Capital Power

Management Proxy Circular

NOTICE OF 2024 ANNUAL MEETING OF SHAREHOLDERS

March 11, 2024

Enhanced PDF navigational control

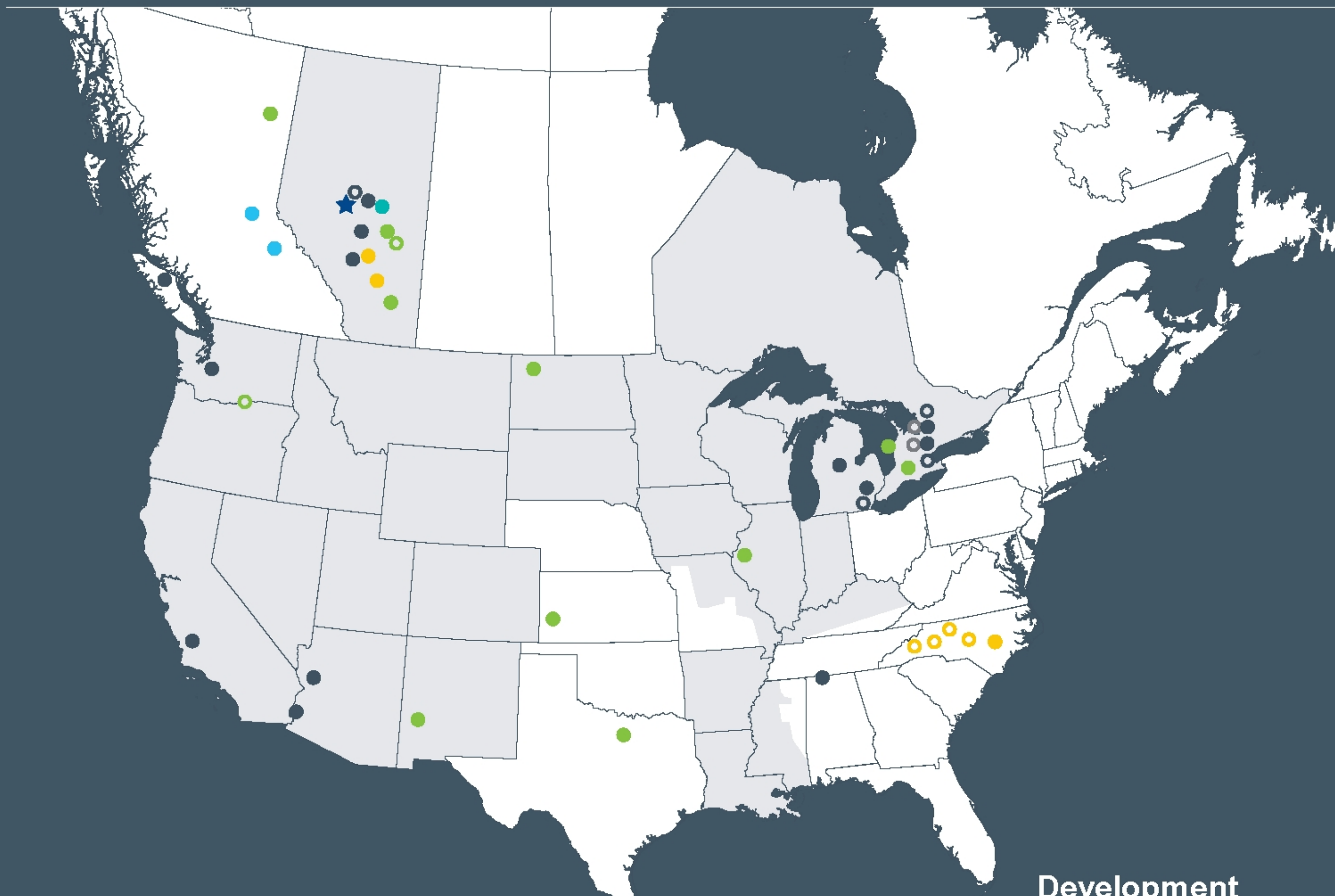
April 30

2024

Powering Change by Changing Power

We are a growth-oriented North American power producer, publicly traded (TSX: CPX), and headquartered in Edmonton, Alberta. We are delivering reliable and affordable power today while building decarbonized power systems for tomorrow and creating real net zero power solutions for our customers.

Capital Power's North American footprint



In operation

- Wind
- Solar
- Gas
- Gas/Coal*
- Waste heat
- Landfill gas
- Battery storage

Development and construction

* Genesee 1,2,3 shown as one facility.

Territorial acknowledgment

In the spirit of reconciliation, Capital Power respectfully acknowledges that we operate within the ancestral homelands, traditional and treaty territories of the Indigenous Peoples of Turtle Island, or North America. Our head office is located within the traditional and contemporary home of many Indigenous Peoples of the Treaty 6 Territory and Métis Nation of Alberta Region 4. We acknowledge the diverse and Indigenous communities that are located in these areas and whose presence continues to enrich the community.

A balanced approach to the energy transition

Deliver
Reliable and affordable power today

Optimize existing power plants through operational improvements, recontracting and/or expansions to meet growing power demand

Target critical gas generation assets in attractive electricity markets with established grid access

Build
Decarbonize power systems for tomorrow

Develop renewable and low carbon power generation capacity in our core electricity markets

Innovate to find new ways to reduce emissions at existing generation sites

Create
Real net zero power solutions for our customers

Invest in technologies and infrastructure that will reduce emissions for utility power generation in our target markets

Advance net zero solutions for customers through customized solutions

Leading the way to net zero

Capital Power's pathway to achieve net zero by 2045 includes transitioning off coal, developing renewables, delivering low carbon grid-critical capacity, pursuing low carbon power solutions, and making strategic investments to optimize our existing power generation assets.

We fund our choices and the investments we make in emerging technologies that will take us to net zero through the discipline allocation of capital. Our transparency of ambition and direction ensures that our investors know what they are investing in, our lenders know what they are financing, and our employees know what results they are contributing to.

Today to 2025

- Repower Genesee and move off coal
- Reduce emissions at source through optimization
- Invest in renewables, storage, and critical natural gas
- Explore and invest in low-carbon emerging technologies
- Expand our presence in carbon trading markets

2025 to 2030

- Continue to explore and invest in low-carbon emerging technologies
- Reduce our fleet emissions through deployment of decarbonization technologies
- Originate carbon market solutions

2030 to 2045

- Deploy and operate alternative sources of dispatchable carbon free generation
- Invest in physical decarbonization, negative abatement and carbon market solutions

2045 to 2070

- Achieve net zero
- Provide real net zero solutions for our customers

What's inside

Letter to Shareholders

March 11, 2024

Dear shareholders,

On behalf of the Board of Directors ("Board") and management of Capital Power Corporation ("the Company" or "Capital Power") we cordially invite you to attend the annual meeting of shareholders which will be held at EPCOR Tower in Edmonton, Alberta at 1:00 p.m. (Mountain Daylight Time) on April 30, 2024.

Since inception, Capital Power has served a critical role to steadfastly deliver reliable, affordable energy while driving industry-leading innovation. As global priorities converge to prioritize a net zero future, our business is well-positioned to deliver reliable and affordable power today while building decarbonized power systems for tomorrow and creating real net zero power solutions for our customers.

2023 marked a milestone in the evolution and growth of Capital Power. Following a rigorous North American search process, we welcomed Avik Dey as our new President and CEO to accelerate the Company's current strategic drive towards net zero by 2045. Under Avik's leadership, the Executive Team was expanded and leadership portfolios were optimized to enhance the delivery of our strategy through corporate services, commercial business, and asset management activities. The Board is pleased to welcome Jason Comandante, Pauline McLean, Steve Wollin and May Wong to the Executive Team.

Additionally, we welcomed Carolyn Graham to our Board of Directors. With a background in finance and risk, as well as environmental, social and governance (ESG) proficiency, Carolyn's expertise has further strengthened the Board's oversight of the Company's strategy and performance.

Capital Power is positioned for long-term success thanks to the leadership of its Board members – past and present – that have made a positive impact on our business. On behalf of the Board, I would like to sincerely thank Capital Power's inaugural CEO, Brian Vaasjo, for his tremendous dedication and industry-leading contributions to the Company since its inception in 2009. I would also like to thank Katharine (Kate) Stevenson (who resigned from our Board in August 2023) and Doyle Beneby (not standing for re-election at the 2024 AGM) on behalf of the Board for their thoughtful guidance, leadership and valuable insights. We wish them all well in their retirement from service with Capital Power.

We have advanced our balanced approach to the energy transition through expanding our natural gas fleet and the ongoing development of renewables to support lower carbon generation capacity for our markets. We strategically expanded our fleet in the U.S. WECC region with the acquisition of the 265 MW Frederickson 1 facility in Washington, 1,062 MW La Paloma facility in California, and 1,092 MW Harquahala facility in Arizona – positioning us as the fifth largest natural gas IPP in North America[1]. Of note, the acquisition of the La Paloma and Harquahala assets was the largest transaction in our corporate history and saw strong institutional validation from both BlackRock and AIMCo. We continued to advance our Genesee Repowering project, set for completion in 2024, that will deliver significant emissions reductions for the site. We secured five new contracts for our Ontario natural gas fleet, including two battery energy storage system projects, an expansion, and two upgrades.

