online citizen and respect your audience. Adhere to any applicable laws and use your best judgment, as there can be consequences to what you publish in any format.
- **Be aware of the terms of service.** It is your responsibility to understand the terms of service of any type of social media you choose to use. You must be cognizant of the potential repercussions your conduct can have on both your reputation and Capital Power's reputation. The use of social media in a manner which is detrimental to Capital Power's interests may result in discipline up to and including termination. Employees and Agents should understand the impact that the information shared on a social media platform, even if personal, may have on their image or Capital Power’s image and refrain from posting or sharing inappropriate material that may harm Capital Power, its Employees or its Agents.

Capital Power reserves the right, without notice, to inspect, record, and/or otherwise monitor all transactions that occur while using a network or system account or other computer or electronic communication resource (including email or other communications, telephones and voice mail, and any information created or stored on Capital Power equipment) for any purpose (including for corrective discipline purposes, up to and including termination of employment or other relationship), and may be required to disclose this information to other authorized parties. Employees and Agents have no expectation of privacy when using Capital Power's computing and electronic communication resources.

THEFT OR INAPPROPRIATE USE OF THIRD PARTY ASSETS AND RESOURCES

Employees and Agents must NOT:

- Improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom they have an obligation of confidentiality;
- Bring onto Capital Power premises any unpublished documents or any other property belonging to any former employer or any other person to whom they have an obligation of confidentiality unless consented to in writing by that former employer or person; or
- Breach any contractual, statutory, or common law legal duties owed to any former employer in the performance of their duties for Capital Power.

By accepting and/or continuing their employment or other relationship with Capital Power, all Employees and Agents expressly represent, certify, and warrant to Capital Power that:

- They are not a party to nor bound by, and have not breached, any agreement or undertaking, with any other person, entity, or other employer which would interfere with, impact, or restrict their employment or engagement by Capital Power (including but not limited to any restrictive covenants and/or any non-competition or non-solicitation agreements); and
- The performance of their obligations for Capital Power will not, with or without the giving of notice or the passage of time, violate or breach (a) any duty (contractual, statutory, or common law) owed to any person, entity, or prior employer, (b) any judgment, writ, injunction, or order of any court, arbitrator, or governmental agency applicable to the individual, or (c) any agreement to keep in confidence any confidential or proprietary or trade secret information, or knowledge or data acquired by the individual in confidence or in trust prior to their employment or other engagement by Capital Power.

Capital Power’s communities welcome it as a neighbour

The cost associated with developing and operating any Capital Power plant is influenced by the degree to which owners of land surrounding the plant, nearby communities and regulators are content to have the plant located in their midst.

COMPLIANCE WITH LAW

Breaking the law can affect Capital Power's reputation and ability to carry on business. All Employees and Agents should be aware of, and must comply with, all legal and regulatory requirements applicable to their jobs. They should discuss any uncertainty about any legal or regulatory requirement with their manager, Capital Power's Legal Department or any member of Senior Management.

COMPLIANCE WITH CAPITAL POWER'S POLICIES

Capital Power's policies enable it to comply with legal, regulatory and other requirements so all Employees and Agents must comply with all Capital Power policies applicable to their work.

They should discuss any uncertainty about any policy requirement with their manager or HR resource, Capital Power's Legal Department or any member of Senior Management.

CONFLICT OF INTEREST

As underscored above, Capital Power's integrity is its most important and valuable asset, so Employees should also avoid any actual or apparent conflict of interest. An "apparent" conflict of interest arises whenever an Employee may be perceived as facing a choice between what is in their personal interest (financial or otherwise) and the best interests of Capital Power, even where no conflict of interest actually exists. Any Employee who cannot avoid an actual or apparent conflict of interest must advise their manager and their manager once removed.

The following are examples of how to avoid actual or apparent conflicts of interest:

1. **Financial Interest —** Employees and their families shall not own or control, directly or indirectly, a material financial interest in a supplier, contractor, competitor or any other business enterprise which does business with Capital Power.

2. **Corporate Opportunities —** Employees are prohibited from taking personal advantage of opportunities discovered through the use of assets, property or information belonging to Capital Power. Employees shall not use Capital Power assets, property, information or their position or employment status with Capital Power for personal gain, including but not limited to, obtaining discounts or rebates, other than those available through authorized Capital Power programs. Employees are prohibited from competing with Capital Power for business.