In 2023, our pursuit of low-carbon solutions progressed with momentum. We're pleased to have initiated construction on our 140-MW Halkirk 2 Wind project in Alberta. We secured a 25-year renewable power purchase agreement for our Maple Leaf Solar project, a 23-year clean electricity supply agreement for the Halkirk 2 Wind project, and a 15-year renewable energy agreement for the Clydesdale Solar facility. As we continue to grow our renewables footprint through our robust development pipeline, we are pleased to have procured 1 GW of responsibly produced, ultra-low carbon thin film solar modules from First Solar. Additionally, we completed a front-end engineering and design (FEED) study for our Genesee Carbon, Capture and Storage (CCS) Project and announced a partnership with Ontario Power Generation to explore nuclear energy viability in Alberta.

For 2024, we remain committed to maintaining our financial strength and disciplined growth strategy by:

- maintaining our targeted 10 year average Total Shareholder Return (TSR) of 10% to 12% which was 12.5% at the end of 2023;
- delivering high-quality growth projects, including Genesee Repowering, Halkirk 2 Wind, Maple Leaf Solar, and the Ontario thermal and battery projects; and

[1] Based on net unregulated capacity utilizing S&P Global Market Intelligence database of gas-fired generation operators (November 2023) and referenced against publicly disclosed sources where available.

- maintaining management's guidance of an annual 6% dividend increase through to 2025 supported by strong, stable cashflows.

We are proud to say that, over the past 5 years, Capital Power's average growth capital investment was $1.08 billion adding close to 4,200 MWs of net generating capacity.

Addressing equity, diversity, and inclusion (EDI) continues to be a focus for Capital Power. As of March 11, 2024, women make up 50% of our executive team and 50% of our independent director nominees. We have implemented company wide, leadership and executive compensation-linked targets for 2024, which are tied to strengthening the diversity of our operations pipeline and increasing and sustaining gender diversity at the professional level and above.

For more information related to our EDI efforts please refer to the "Equity, Diversity, and Inclusion" section on page 34 of this document.

Our 2024 Annual Meeting of Shareholders

Capital Power Corporation will hold our 2024 annual meeting of shareholders at EPCOR Tower in Edmonton, Alberta at 1:00 p.m. (Mountain Daylight Time) on April 30, 2024.

Attached is the formal notice of the meeting and the management proxy circular, which explains the items of business that will be covered at the meeting and provides important information about voting and other matters to help you decide how to vote your shares.

Shareholders who wish to vote in person may do so. If you are unable to attend the meeting in-person, we encourage you to vote by proxy. A live audio webcast will be available for interested parties to join via our website (www.capitalpower.com). We'll also archive the webcast on our website after the meeting.

The Company will only conduct the formal business of the meeting. There will not be a follow-up corporate presentation nor question period following the meeting.

If you have questions, you may contact our Investor Relations department at 1 (866) 896-4636 or investor@capitalpower.com.

Thank you for your continued support, and please be sure to vote.

Sincerely,

Jill Gardiner
Chair of the Board

Avik Dey
President & CEO

Notice of 2024 Annual Meeting of Shareholders

You're invited to attend the 2024 annual meeting of shareholders of Capital Power Corporation:

When: Tuesday, April 30, 2024
1:00 p.m. Mountain Daylight Time

Where: EPCOR Tower, 8th Floor
10423 – 101st Street NW
Edmonton, Alberta

We'll cover the following items of business:

- receive our consolidated financial statements for the year ended December 31, 2023 and the auditors' report;
- elect directors;
- appoint the auditor with compensation to be fixed by the Board on the recommendation of the Audit Committee;
- vote on our approach to executive compensation;
- approve an ordinary resolution to amend our long term incentive plan; and
- transact any other business.

The management proxy circular provides detailed information about the business of the meeting and the voting process.

You're entitled to vote at the meeting if you owned common shares of Capital Power Corporation at the close of business on March 13, 2024. You can vote by proxy or vote in person at the meeting.

Please refer to the management proxy circular to learn more about the meeting. We encourage you to vote.

By order of the Board,

Colleen Legge
Corporate Secretary
Capital Power Corporation
Edmonton, Alberta

March 11, 2024

Management Proxy Circular

This management proxy circular (circular) has been prepared to assist those shareholders who owned common shares of Capital Power at the close of business on March 13, 2024 (record date). As a shareholder of record, you're entitled to attend our 2024 annual meeting and vote your shares, in person or by proxy. You can still vote your shares if you can't attend the meeting. A live audio webcast of the meeting will be available on our website, and we'll post a transcript of the meeting and archive the webcast on our website after the meeting.

Management is soliciting your proxy for the meeting. We pay all costs for soliciting proxies.

In this document:

- *we, us, our, the Company, the Corporation,* and *Capital Power* mean Capital Power Corporation
- *you* and *your* mean the shareholder or holder of our common shares
- *shares or common shares* mean common shares of Capital Power

We plan to begin mailing the notice-and-access notice for the circular and other meeting materials to shareholders of record on or about March 25, 2024. Shareholders may access an electronic copy of the circular on our website on or about March 25, 2024.

Information in this circular is as of March 11, 2024, unless otherwise indicated.

All dollar amounts are in Canadian dollars unless otherwise indicated.

Our principal and head office is in Edmonton, Alberta:

Capital Power Corporation
12th Floor
10423 – 101 Street
Edmonton, Alberta
Canada T5H 0E9

We use the notice-and-access model for delivering meeting materials to both our registered and beneficial shareholders. Registered shareholders still receive a form of proxy, and beneficial shareholders still receive a voting instruction form, which allows them to vote at the annual meeting. Registered and beneficial shareholders receive a notice with information about how they can access copies of the circular electronically rather than receiving printed copies. This alternative means of delivery is more environmentally friendly because it will help reduce paper and printing and mailing costs. These documents will be available on SEDAR+ (https://www.sedarplus.ca) and our website (www.capitalpower.com).

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Registered and beneficial shareholders may request paper copies of the circular, at no cost, at any time up to one year from the date the circular was filed on SEDAR+.

Requests by registered and beneficial shareholders may be made to our Investor Relations department at any time prior to the meeting by dialing 1 (866) 896-4636 (within North America) or by e-mail at investor@capitalpower.com.

Requests by registered or beneficial shareholders to receive a paper copy of the circular in advance of the deadline for completing and returning proxies or voting instruction forms and the meeting date of April 30, 2024 must be received by April 18, 2024.

Please note that if you request a paper copy of the circular, you will not receive a new form of proxy or voting instruction form so you should retain the form sent to you in order to vote.

1. About the shareholder meeting

Voting

WHO CAN VOTE

The table below shows our authorized share capital and the number of shares outstanding as of the date of this circular:

Our share capital	Authorized #	# Outstanding
Common shares	unlimited	129,100,120
Special limited voting share	1	1
Preferred shares	unlimited, issued in series	25,000,000

You can vote if you owned common shares of Capital Power as of the close of business on March 13, 2024. Each common share entitles the owner to one vote.

The voting process is different depending on whether you own your shares as a registered or non-registered (beneficial) shareholder (see below under HOW TO VOTE).

Special limited voting share
As of March 13, 2024, EPCOR owns the one outstanding special limited voting share. This share does not have voting rights in respect of this meeting.

Preferred shares
Holders of preferred shares only have voting rights:
- as required by law;
- to satisfy conditions attached to the class of shares; or
- in circumstances where we have not paid dividends for eight quarters and the shareholder meeting occurs during the period when the dividends are in arrears.

You can find more information about the rights, privileges and restrictions of our different classes of shares in our 2023 Annual Information Form (AIF) on our external website (www.capitalpower.com).

HOW TO VOTE

You can vote by proxy, or by attending the meeting and voting in person. Voting by proxy means you're giving someone else (your proxyholder) the authority to vote for you at the meeting and it's the easiest way to vote.

You can choose anyone to be your proxyholder. The person does not need to be a shareholder, but your shares will only be voted if your proxyholder attends the meeting and votes for you. Print the person's name in the space provided on the proxy form. If you vote by proxy but do not specify a proxyholder, the Capital Power representatives named on the proxy form will act as your proxyholder.

Your proxyholder must vote your shares according to your instructions. If you do not specify your voting instructions, your proxyholder can vote as they see fit. If you do not specify your voting instructions and the Capital Power representatives named on the proxy form are acting as your proxyholder, they will vote for each item of business.

If there are any changes to the items of business, or if any new items are proposed at the meeting, your proxyholder has the authority to vote as they like. The Capital Power representatives will vote on any new or amended items using their best judgment.

Transfer agent and registrar
Computershare Trust Company of Canada (Computershare) is our transfer agent and registrar. Computershare receives, counts and tabulates the proxies on our behalf. They keep the votes confidential and only inform us of the voting results.

Registered shareholders
You are a registered shareholder if your shares are registered directly in your name with our registrar and transfer agent, Computershare.

Computershare has a list of all registered shareholders as of the record date. You can check the list at the meeting or at their office during regular business hours:

Computershare Trust Company of Canada
Home Oil Tower
800, 324 8th Avenue SW
Calgary, Alberta T2P 2Z2

Vote by proxy

Online — Go to www.investorvote.com and follow the instructions on screen. You'll need your control number, which appears at the bottom of your proxy form.

By phone — Call 1 (866) 732-8683 toll-free using a touch-tone phone and follow the prompts in English or French. You'll need your control number, which appears at the bottom of your proxy form.

By mail — Follow the instructions on the proxy form, complete it, then sign and date it, and mail it in the envelope provided to:

Computershare Trust Company of Canada
Attention: Proxy Department
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Computershare must receive your completed proxy form by 1:00 p.m. Mountain Daylight Time (MDT) on April 26, 2024 for your vote to be counted. If the meeting is adjourned, they must receive your completed proxy form at least 48 hours before the new meeting time. The chair of the meeting can waive or extend the time limit for depositing proxies at his or her discretion without notice.