3. **Outside Activities —** Employees should not engage in outside employment that interferes with the time and attention that must be devoted to their duties at Capital Power or which adversely affects the quality of the work they perform.

4. **Outside Directorships —** Employees shall not serve as a director, officer, partner, consultant or any other role in unaffiliated profit-making organizations if that activity is detrimental to Capital Power. Directorships by the Chief Executive Officer in such profit-making, unaffiliated entities require the prior approval of Capital Power's Board of Directors. Directorships by other members of Capital Power’s Executive Team in profit-making, unaffiliated entities require the prior consent of Capital Power's People, Culture, and Governance Committee of the Board of Directors, who shall then advise the Board of Directors that such approval has been given.

5. **Gifts and Entertainment —** Employees must not accept or give any gift, benefit or other favor, which may be perceived as being provided in exchange for a favour or advantage to a third party carrying on business with Capital Power. Where approved business practice allows, Employees whose duties permit them to do so may furnish and/or accept modest gifts, tokens, mementos, favors and entertainment to customers, prospective employees, or business associates, however any such gift, favor or entertainment shall not contravene any law or be in the form of cash, bonds, or negotiable securities that may be interpreted as a bribe, pay off, commission or any other improper payment.

6. **Customer and Supplier Relations —** All suppliers and independent contractors purchasing or furnishing goods and services must be dealt with fairly. Decisions to hire a subcontractor or purchase materials from a particular vendor must be verifiably made on the basis of objective criteria and be consistent with Capital Power's Purchasing Policy.

7. **Personal Relationships —** Employees may not participate in a decision to hire, transfer or promote a family member or any other individual with which the Employee has a personal relationship. Employees shall not supervise directly or be in a position to influence, nor have direct or indirect authority over, employment-related decisions that impact a family member or any other individual with which the employee has a personal relationship, such as compensation, promotion, performance ratings, work assignments, discipline, training or termination. In the unusual circumstance where immediate family members or other personal relationships work in the same reporting structure, Capital Power will work with those individuals to find the best solution to manage any conflict of interest that may arise as a result, which may include the transfer of the employee/contractor to another reporting structure or department. If no alternatives are available there must be a minimum of two levels of supervision in between the employees with approval from that area's Senior Vice President.

Just as Employees must never place themselves in a conflict of interest, Senior Management, managers and supervisors must never do anything that would make an Employee feel as though the Employee's job security, prospective performance rating or career development at Capital Power may be threatened for reasons unrelated to the quality of the Employee's work at Capital Power.

IV. VIOLATIONS

Failure to comply with this Policy, and non-compliance with any other Capital Power policy/procedure/standard or applicable laws and regulations, will result in disciplinary action, up to and including termination of employment or other relationship with Capital Power.

V. MANAGING ETHICAL CONCERNS

There are several ways for Employees and Agents to report situations in which they believe, or suspect, there has been a violation of this Policy, laws, regulations, or other Capital Power policies and procedures. All concerns and any investigation conducted in response to a potential violation of this Policy, another Capital Power Policy, a law and / or regulation will be investigated in accordance with Capital Power's ***Ethics Investigation Procedures*** attached hereto as **Appendix A.**

VI. ACKNOWLEDGEMENT

Every Employee, including every member of Senior Management, is required to certify that he or she has received, read, understands and will comply with this Policy upon hiring and biennially thereafter as a condition of their employment or appointment to the Board.

VII. AGENTS

We expect those Agents (as defined as an individual or company acting on behalf of Capital Power and with whom Capital Power does business) to demonstrate strong ethical values and standards of behavior. Accordingly, all Agents retained by Capital Power are expected to develop and enforce ethics policies and/or practices that are consistent with this Policy and its associated requirements that will apply to their staff providing services to, or on behalf of, Capital Power. Every Agent, as a condition of their engagement with Capital Power, must either:

- Agree to comply with this Policy; or
- Certify in writing to Capital Power that he, she or their respective firm has a policy that is binding on them and which contains all the elements of this Policy.