If your shares are registered in more than one name, everyone who is registered must sign the proxy form. If the shares are registered in a name that is not your own, or the name of a company, you must provide proof that you're authorized to sign the form. If you have questions about the required documents, contact Computershare at 1 (800) 564-6253.

Vote in person

If you plan to attend the meeting and vote in person, please do not send us the proxy form. Register with a Computershare representative when you arrive at the meeting.

If you change your mind

If you've already sent a completed proxy form and want to revoke it, you can:

- submit another proxy form with a later date;
- send us a notice in writing; or
- give your written notice to the chair of the meeting before the meeting begins.

Send your new completed proxy form to:

Computershare Trust Company of Canada
Attention: Proxy Department
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Computershare must receive your revocation by **1:00 p.m. MDT** on **April 29, 2024** to revoke your previous proxy form. If the meeting is adjourned, they must receive your revocation at least 24 hours before the new meeting time.

Alternatively, you (or your authorized representative) can write to our Corporate Secretary explaining that you want to revoke your previous proxy form:

Corporate Secretary
Capital Power Corporation
12th Floor
10423 – 101 Street
Edmonton, Alberta T5H 0E9

Our Corporate Secretary must receive your letter by **4:00 p.m. MDT** on **April 29, 2024**. If the meeting is adjourned, she must receive it by **4:00 p.m. MDT** on the last business day before the new meeting time.

Non-registered shareholders

You're a non-registered (beneficial) shareholder if your shares are held in an account in the name of a nominee (like a bank, securities broker, trustee, trust company or other institution). Many of our shareholders are non-registered shareholders.

If you are a non-registered shareholder, you can vote your shares through your nominee or in person at the meeting. You can also give someone else the authority to attend the meeting and vote for you (see above).

Vote through your nominee

Complete the voting instruction form sent to you and then sign and return it as indicated on the form. Your nominee will follow your voting instructions and vote on your behalf. You can also vote by phone or online by following the instructions on your voting instruction form. Please ensure that you provide your voting instructions on or before the time noted in the voting instruction form.

Vote in person

If you plan to attend the meeting and vote in person, do not put your voting instructions on the voting instruction form. Instead, write your name in the space provided and then sign and return it, making sure you follow the instructions on the form carefully.

Your vote will only be counted if you attend the meeting and vote in person. Register with a Computershare representative when you arrive at the meeting.

If you change your mind

If you've already provided voting or proxyholder instructions, contact your nominee for information about how to revoke them.

Business of the meeting

Receive the financial statements
Our consolidated financial statements for the year ended December 31, 2023 and the auditors' report will be tabled at the annual meeting and are included in our 2023 Integrated Annual Report. Copies will be available at the meeting and on our website (www.capitalpower.com) and on SEDAR+ (www.sedarplus.ca), or you can request a copy from our Corporate Secretary, Capital Power Corporation, 12th Floor, 10423 – 101 Street, Edmonton, Alberta T5H 0E9.

Elect directors
As a holder of common shares, you will vote on electing nine directors to the Board.

Directors will serve until the next annual meeting, or until their successors are elected or appointed. The director profiles starting on page 14 give you detailed information about their skills and experience, their 2023 attendance record, share ownership, and membership on other public company Boards.

Nine nominated directors have been proposed by the People, Culture, and Governance (PCG) Committee and approved by the Board:

Jill Gardiner
Gary Bosgoed
Avik Dey
Carolyn Graham
Kelly Huntington
Barry Perry
Jane Peverett
Robert Phillips
Keith Trent

Appoint the auditor
As a holder of common shares, you will vote on appointing our external auditor. The Audit Committee and the Board propose that KPMG LLP (KPMG) be appointed as auditor and serve until the next annual meeting. KPMG has acted as our external auditors since 2009. To assist the Audit Committee in their oversight duties of the external auditors, a formal annual review of KPMG is conducted every year, and a comprehensive review at least every five years following the guidelines set out by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board. The latest comprehensive review was completed in April 2023, and the next comprehensive review will be completed in April 2028.

As a result of the 2023 review, the Audit Committee concluded that KPMG's internal control policies and performance of its duties were satisfactory, providing a high degree of confidence in the effectiveness of the yearly audit, and that KPMG continues to be independent such that it is in the shareholders' best interest for KPMG to continue to serve as our external auditor. The Audit Committee recommended to the Board, subject to shareholder approval, that KPMG LLP be retained as Capital Power's external auditors for 2024.

The Board recommends that KPMG LLP be re-appointed by shareholders as Capital Power's auditors at the April 30, 2024 annual general meeting.

The Audit Committee recommends KPMG's compensation to the Board for its review and approval. The table below shows the fees billed by KPMG for the fiscal years ended December 31, 2023 and 2022.

($ millions)	2023	2022
Audit fees Includes audit and review of financial statements of the Company and its subsidiaries, services related to statutory and regulatory filings, and providing comfort letters associated with securities documents	$1.5	$1.5
Audit-related fees Includes assurance and related services that are not reported under audit fees; during fiscal years 2023 and 2022, the services provided in this category include sustainability assurance engagements and French translation work performed in relation to securities filing engagements	$0.4	$0.3
Tax fees Includes reviewing tax returns, answering questions about tax audits, and tax planning	–	–
All other fees All other fees are fees for operational advisory and risk management services, and non-securities legislative and regulatory compliance work	–	–
Total	$1.9	$1.8

Vote on our approach to executive compensation
You'll vote on our approach to executive compensation (see Executive compensation beginning on page 47).

The Board recommends that you vote ***for*** approval of our approach to executive compensation:

> *RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the board of directors that the shareholders accept the approach to executive compensation disclosed in Capital Power's management proxy circular delivered before its 2024 annual meeting of shareholders.*

This is an advisory vote and the results are non-binding on the Board. The Board is fully responsible for its decisions about executive compensation and will consider the results of the vote when reviewing compensation matters and making policy decisions in the future. We want the Board to be accountable to you, so this is your opportunity to express your views on this important matter.

We have held say-on-pay votes annually since 2012 and in that time have received approval in the range of 90% to 99% from our shareholders (97.20% in 2023).

If we receive a significant number of votes against, the Board will meet with shareholders to understand their concerns. The Board will also release a summary of the significant comments they received and explain any resulting changes to our executive compensation. The Board will release the report once shareholder meetings have been completed, ideally within six months of the vote, and before the release of next year's circular.

Amendment of our long term incentive plan
You'll vote on an amendment to our long term incentive (LTI) plan to increase the maximum number of common shares that may be issued to holders of stock options under the LTI plan. We propose to increase the current reserve of common shares from a maximum of 9,194,506 to a maximum of 11,194,506. This would represent approximately 8.7% of the total number of our issued and outstanding common shares as at the date of this circular. If approved by shareholders, the increased share reserve is projected to permit future grants of stock options up to and including at least the end of the 2027 fiscal year without us having to seek further approval from shareholders.

The Board recommends that you vote ***for*** the approval of the proposed amendment to the LTI plan:

> *RESOLVED, that the Omnibus Long Term Incentive Plan (the Plan) be amended to increase the aggregate number of common shares which may be issued under the Plan from 9,194,506 to 11,194,506 common shares, is hereby authorized and approved.*

The vote on this matter will proceed by way of ordinary resolution.

Transact other business
You'll also vote on any other items of business that may properly be brought before the meeting. We're not aware of any other matters that may be brought before the meeting.

About voting results
A majority of votes must be voted for any item of business to receive shareholder approval.

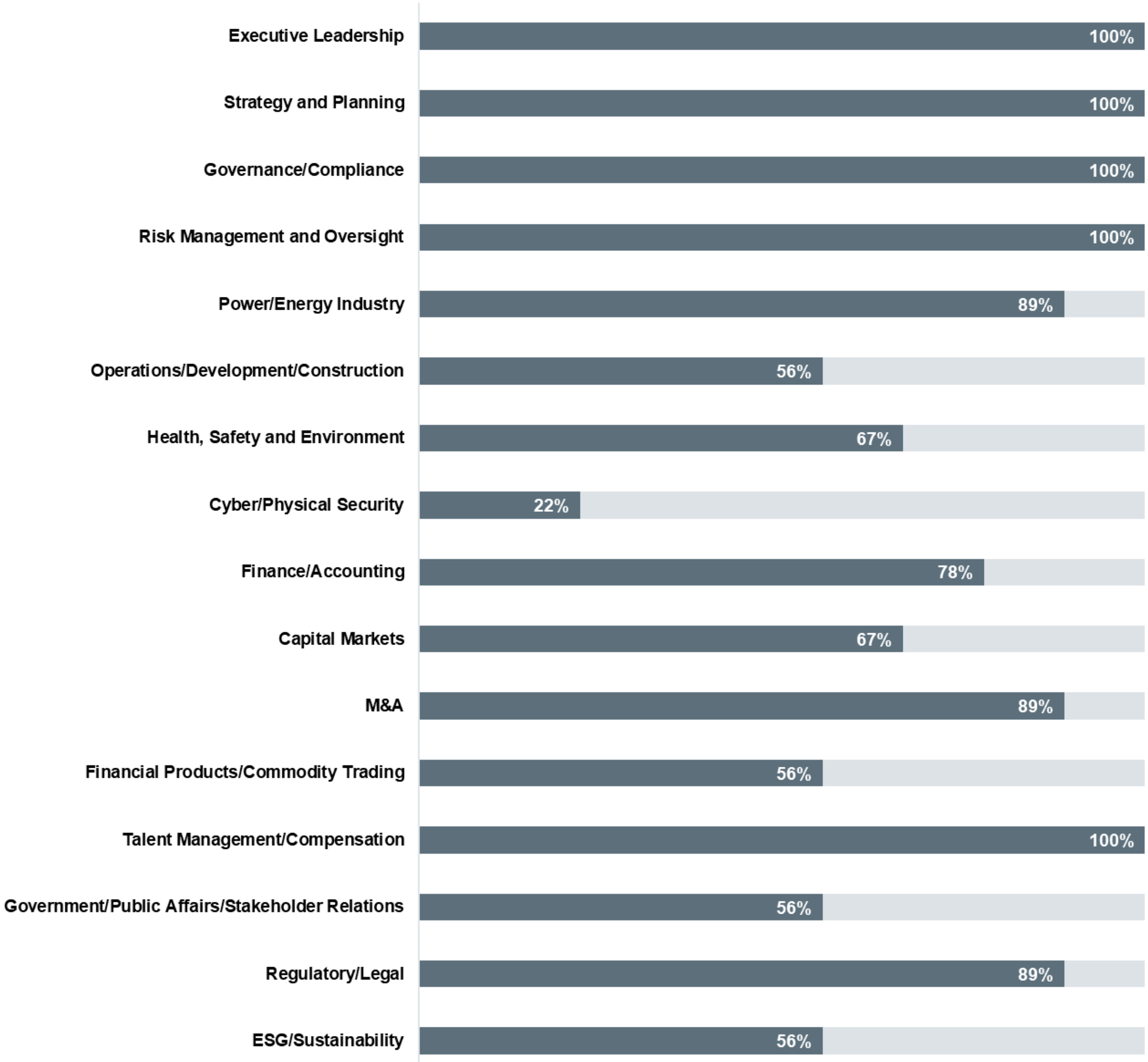
We report the voting results for each item of business within five days of the annual meeting and file the report on SEDAR+ (www.sedarplus.ca).

About the nominated directors

Our articles state that the Board must have between three and twelve directors. The Board has nominated nine directors to be elected by holders of common shares.

The Board is composed of a diverse mix of people, who have a deep level of experience in, among other things, executive leadership, strategy and planning, risk management, corporate governance, talent management and compensation, finance and accounting, and the power generation sectors in Canada and the United States.

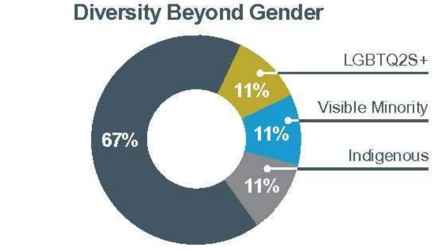
Eight of the nine nominated directors (89%) are independent as defined by Canadian securities laws, meaning they do not have a material relationship with Capital Power that might reasonably be expected to interfere with their ability to make an independent judgment. Avik Dey is not independent because he is our President & CEO. The skills and experience of our Board members in key areas of our business are set out below, with the percentage reflecting the percentage of directors who have the identified skill or experience.



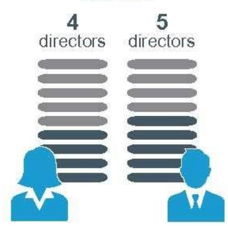
Our director nominees are diverse in many ways.

	J. Gardiner	G. Bosgoed	A. Dey	C. Graham	K. Huntington	B. Perry	J. Peverett	R. Phillips	K. Trent
Board Tenure (in years)	8.8	1.8	0.8	0.6	8.8	3.0	5.0	4.9	6.9
Geographic Location	CDN	CDN	CDN	CDN	US	CDN	CDN	CDN	US
Independent Director	√	√	X	√	√	√	√	√	√
Age, as of March 11, 2024	65	65	46	59	48	59	65	73	64
Gender	female	male	male	female	female	male	female	male	male
Board or Committee Chair	B				C	C			C

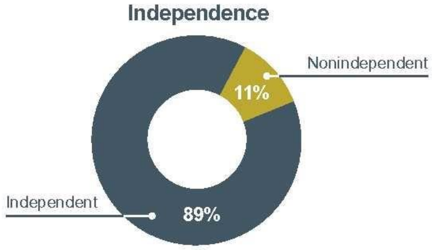
Diversity Beyond Gender



Gender

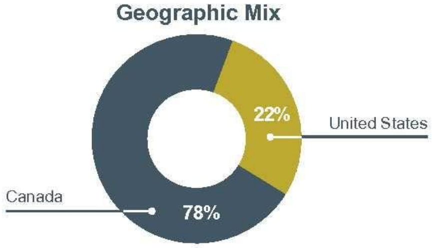


Independence

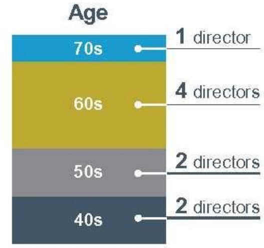


Tenure

Geographic Mix



Age



OUR ADVANCE NOTICE BY-LAW

In 2013, we adopted an advance notice by-law, which was approved by shareholders at our 2013 annual meeting of shareholders.

The purpose of the by-law is to make sure all shareholders (including those participating by proxy) receive adequate notice and information about nominated directors, so that they can make informed voting decisions. It also helps ensure orderly and efficient shareholder meetings by providing a structured and transparent framework for nominating directors.

The by-law requires shareholders to give us advance notice about any directors they propose to nominate (including certain prescribed information about them) unless the nominations are made by:

- shareholder meeting requisition; or
- shareholder proposal under the *Canada Business Corporations Act* (CBCA) (in which case those rules govern).

Under the by-law, director nominees are not eligible to become elected directors of Capital Power unless they're nominated according to the provisions of the by-law.

Information about director nominees must include certain prescribed information. This information is similar to the information we are required to disclose about directors in our circular, such as information about their relevant education and experience, and whether or not they're independent. It's designed to make sure shareholders have enough information about each proposed nominee to make informed voting decisions.

For our annual shareholder meeting, we must receive notice of director nominees at least 30 days (and not more than 65 days) before the meeting date. For special shareholder meetings (unless the special meeting is also an annual meeting), we must receive notice not later than 15 days after we file our notice of meeting and record date on SEDAR+. If, however, we use notice-and-access to deliver our proxy materials, we must receive notice at least 40 days (and not more than 75 days) before the date of the annual or special meeting.

Our Board reviews the by-law from time to time and will update it when needed to reflect changes in regulatory or securities law requirements or to meet industry standards. It can also waive any requirement of the by-law at any time, in its sole discretion.

A copy of our advance notice by-law is available on our website (www.capitalpower.com) and on SEDAR+ (www.sedarplus.ca).

DIRECTOR MAJORITY VOTING

Shareholders may vote for or against each and every director nominee. In the case of non-contested director elections, if, with respect to any particular nominee, the number of shares voted against equals or exceeds the number of shares voted in favour of the nominee, then the nominee shall not be elected. If an incumbent director nominee is not elected, they may be permitted to remain as a director until the earlier of: (i) 90 days after the date of the election; or (ii) the date on which their successor is elected or appointed. Further, elected directors may appoint the incumbent director nominee not withstanding such nominee does not receive a majority of votes cast where it is required to satisfy the CBCA:

- Canadian residency requirements; or
- requirement that at least two directors of a distributing corporation are not also officers or employees of the corporation or its affiliates.

DIRECTOR PROFILES

The following profiles include information about each nominated director, including their skills, background and experience, and list other public company boards of which they're members. We've also included, where applicable, their attendance for our 2023 Board meetings and Committee meetings (for Committees on which they currently sit), last year's voting results and details about their share ownership.

Holdings of Capital Power common shares and deferred share units (DSUs) are as of March 11, 2024 and include reinvested dividends and dividend equivalents. The value of common shares and DSUs are based on the higher of $38.78, the closing price of our common shares on the Toronto Stock Exchange (TSX) on March 11, 2024, and their cost of acquisition. Non-employee directors are not entitled to receive options.

Avik Dey does not receive director DSUs or other director compensation because he is compensated in his role as President & CEO (see Executive compensation beginning on page 47 for more information).

None of the nominated directors have any loans from Capital Power or any of our subsidiaries. All information is effective as at March 11, 2024 unless indicated otherwise.

Jill Gardiner (65) (Chair of the Board)

Independent | Director since May 25, 2015 | Vancouver, BC

Jill Gardiner is a professional corporate director. Previously, she spent over 20 years in the investment banking industry, most recently as Managing Director and Regional Head, British Columbia, for RBC Capital Markets. In her various roles in corporate finance, mergers and acquisitions, and debt capital markets she provided strategic advice to, and helped raise capital for, numerous corporations with a focus on the power, pipeline, infrastructure, forest products, and diversified industries. She served as Head of the Forest Products Group and Head of the Pipelines & Utilities Group. Jill was formerly Senior Project Manager at the Ontario Energy Board and a lecturer at the University of Victoria in corporate finance and human resource management.

Jill is a member of the board of directors of Hochschild Mining and serves on their audit, nomination, and remuneration committees. She previously served as chair of the board and chair of the compensation and human resources committee of Trevali Mining Corporation, chair of the board of directors of Turquoise Hill Resources Ltd., and as a member of the boards of Compass Minerals, Capstone Mining Corp., Parkbridge Lifestyle Communities Inc., Timber Investments Ltd., SilverBirch Hotels & Resorts LP, and a number of non-profit organizations, including ARC Foundation, the Banff Centre, the Vancouver Art Gallery, and the Southern Alberta Institute of Technology.