We therefore strive to ensure that our Agents are made aware of those Capital Power policies (including this Policy) which apply to the work for which they are being engaged. Ongoing compliance with the principles set forth in this Policy is a material condition of every Agent's continuing relationship with Capital Power.

VIII. POLICY REVIEW

This Policy will be reviewed annually by Capital Power’s Audit Committee with any substantive changes brought forward to Capital Power's Board of Directors for approval subsequent to that review. Any change or amendment made to the Policy will be communicated to all Employees and Agents.

Appendix A: Ethics Investigation Procedures

Capital Power takes all allegations of misconduct and policy violations seriously and seeks to address any misconduct in an expedient manner. Capital Power will appropriately investigate all claims of misconduct or wrongdoing brought to its attention, regardless of the reporting channel, and will take appropriate steps to investigate and address policy violations.

The steps outlined in this Ethics Investigation Procedures ("Procedures") provide for 1) consistency in handling ethics complaints, 2) direction to individuals on how and when to report an allegation of ethical wrongdoing and 3) reiterates Capital Power's commitment to protect individuals who, in good faith, file an ethics complaint or make an inquiry regarding an ethics issue.

I. Reporting A Potential Violation

Capital Power expects employees to report suspected policy or legal violations through any one of the various channels available to an employee, including the following:

- The Capital Power Integrity Hotline;
- Your direct supervisor;
- Capital Power's Chief Compliance Officer;
- Your Human Resources Business Partner or Senior Manager, Business Partners and Labour Relations;
- Any member of Capital Power's Executive Team; or
- Either the Chair of Capital Power's Audit Committee or the Chair of Capital Power's Board of Directors.

All complaints are expected to be made in good faith. Deliberately making false complaints may be considered a violation of this Policy and may result in disciplinary action, up to and including termination.

A. Reporting Issues or Concerns

1. The Integrity Hotline allows for an individual to report a concern 24 hours a day, 7 days a week through a 3rd party vendor, Navex Global. Such complaints can be made anonymously by calling 1-866-363-8028 or online at https://secure.ethicspoint.eu/.

2. Any report made, whether anonymous or not, should include as much detail as possible to allow Capital Power to investigate the matter appropriately. Important details may include, for example, the names of the people involved in or witnesses to the incident(s), the dates and times of the incident(s) (approximate or exact), where the incident(s) occurred and why the person believes the incident(s) should be reported. Insufficient detail may result in an inability for Capital Power to address the matter appropriately.

B. Cooperation

Employees and Agents are required to fully cooperate with Company-designated investigators and provide truthful information. Anyone who fails to cooperate with a Company investigation or misleads Capital Power investigators may be subject to disciplinary action, up to and including termination.

C. Confidentiality

Capital Power will make every effort to protect the identity of any Employee or Agent making a report in good faith. Such information will only be shared on a need-to-know basis with those individuals responsible for investigating the issue and / or other Employees tasked with resolving the concern. For each investigation undertaken, Capital Power requires those Employees or Agents interviewed, as part of the investigation process, not to discuss the matter with others and to maintain confidentiality. Failure to maintain confidentiality may be grounds for disciplinary action, up to and including termination.

D. No Retaliation

Capital Power does not tolerate retaliation against any individual for reporting issues or potential policy and / or legal violations in good faith. Capital Power will not allow or pursue retaliation of any kind against any individual who reports a violation or ethical concern or who participates in an investigation. Retaliatory behaviour by any Employee or Agent of Capital Power will be considered a violation of Capital Power's Ethics Policy and may result in disciplinary action, up to and including termination.

E. Preserving Records

Employees or Agents who have been informed or become aware of ongoing investigations for which they have potentially relevant records (for example, email, instant messages, files, notes, photographs, recordings, etc…) must retain these records and provide them to the Chief Compliance Officer or other Capital Power representative conducting the investigation.

F. Non-Ethics Related Complaints

This Procedure is not meant to replace current investigation procedures made pursuant to other Capital Power policies and procedures, although a serious or intentional breach of any law, regulation or Capital Power policy or procedure is also a breach of the Ethics Policy. All cases in which an initial review concludes that no Policy, Law or Regulation was breached will be directed to the appropriate business partner area for review.