Jill holds a Bachelor of Science and a Master of Business Administration, both from Queen's University.

Jill's knowledge of the power industry and experience in the investment banking industry, where she provided strategic M&A advice to, and helped raise capital for, corporations with a focus on the power, pipeline, infrastructure, and certain commodity related industries, are only some of the reasons we recommend that shareholder's vote **FOR** Jill's re-election to the Board.

Top 5 areas of contribution

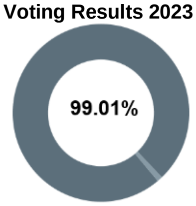
- Strategy and planning
- Governance/compliance
- Power/energy industry
- Capital markets
- M&A

Geographic diversity
Western Canada

Other public directorships
Hochschild Mining; (1)

Public board interlocks
None

Voting Results 2023



In favour: 52,658,754; Against 527,259

Board and Committee membership	Meeting attendance
Board	13 of 13 (100%)
Audit Committee (ex-officio, non-voting)	4 of 4 (100%)
PCG Committee (ex-officio, non-voting)	5 of 5 (100%)
HSE Committee (ex-officio, non-voting)	3 of 3 (100%)

Securities and DSUs held			
Common shares	10,186	Total common shares and DSUs	54,103
DSUs	43,917	Total market value common shares and DSUs	$2,146,748
Percentage of ownership requirement	188%	Meets ownership requirement (see page 46)	yes

Jill Gardiner was a director of Trevali Mining Corporation (Trevali) between July 2019 and September 2022. On August 19, 2022, Trevali received an Initial Order for creditor protection from the British Columbia Supreme Court under the Companies' Creditors Arrangement Act (CCAA) for an initial period of ten days. The Initial Order was subsequently extended to October 6, October 18th, and finally December 16, 2022 to allow Trevali to restructure its business and financial affairs. On December 16, 2022, Trevali announced a winning bid under the Sales and Solicitation Process and disclosed that the company would be seeking Court approval of the proposed transaction. The transaction was approved by the Supreme Court of British Columbia on December 21, 2022 and was completed on June 27, 2023. On June 28, 2023 the Court appointed monitor was granted enhanced powers in the CCAA proceedings with respect to the Company's business and affairs.

CEO = Chief Executive Officer | CFO = Chief Financial Officer | M&A = mergers and acquisitions |

Gary Bosgoed (65)

Independent | Director since June 1, 2022 | Edmonton, AB

Gary Bosgoed, P.Eng, is a seasoned, growth-driven and empowering business leader with experience in infrastructure, industrial, commercial and institutional projects. A member of the Peepeekisis First Nation and professional engineer, Gary is the President & CEO of Bosgoed Project Consultants, a project management and management consulting company headquartered in Edmonton, and previously was senior vice president & general manager of WorleyParsons (Edmonton location).

Gary is a member of the board of directors of MEG Energy (member of governance & nominations and health, safety and environment & reserves committees), Westrade Strategic Solutions, and is Vice-Chair of the Alberta Indigenous Opportunities Corporation. Previously, Gary served on the University of Regina Board of Governors, was Chair of the Alberta Capital Region United Way Campaign, the Alberta Electric System Operator (AESO) board, and on the National Aboriginal Economic Development Board.

Gary holds a Bachelor of Applied Science degree in Industrial Systems Engineering from the University of Regina.

Gary's combined experience as an entrepreneur and senior executive with extensive engineering, construction and project management expertise, along with his Indigenous and Alberta community leadership are only some of the reasons why we recommend that shareholder's vote **FOR** Gary's re-election to the Board.

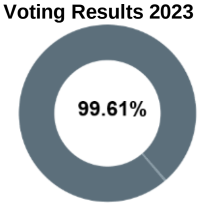
Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Risk management and oversight
- Operations/development/ construction
- Heath, safety and environment

Geographic diversity
Western Canada

Other public directorships
MEG Energy (1)

Public board interlocks
None

Voting Results 2023



In favour: 52,976,656; Against 209,357

Board and Committee membership	Meeting attendance
Board	13 of 13 (100%)
HSE Committee	3 of 3 (100%)
PCG Committee	5 of 5 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	3,568
DSUs	3,568	Total market value common shares and DSUs	$148,974
Percentage of ownership requirement	24%	Meets ownership requirement (see page 46)	in progress

Avik Dey (46)

President and CEO – Not Independent | Director since May 8, 2023 | Edmonton, AB

Avik Dey has been the President & CEO of Capital Power since May 2023. Prior thereto, he spent over two decades in the energy business in executive, operational and investing roles with companies such as The Carlyle Group, NOVA Chemicals Corporation, and Canada Pension Plan Investment Board. He has invested over $12 billion in growing long-term value for energy and energy transition companies.

Avik has a Bachelor of Commerce Finance degree from the University of Calgary, has earned his ICD.D. designation from the Institute of Corporate Directors, and has been recognized as one of Canada's Top 40 Under 40 (2017). Avik also serves on the board of Enactus Canada, a non-profit organization that aims to use business as a catalyst for positive social, environmental, and economic impact.

Avik's leadership, deep experience in the energy and power sectors and capital investments are only some of the reasons we recommend that shareholder's vote **FOR** Avik's re-election to the Board.

Top 5 areas of contribution
- Executive leadership
- Power/energy industry
- Finance/accounting
- Capital markets
- M&A

Geographic diversity
Western Canada

Other public directorships
None

Public board interlocks
None

Voting Results 2023
n/a

Board and Committee membership* (as of May 8, 2023)	Meeting attendance
Board	8 of 8 (100%)
Audit Committee	2 of 2 (100%)
PCG Committee	3 of 3 (100%)
HSE Committee	2 of 2 (100%)

Securities, DSUs and options held			
Common shares	0	Total common shares and DSUs	0
DSUs	0	Total market value common shares and DSUs	$0
Percentage of ownership requirement** (see page 52)	7%	Meets ownership requirement* (see page 50)	in progress

As of March 11, 2024, Avik Dey holds 45,308 performance and restricted share units and 72,246 stock options. Share ownership for Avik is based on the sum of the number of common shares held by him, RSUs and DSUs as of December 31, 2023 (see page 50).

*Avik attends Audit Committee, PCG Committee and HSE Committee meetings as a guest and in his capacity as President & CEO of Capital Power.

**Determinations of share ownership for Avik Dey relative to our share ownership requirement are made as of December 31, 2023.

Carolyn Graham (59)

Independent | Director since August 2, 2023 | Edmonton, AB

Carolyn Graham is a professional director. Previously, she held several key roles during her 22 years at CWB Financial Group, including Chief Risk Officer, Chief Financial Officer, and Senior Executive Vice President, from which she retired in 2022.

Carolyn is an external member of the partnership board of Grant Thornton LLP (Canada), chair of the MacEwan University Board of Governors and director of the Edmonton Symphony and Concert Hall Foundation. She previously served as a trustee and audit committee chair of Melcor REIT.

Carolyn holds the ICD.D designation from the Institute of Corporate Directors, an ESG Certificate from Competent Boards, and is a Fellow of the Chartered Professional Accountants of Alberta. She was named one of Canada's Most Powerful Women: Top 100 Award winner in 2017 and was awarded the Queen Elizabeth's II Platinum Jubilee Medal (Alberta) in 2022 as an outstanding community leader advancing gender equity.

Carolyn's financial and risk background, as well as her ESG proficiency and efforts to champion diversity and inclusion are only some of the reasons we recommend that shareholder's vote **FOR** Carolyn's re-election to the Board.

Board and Committee membership (as of August 2, 2023)	Meeting attendance
Board	4 of 4 (100%)
Audit Committee	1 of 1 (100%)
PCG Committee	1 of 1 (100%)

Securities and DSUs held			
Common shares	1,240	Total common shares and DSUs	3,237
DSUs	1,997	Total market value common shares and DSUs	$125,512
Percentage of ownership requirement	20%	Meets ownership requirement (see page 46)	in progress

Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Risk management and oversight
- Finance/accounting
- M&A

Geographic diversity
Western Canada

Other public directorships
None

Public board interlocks
None

Voting Results 2023
n/a

Kelly Huntington, NACD.DC (48)

Independent | Director since June 3, 2015 | Indianapolis, IN, USA

Kelly Huntington currently serves as senior vice president & CFO at MYR Group Inc. Previously, she was senior vice president & CFO of USIC (2019 to 2022) and senior vice president of enterprise strategy at OneAmerica Financial Partners, Inc. (2015 to 2019), president and CEO for Indianapolis Power & Light Company (IPL) (2013 to 2015), and was also a member of the board of IPL and IPALCO Enterprises Inc. Prior to that, she was senior vice president & CFO at IPL and held various leadership positions at The AES Corporation. She began her career in investment banking and private equity.

Kelly was previously chair of the board of directors of Indianapolis Neighborhood Housing Partnership and vice chair of Riley Children's Endowment.

Kelly holds a Master of Business Administration from Northwestern University's Kellogg School of Management, a Bachelor of Science from the Massachusetts Institute of Technology, and is a Chartered Financial Analyst. She is a National Association of Corporate Directors (NACD) Board Leadership Fellow and earned the NACD Directorship Certification (NACD.DC), and the Diligent Climate Leadership Certification.

Kelly's financial background, extensive utility experience, and expertise regarding executive compensation design, implementation and review are only some of the reasons we recommend that shareholder's vote **FOR** Kelly's re-election to the Board.

Board and Committee membership	Meeting attendance
Board	13 of 13 (100%)
Audit Committee	4 of 4 (100%)
PCG Committee (Chair)	5 of 5 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	41,360
DSUs	41,360	Total market value common shares and DSUs	$1,630,809
Percentage of ownership requirement	192%	Meets ownership requirement (see page 46)	yes

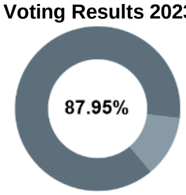
Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Power/energy industry
- Finance/accounting
- Talent management/ compensation

Geographic diversity
USA

Other public directorships
None

Public board interlocks
None

Voting Results 2023



In favour: 46,779,611; Against 6,406,402

Barry Perry (59)

Independent | Director since March 1, 2021 | St. John's, NL

Barry Perry is the former president & CEO of Fortis Inc. (Fortis) where he also served as vice president of finance and CFO from 2004 to 2014. At Fortis, Barry led the organization through a major expansion, including the purchase of three publicly listed utilities in the United States. Prior to his roles at Fortis, he served as vice president of finance & CFO of Fortis-owned Newfoundland Power, vice president & treasurer of a large international paper manufacturer, and corporate controller of the operator of an oil refinery in Newfoundland and Labrador. Barry is a member of the boards of CPP Investments (member of its investment strategy, audit, human resources, and compensation committees) and RBC (member of its audit and human resources committees).

Prior to his retirement, Barry served on the Fortis board as well as several subsidiary boards. He also served as chair of the Edison Electric Institute's (EEI) International Programs Trans-Atlantic Regional advisory committee and as co-chair of EEI's CEO policy committee on energy delivery. He has been a keynote speaker on the major trends occurring in the natural gas and electricity industry including the transition to cleaner energy and the impact of disruptive technology.

Barry graduated from Memorial University with a Bachelor of Commerce and is a member of the Association of Chartered Professional Accountants of Newfoundland and Labrador. The Atlantic Business Magazine chose him as its CEO of the year in 2018 and Memorial University selected him as its Alumnus of the Year for 2019.

Barry's deep expertise in the power and energy sector, his strategic and innovative approach and experience on ESG matters, including his efforts to champion diversity and inclusion, are only some of the reasons we recommend that shareholder's vote **FOR** Barry's re-election to the Board.

Board and Committee membership	Meeting attendance
Board	13 of 13 (100%)
Audit Committee (Chair)	4 of 4 (100%)
PCG Committee	5 of 5 (100%)

Securities and DSUs held			
Common shares	26,000	Total common shares and DSUs	33,671
DSUs	7,671	Total market value common shares and DSUs	$1,328,432
Percentage of ownership requirement	211%	Meets ownership requirement (see page 46)	yes

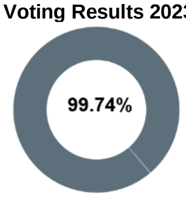
Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Finance/accounting
- Capital markets
- M&A

Geographic diversity
Eastern Canada

Other public directorships
RBC (1)

Public board interlocks
None

Voting Results 2023



In favour: 53,045,734; Against 140,279

Jane Peverett, ICD.D (65)

Independent | Director since March 1, 2019 | West Vancouver, BC

Jane Peverett has been a professional director since 2009. She was president & CEO of British Columbia Transmission Corporation from 2005 to 2009 and CFO from 2003 to 2005. From 1987 to 2003 she held senior finance, regulatory, and executive roles at Westcoast Energy Inc., including president & CEO of Union Gas from 2001 to 2003 (leader of the merger of Union into Duke Energy), CFO of Union Gas, and VP finance of Westcoast Energy.

She presently serves on the boards of directors of CP Rail (chair of its audit and finance committee and member of its corporate governance, nominating and responsibility committee), NW Natural Gas (chair of its audit committee, member of its organization and executive compensation and governance committees), and Suncor (member of its audit and governance committees). She also serves on the board of the Canadian Standards Association (chair of the board), a non-public organization.

Jane has also previously served on the boards of directors of Canadian Imperial Bank of Commerce, AEGIS Insurance Services, Postmedia, as past chair of the audit committee for Encana, as past chair of the governance and nominating committee for Hydro One Inc., and past chair of the board of BC Ferries Authority.

Jane holds a Bachelor of Commerce degree from McMaster University, a Master of Business Administration from Queen's University, is a Certified Management Accountant, and a Fellow of the Society of Management Accountants.

Jane's years of experience in the energy sector, primarily in the utility space, and extensive financial background are only some of the reasons we recommend that shareholder's vote **FOR** Jane's re-election to the Board.

Board and Committee membership	Meeting attendance
Board	13 of 13 (100%)
PCG Committee	5 of 5 (100%)
HSE Committee	3 of 3 (100%)

Securities, DSUs and options held			
Common shares	2,000	Total common shares and DSUs	20,788
DSUs	18,788	Total market value common shares and DSUs	$845,382
Percentage of ownership requirement	134%	Meets ownership requirement (see page 46)	in progress

Jane was a director of Postmedia Networks Canada Corp. (Postmedia) between April 2013 and January 2016. On October 5, 2016, Postmedia completed a recapitalization transaction pursuant to a court approved plan of arrangement under the CBCA under which, approximately US$268.6 million of debt was exchanged for shares that

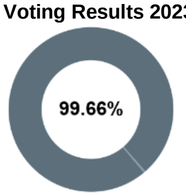
Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Governance/compliance
- Power/energy industry
- Finance/accounting

Geographic diversity
Western Canada

Other public directorships
NW Natural Gas, CP Rail, Suncor (3)

Public board interlocks
None

Voting Results 2023



In favour: 53,003,598; Against 182,415

represented approximately 98% of the outstanding shares at that time. Additionally, Postmedia repaid, extended and amended the terms of its outstanding debt obligations pursuant to the recapitalization transaction.

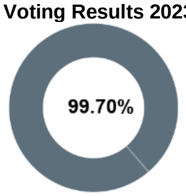
Top 5 areas of contribution
- Executive leadership
- Strategy and planning
- Governance/compliance
- Capital markets
- Regulatory/legal

Geographic diversity
Western Canada

Other public directorships
None

Public board interlocks
None

Voting Results 2023



In favour: 53,025,871; Against 160,142

Robert L. Phillips, K.C., F.ICD (73)

Independent | Director since April 26, 2019 | Anmore, BC

Robert (Bob) Phillips is President of R. L. Phillips Investments Inc., a private investment firm (2001 to present) and was previously president & CEO of British Columbia Railway Corporation from 2001 to 2004. Bob practiced corporate law for 15 years and has served in senior executive positions with Husky Energy Inc., Dreco Energy Services Ltd., PTI Group, Inc. and MacMillan Bloedel Limited.

Bob has previously served on the boards of several public and private Canadian corporations, including West Fraser Timber Co. Ltd. (past chair of its governance committee and past member of its human resources and compensation committee), Canadian National Railway (past chair of its governance, sustainability and safety committee, and past member and former chair of its audit, finance & risk committee), Canadian Western Bank (past chair), Maxar Technologies Inc., Axia NetMedia Corporation, Dreco Energy Services Ltd., National-Oilwell Inc., Precision Drilling Corporation, and others. He also previously served on the Board of Capital Power Corporation (EPCOR nominee from 2009 to 2013), as well as EPCOR Utilities Inc.

Bob received his Bachelor of Laws (Gold Medalist) and Bachelor of Science, Chemical Engineering (Hons) degrees from the University of Alberta and is a fellow of the Institute of Corporate Directors (former director and chair of its audit committee).

Bob's extensive corporate governance knowledge, experience in the energy sector, and capital markets experience are a few of the reasons we recommend that shareholder's vote **FOR** Bob's re-election to the Board.

Board and Committee membership	Meeting attendance
Board	12 of 13 (92%)
Audit Committee	4 of 4 (100%)
HSE Committee	3 of 3 (100%)

Securities and DSUs held			
Common shares	6,259	Total common shares and DSUs	30,610
DSUs	24,351	Total market value common shares and DSUs	$1,228,559
Percentage of ownership requirement	195%	Meets ownership requirement (see page 46)	yes

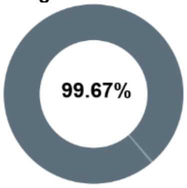
Top 5 areas of contribution
- Strategy and planning
- Power/energy industry
- Health safety and environment
- Government/public affairs/ stakeholder relations
- Regulatory/legal

Geographic diversity
USA

Other public directorships
Edison International, Inc. (1)

Public board interlocks
None

Voting Results 2023



In favour: 53,012,111; Against 173,902

Keith Trent (64)

Independent | Director since April 3, 2017 | Charlotte, NC, USA

Keith Trent has been a professional director since 2015, and has 14 years' experience as an energy executive, general counsel, and internal legal counsel. From 2005 to 2015, Keith held a variety of senior executive positions with Duke Energy Corporation (Duke), including as general counsel, with responsibility for long-term grid strategy, four regulated utilities, electric transmission, regulated fossil-fuel and hydro generation, health, safety and environment, fuel and system optimization, central engineering and services, corporate strategy, government relations, corporate communications, technology initiatives, legal, internal audit and compliance, and commercial businesses operating in domestic and international retail and wholesale competitive markets. From 2002 to 2005, Keith held a variety of positions with Duke with responsibility for major litigation and government investigations (as lead litigator). Prior to 2002, Keith practiced law for 15 years.

Keith currently serves on the boards of directors of Edison International, Inc. and TRC Companies Inc. He has previously served on the board of AWP, Inc., the advisory board of Forsite Development Inc., the board of trustees of The Keystone Energy Board, the Accenture Global Energy Board, the board of visitors of the Wake Forest University School of Business, and the board of Electric Power Research Institute.