II. Investigation Process

A. Chief Compliance Officer

It is the Chief Compliance Officer's responsibility to receive and act on all ethics complaints, obtain legal counsel, where appropriate, develop the investigation framework, notify relevant parties of the facts of each complaint and provide recommendations to the Ethics Complaint Review Committee with respect to the investigation and disposition of complaints.

Once a complaint has been received by Capital Power, it will be evaluated to determine appropriate next steps. In general, the matter will be referred to the Chief Compliance Officer to perform an initial review of the facts in order to objectively determine whether such an occurrence may have violated Capital Power policy, a law and / or regulation.

The Chief Compliance Officer may then bring forward for discussion the facts and recommendation as to next steps to Capital Power's Senior Vice President & Chief Legal Counsel . Depending on the facts of the case, the Chief Compliance Officer may also engage the Senior Manager, Internal Audit and / or the Senior Manager, Human Resources Business Partners to determine next steps, including whether the issue warrants an investigation or not. Once next steps are determined, an investigation plan will be developed and subject matter experts engaged for any additional investigation as needed.

Note that all allegations regarding Ethics Policy violations should be immediately brought forward to the Chief Compliance Officer.

B. Senior Vice President & Chief Legal Counsel

During an ethics investigation that could possibly expose Capital Power to have legal liability, the Chief Compliance Officer must involve the Senior Vice President & Chief Legal Counsel to establish solicitor-client privilege before commencing the investigation in order that the investigation be conducted under the cloak of legal privilege and be maintained as appropriate throughout the investigation.

Regardless of who receives a complaint, the fact and nature of any complaint alleging material fraud, accounting or auditing concerns, unethical behaviour by the Chief Compliance Officer or any management override or any unethical behaviour by senior management (Approval Group 4 and above), must be brought to the attention of the Senior Vice President & Chief Legal Counsel in order to establish solicitor-client privilege. All such allegations will be reported to the Audit Committee on a quarterly basis or earlier depending on the nature of such allegation.

C. Subject Matter Experts

Once an issue is determined to potentially violate a policy, law or regulation, the Chief Compliance Officer will develop an investigation plan which may involve additional subject matter experts.

Matters relating to claims of harassment, discrimination, retaliation, workplace violence, and other workplace conduct, including by not limited to workplace conflict, and any performance-related concerns may generally be referred to Capital Power's Human Resources team to aid in the investigation with additional support provided by Legal or Security.

Investigations into claims related to improper use or disclosure of confidential or proprietary information, fraud, bribery, conflicts of interest, improper giving or receiving of gifts, expense policy violations, issues requiring internal audit support and any other matters implicating Capital Power's Ethics Policy may be referred to the Senior Manager, Internal Audit, with additional support provided by Capital Power's Legal, Internal Audit and Security teams.

Employee participation in an ethics investigation will be limited to those Employees with appropriate training, experience and accountabilities to conduct such an investigation and under the direction of the Chief Compliance Officer.

Certain investigations may require external legal counsel, private investigators, outside accounting firms and /or certified fraud examiners. Additional subject matter experts may be retained as deemed necessary and depending on the details of the issue.

D. Handling External Claims of Misconduct or Policy Violations

All claims received from external sources reporting ethical misconduct or any other Capital Power policy violation, such as claims on behalf of former employees, claims by a federal, state or local agency, or claims by attorneys, must be referred to the Senior VP & Chief Legal Counsel or Chief Compliance Officer as soon as possible. The Chief Compliance Officer will then conduct an initial review in partnership with Capital Power's Legal Team and initiate an investigation with support provided by subject matter experts, if deemed appropriate to do so.

E. Use of Independent Investigators

Complaints that involve allegations against a member of the Board of Directors, the Chief Executive Officer or any Senior Vice President (other than the SVP & Chief Legal Counsel), should be immediately reported to the Senior Vice President & Chief Legal Counsel so that Capital Power's Audit Committee can determine whether it wishes to lead the investigation, in which case it may retain its own resources to conduct the investigation. Complaints against the SVP & Chief Legal Counsel which require that legal privilege be attached to the investigation shall be given to external counsel to manage.

F. Conflict of Interest

When an individual is assigned to investigate a matter, they should have no interest in the outcome of the case. Any witness who believes that an investigator in a particular matter has a conflict of interest or bias should immediately raise the issue to the Chief Compliance Officer.

G. The Investigation

Regardless of the nature and subject matter of an ethics complaint, certain standards will be followed to ensure that confidentiality, objectivity and impartiality is maintained during the investigation. Capital Power assumes that all parties are innocent of any wrongdoing until a thorough investigation is completed.

When conducting an investigation, an investigator should determine, by interviewing witnesses and reviewing other relevant material, the following:

- Who was involved in the alleged incident(s), including potential witnesses;
- Details on the alleged incident(s) and the policy, law and / or regulation that was potentially breached;
- When it occurred; and
- Why the person reporting the incident believes it is a violation to a policy, law and / or regulation.

Once an investigation is completed and if there is a determination that a violation to a policy, law or regulation has occurred, the Chief Compliance Officer will provide pertinent background information and make recommendations as to any appropriate remedy, including but not limited to termination of employment, to Capital Power's Ethics Complaint Review Committee, which will make a final decision as to whether to accept the recommendation and / or next steps taken.

All recommendations and decisions as to disciplinary action will be handled on a consistent basis and outcome on prior cases involving similar circumstances, as appropriate.

In some cases, the business manager responsible for the Employee or Agent may have the opportunity to provide input to the Ethics Complaint Review Committee before such disciplinary action is carried out.

H. Documentation

The Chief Compliance Officer is responsible for maintaining a central investigation file, which is a complete record of the investigation, documenting each milestone, including all discussions, phone calls, interviews, decisions and conclusions made during the course of the investigation. This file must be stored securely on Capital Power's Ethics Point database to prevent unauthorized access and to maintain confidentiality.

At the conclusion of an investigation, a final report will be prepared with a recommendation on further action, if necessary.

Capital Power will track the results of all internal ethics investigations through Capital Power's Ethics Point database to enable Capital Power to identify trends in behaviour that may indicate a need for additional focused training or controls. The Chief Compliance Officer will use metrics to identify such trends and develop the training and further controls to mitigate risks associated with such trends and / or notify particular business units of such risks.

I. Conclusion of Investigation

An investigation may lead to one of a range of possible outcomes, including:

- Concluding that no policy, law, regulation was violated;
- Disciplinary action;
- Dismissal of a disciplinary charge;
- Employee or Agent training on the policy violation;
- Referral of a matter to an external agency for further investigation; or
- Change to a policy, procedure or practice.

In order to close an investigation, the Chief Compliance Officer will provide a recommendation to the Senior Vice President & Chief Legal Counsel. When a subject matter expert is involved in an investigation, that recommendation and follow up steps may be reviewed with the Senior Manager, Internal Audit and / or the Senior Manager, Human Resources Business Partners before being submitted to the Senior Vice President & Chief Legal Counsel. No investigation will be closed without the Senior Vice President & Chief Legal Counsel's approval which will be documented in the case file.

J. Governance – Capital Power's Ethics Complaint Review Committee

When an investigation concludes that a violation of Capital Power's Ethics Policy has occurred, the Chief Compliance Officer will provide an investigation report and make recommendations on disciplinary action to Capital Power's Ethics Complaint Review Committee.

Chaired by the Senior Vice President & Chief Legal Counsel, Capital Power's Ethics Complaint Review Committee also includes Capital Power's President & CEO, the Senior Vice President, People, Culture & Technology, and the Senior Vice President, Finance and Chief Financial Officer or their respective designates. This Committee will review all relevant material and consider the recommendations to determine a final disciplinary action, if warranted.

In any situation in which the Committee believes that one of its members has a conflict of interest in respect of a matter before the Committee, the relevant member shall recuse him or herself from the meeting and deliberations.

K. Governance – Audit Committee of the Board of Directors

The Audit Committee receives quarterly reports on investigations regarding all material complaints and oversees any investigation of a complaint made directly to the Chair of the Audit Committee which he / she determines should be led by the Audit Committee. In addition, the Audit Committee makes recommendations to the Board when an investigation undertaken by it requires Board action and / or raises disclosure issues and provides direction to Management on any action the Board relies on Management to take.

III. Document Review

This Ethics Investigation Procedures will be reviewed by the Chief Compliance Officer on an annual basis or if circumstances dictate that a review take place more frequently.