Keith holds a Juris Doctor degree, and a Bachelor of Science (Electrical Engineering). He also completed the Advanced Management Program at Harvard Business School.

Keith's extensive utility operations, strategic planning, legal and safety experience as well as his proficiency in cyber oversight are some of the reasons we recommend that shareholder's vote **FOR** Keith's re-election to the Board.

Board and Committee membership	Meeting attendance
Board	12 of 13 (92%)
HSE Committee (Chair)	3 of 3 (100%)
Audit Committee	4 of 4 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	31,434
DSUs	31,434	Total market value common shares and DSUs	$1,247,008
Percentage of ownership requirement	147%	Meets ownership requirement (see page 46)	yes

MEETING ATTENDANCE AND COMMITTEE MEMBERSHIPS

The following table shows the director nominees' attendance at Board and Committee meetings for the year ended December 31, 2023.

Our Board expects our directors to attend all Board and relevant Committee meetings. The PCG Committee reviews the attendance records to monitor that each director has attended at least 80% of the meetings. If attendance falls below this level and there are no extenuating circumstances, the PCG Committee will discuss the situation and recommend to the Board whether the Board should seek the director's resignation.

As Chair, Jill Gardiner attends Committee meetings as an ex-officio and non-voting member. Some directors also attend other Committee meetings as guests.

			Committee meetings					
	Board meetings		**Audit**		**PCG**		**HSE**	
Jill Gardiner	(Chair) 13 of 13	100%	4 of 4	100%	5 of 5	100%	3 of 3	100%
Gary Bosgoed	13 of 13	100%			5 of 5	100%	3 of 3	100%
Avik Dey	8 of 8	100%	2 of 2	100%	3 of 3	100%	2 of 2	100%
Carolyn Graham	4 of 4	100%	1 of 1	100%	1 of 1	100%		
Kelly Huntington	13 of 13	100%	4 of 4	100%	(Chair) 5 of 5	100%		
Barry Perry	13 of 13	100%	(Chair) 4 of 4	100%	5 of 5	100%		
Jane Peverett	13 of 13	100%			5 of 5	100%	3 of 3	100%
Robert Phillips	12 of 13	92%	4 of 4	100%			3 of 3	100%
Keith Trent	12 of 13	92%	4 of 4	100%			(Chair) 3 of 3	100%

Notes

- Avik Dey attends Committee meetings as a guest and in his capacity as President & CEO of Capital Power.
- The 13 Board meetings include the strategic planning session.
- Avik Dey was appointed to the Board effective May 8, 2023
- Carolyn Graham was appointed to the Board effective August 2, 2023 and became a member of the Audit and PCG Committees.
- Audit Committee members are Barry Perry (Chair), Carolyn Graham, Kelly Huntington, Robert Phillips, and Keith Trent.
- PCG Committee members are Kelly Huntington (Chair), Carolyn Graham, Gary Bosgoed, Barry Perry, and Jane Peverett.
- HSE Committee members are Keith Trent (Chair), Gary Bosgoed, Jane Peverett, and Robert Phillips.
- The Board established an ad hoc CEO Search Committee in April 2022 (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington and Robert Phillips). The ad hoc committee met several times since April 2022. The CEO Search Committee was dissolved on April 17, 2023 and a new ad hoc CEO Transition Committee was formed (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington, Robert Phillips, and Barry Perry).
- The Board established an ad hoc Genesee Carbon Capture and Sequestration (GCCS) Committee (comprised of Jane Peverett (chair), Doyle Beneby, Gary Bosgoed, and Keith Trent). The committee met 4 times in 2023.
- The Board and Committees met in camera without management (including the President & CEO) at every meeting.

PARTICIPATION ON OTHER BOARDS AND DIRECTOR INTERLOCKS

Our corporate governance policy provides that prior to joining the board of directors of another company, a director will notify the PCG Committee Chair or Board Chair who will then consider, in consultation with management and the PCG Committee when needed, whether there are any actual or potential conflicts of interest that may arise as a result of the proposed board appointment.

Prior to recommending new directors, the PCG Committee also considers the potential director's current board membership to assess whether there are any actual or potential conflicts of interest that may arise as a result of the proposed board appointment.

When recommending new directors, the Board considers any potential director interlocks and determines whether any such interlock would impair the exercise of independent judgment by the interlocked directors. If the Board determines there is any such risk the otherwise interlocked director would not be recommended and nominated for election.

None of our director nominees serve together on other public company boards.

DIRECTOR EDUCATION

We endeavour to provide education and update contextual information as required to ensure that our directors have the most up-to-date knowledge to inform their decisions. Our directors receive materials well in advance of each Board meeting including background information about items to be considered at the meeting. Directors are encouraged to attend externally hosted education conferences and seminars and Capital Power will contribute towards the cost. The table below lists the education we provided directly to our directors in 2023. You can find more information about education and ongoing development of directors on page 29.

Date	Event	Description	Attendees	
February	US Political Update	Presentation by Jonathan Sohn, Director, Government Relations and Regulatory (US) (currently VP Government Relations, Regulatory & Environmental Policy US)	Doyle Beneby Gary Bosgoed Jill Gardiner Kelly Huntington	Barry Perry Jane Peverett Keith Trent Brian Vaasjo
April	Corporate Emissions Profile Presentation	Presentation by members of Capital Power's strategy team	Doyle Beneby Gary Bosgoed Jill Gardiner Kelly Huntington Barry Perry	Jane Peverett Robert Phillips Katharine Stevenson Keith Trent Brian Vaasjo
May	Plant tour & presentation	Tour of Capital Power's Midland Cogeneration Venture facility	Doyle Beneby Gary Bosgoed Avik Dey Jill Gardiner Kelly Huntington Barry Perry	Jane Peverett Robert Phillips Katharine Stevenson Keith Trent Brian Vaasjo
September	Director orientation	Presentations by Capital Power management	Carolyn Graham	
September	Tour of Capital Power's commodity trading operations	Presentation by Capital Power management and staff	Gary Bosgoed Jill Gardiner	Carolyn Graham
October	Plant tour	Tour of Capital Power's Genesee 1 and 2 facilities and repowering site	Carolyn Graham	
October	Wolf Carbon Solutions – enabling large scale emissions reductions within the Province of Alberta	Presentation by Bob Lock, President & CEO of Wolf Midstream and Jeff Pearson, President of Wolf Carbon	Doyle Beneby Gary Bosgoed Avik Dey Jill Gardiner Carolyn Graham	Kelly Huntington Barry Perry Jane Peverett Robert Phillips

In addition, all directors have access to seminars and materials through Diligent, our board portal provider. In 2023, Capital Power's directors were provided access to a virtual Indigenous learning session in recognition of the National Day for Truth and Reconciliation. The directors also individually attended various external webinars and seminars, on topics such as: generative AI, ESG reporting disclosures, global economy, executive compensation, oversight of climate disclosure, managing Indigenous relationships, energy transition, IFRS accounting, best practices in corporate governance, and geopolitics.

2. Governance

Governance at Capital Power

Our commitment to responsible corporate governance practices is integral to achieving the Company's long-term performance goals and facilitating investor confidence. Our governance practices promote accountability, transparency and resiliency, and support sound decision-making in the interest of all of our stakeholders. Strong governance is essential for us to achieve our corporate purpose – *to deliver, build and create a net zero energy future*.

Our corporate governance practices are consistent with the following, as adopted by the Canadian Securities Administrators:

- National Policy 58-201 – Corporate Governance Guidelines (NP 58-201);
- National Instrument 58-101 – Disclosure of Corporate Governance Practices (NI 58-101);
- National Instrument 52-110 – Audit Committees (NI 52-110);
- National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (CSOX); and
- Form 58-101F1 – Corporate Governance Disclosure (58-101F1).

We've adopted a comprehensive corporate governance policy which is available on our website (www.capitalpower.com).

Management has assessed our financial reporting procedures this year and has concluded that we are in compliance as of December 31, 2023.

SUSTAINABILITY AND CLIMATE OVERSIGHT

Our Board provides independent oversight of our business and is responsible for, among other things, climate change-related issues and other sustainability practices. Our Board's focus on sustainability includes approving environmental, social, and governance (ESG) targets and annually approving the long-term plan, which contains strategies relating to decarbonization, technology, and the pursuit of low carbon power solutions. Additionally, through quarterly reports, the Board is updated on the progress of sustainability initiatives and risks and opportunities related to material ESG topics. The Board also reviews and approves the Integrated Annual Report and annual climate-related disclosures which demonstrate progress towards our stated targets.

To promote accountability, transparency and resiliency, and support sound decision-making in the interest of all our stakeholders, we annually disclose our climate risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures recommendations (TCFD). The disclosure is aligned to the four central themes of the TCFD recommendations, which include governance, strategy, risk management, and targets and metrics. For additional discussion – see our 2023 Integrated Annual Report (https://www.capitalpower.com/sustainability/sustainability-reports/).

Sustainability is integrated in our business and our Board of Directors and entire management team are responsible for addressing material issues.

Effective corporate governance is critical to long-term performance and maintaining stakeholder trust. Our Board has a diversity of knowledge, expertise, and lived experiences that will help us navigate our energy transition, manage risks, and continue to deliver value over the long-term. At Capital Power, we conduct our business in a manner that is principled, transparent, and accountable to all stakeholders to create long-term sustainable shareholder value.

The Board actively oversees the implementation and monitoring of our strategic transformation efforts, ensuring that the targets assigned to the CEO and management are aligned appropriately with the short, medium, and long-term priorities of the Company. We are committed to meeting net zero by 2045 while maintaining the reliability and affordability of the power system through investments in critical natural gas, renewables, and technologies such as CCS, storage, hydrogen, direct air capture, alternative dispatchable carbon-free generation and negative abatement solutions.

With Board support and guidance, in 2023, Capital Power continued to invest in infrastructure and technologies that will ensure reliability and reduce emissions for utility-scale power generation across our target markets. Dispatchable natural gas assets play a vital role in our decarbonization strategy as they provide grid-critical supports to balance the intermittency of renewables and ensure a stable energy supply. To this end, the actions we took in 2023 included completing the acquisition of the 265 MW Frederickson facility and entering into an agreement to acquire ownership interests in the 1,062 MW La Paloma and 1,092 MW Harquahala facilities.

We also secured five new contracts for our Ontario natural gas fleet in 2023, including two battery energy storage system projects, an expansion, and two upgrades – resulting in Capital Power having more than 1,500 MW of contracted capacity in Ontario. In Alberta, we continued to advance our Genesee Repowering project and initiated construction on our Halkirk 2 Wind project. To support our robust development pipeline, we also secured 1 GW of responsibly produced, ultra-low carbon thin film solar modules from First Solar.

Additional information on our sustainability efforts is provided in our 2023 Integrated Annual Report published on February 28, 2024 (https://www.capitalpower.com/sustainability/sustainability-reports/).

Sustainability targets

Our commitment to net zero 2045, includes optimization of our existing power plants through operational improvements and progressing towards real net-zero power solutions through future investments in technologies and infrastructure that will reduce emissions for utility scale power generation. We are committed to being a leader in ESG, through alignment with the Sustainable Accounting Standards Board standards (SASB), the Global Reporting Initiative (GRI) and TCFD, as well as monitoring and aligning with emerging frameworks in support of increased accuracy and standardization in non-financial disclosures.

In 2024, 20% of our executive short-term incentive pay will be linked to ESG performance. The performance incentives include consideration for health, safety, security, and environment (HSSE), advancement in accelerating decarbonization and strengthening the diversity of our organization. Additionally, 20% of our executive and upper management long-term incentive 3-year performance share unit ("PSU") measurement will be linked to ESG metrics related to decarbonization and increasing diversity.

2023 areas of ESG focus

In 2023, the Board provided guidance and oversight on key sustainability initiatives, some of which are identified below:

- Continued to oversee the Company's efforts towards achieving our sustainability targets.
- Supported our path to a lower carbon future and net zero with the continued advancement of the Genesee 1 and 2 repowering and advancement of CCS studies for deployment on the repowered units.
- Approved the acquisition of critical natural gas assets and the development of renewables.
- Approved our 2022 Integrated Annual Report, which included enhanced disclosure to reflect our ongoing commitments to transparency for our stakeholders.
- Approved changes to executive and leadership compensation related to the achievement of sustainability targets.

Through these and other efforts made in 2023, we are making steady progress towards our sustainability targets, including ambitious carbon emission-reduction goals. More broadly, Capital Power continues to integrate sustainability into our core operations, long-term growth strategy, and decision-making processes.

GOVERNANCE PRACTICES

✓	Voting is by individual director, we have a majority voting policy and we disclose the voting results on all items of business within five business days of a shareholder meeting	(see page 13)
✓	We maintain separate Chair and CEO positions so the Board can function independently, monitor management's decisions and actions, and effectively oversee our affairs	(see page 25)
✓	The majority of our Board nominees (eight out of nine) are independent	(see page 25)
✓	The Chair of the Board is independent	(see page 25)
✓	Our Board has a formal, written mandate (terms of reference)	(see page 84)
✓	The Board has developed mandates (terms of reference) for the Chair of the Board, Individual Directors, each Committee and the CEO	(see page 25)
✓	Our Audit Committee is 100% independent	(see page 37)
✓	Our PCG Committee is 100% independent	(see page 39)
✓	Directors are required to meet share ownership requirements within five years of joining the Board or within five years of a material change to their compensation (three times their annual cash and equity retainer in Capital Power DSUs and/or common shares). Capital Power's senior executive officers must also meet share ownership requirements (see page 52 for more information on the share ownership requirements for executive officers)	(see pages 42 and 52)
✓	The Board and Committees meet without management present (in camera) at every meeting	(see page 25)
✓	100% attendance is expected of our directors. The PCG Committee reviews the attendance record to monitor whether directors have attended at least 80% of Board meetings and their respective Committee meetings	(see page 19)
✓	The Board has adopted a written code of business conduct and ethics, and monitors our compliance with it	(see page 25)
✓	The Board oversees management, strategic (including ESG) and long term planning oversight, sustainability, risk management (including cyber-security), Board and CEO succession planning, and shareholder engagement	(see page 25)
✓	The Board provides independent oversight of our business and is responsible for, among other things, ESG and other sustainability practices	(see page 22)
✓	We conduct an advisory vote on executive compensation, giving shareholders a say on pay	(see page 47)
✓	We have incentive claw-back and anti-hedging policies, further aligning the interests of executives and shareholders and review and amend as required	(see page 49)
✓	We provide orientation and continuing education programs for our directors	(see page 29)
✓	The Board maintains a skills matrix to assist in planning, developing, and managing the skills and competencies represented on the Board	(see page 31)
✓	Our Board evaluation process involves annual Board and Committee effectiveness surveys, annual director and Chair self-assessments, annual one-on-one meetings between each director and Chair of the Board, and peer-to-peer assessments conducted every three to five years by an independent third party	(see page 32)
✓	The Board has a board diversity policy	(see page 34)
✓	The Board has adopted a director tenure & succession policy which establishes term limits and Board Chair succession	(see page 33)
✓	The Board has adopted a shareholder engagement policy	(see page 36)
✓	The Chair of the Board and the Chair of PCG Committee conduct shareholder engagement meetings	(see page 36)
✓	Amendments to our articles and by-laws, and approval of mergers, require a shareholder vote at levels required by law	

About the Board

The Board is responsible for the stewardship of Capital Power, providing independent, effective leadership to oversee the management of Capital Power's business and affairs and to grow value responsibly and in a profitable and sustainable manner. The Board is actively engaged in supervising our business and affairs and is specifically responsible for oversight of:

- management, strategy and long term plans;
- enterprise risk management;
- Board and CEO succession; and
- shareholder engagement.

(referred to in this document as the Board responsibilities).

Capital Power values:

- managing our impact on the environment to leave a healthy planet;
- equity, diversity and inclusion, listening with open minds, and treating all people with respect;
- committing to the safety and wellbeing of our people;
- acting with integrity and taking responsibility for our decisions and actions;
- embracing innovation by fostering creativity and harnessing technology;

and generally doing what's right for our Company, and its employees and retirees, investors, community partners, customers, and the rest of our stakeholders. The Board ensures that management's plans and activities are consistent with these values and supports our commitment to grow our company to deliver long term value, protect our environment, and help our communities thrive.

Independence

Eight out of nine director nominees (89%) are independent according to the standards of independence established under Section 1.2 of NI 58-101. Avik Dey is not considered independent because he is Capital Power's President & CEO.

Nominated directors	Independent	Not independent	Reason for Non-independence
Jill Gardiner	✓		
Gary Bosgoed	✓		
Carolyn Graham	✓		
Kelly Huntington	✓		
Barry Perry	✓		
Jane Peverett	✓		
Robert Phillips	✓		
Keith Trent	✓		
Avik Dey		✓	**President & CEO of the Company**

An independent, non-executive director chairs our Board. The Board met 13 times in 2023. The directors met without management (including the President & CEO) at all of the meetings. You'll find the Board's terms of reference in Appendix A.

Separate Chair and CEO positions

We maintain separate Chair and CEO positions, each with their own position descriptions (or terms of reference). The Chair leads, manages and organizes the Board with a strategic focus, and presides over its meetings while encouraging strong participation and commitment from all directors. The Chair also works with the CEO to develop and maintain productive stakeholder relationships, and to represent the Board with shareholders, regulators, customers, other stakeholders, and the media.

The PCG Committee recommends, and the Board nominates, director candidates based on the skills matrix, their character and leadership strengths, their diverse backgrounds, and other key qualities like breadth of experience, insight and knowledge, financial and compensation literacy, and business judgment. The terms of reference for the Chair of the Board, each Committee, individual directors, and the President & CEO include detailed position descriptions and are available on our website (www.capitalpower.com).

Ethics

Our ethics policy applies to all permanent and temporary employees, contractors and members of our Board. We expect all members of our team to conduct themselves in a manner that reflects the values forming the basis of our culture: trust, integrity, and respect. Everyone must read, understand and comply with the policy, and executives must certify their compliance with the policy quarterly. Our ethics policy is on our website (www.capitalpower.com), or you can ask our Corporate Secretary to send you a copy (see page 83).

The policy is reviewed at a minimum on an annual basis and the Board has oversight and control over the policy, including governance over all material changes to the ethics policy.

All material changes are communicated to employees through a Company-wide communication shortly after Board approval, with a new version available internally on the Company intranet and externally on the Company website.

Board

The Board is responsible for overseeing our compliance with the laws that apply to us. The Board receives regular reports on compliance, including reports of ethical breaches, management's follow-up activities, and strategies to mitigate risk.

Senior officers

All senior officers must certify compliance with the ethics policy quarterly, and the President & CEO and Senior Vice-President Finance & CFO certify our quarterly and annual financial statements and related management's discussion and analysis information included within the Integrated Annual Report and the quarterly management's discussion and analysis documents, as well as our AIF, for filing with the Canadian Securities Administrators.

Reporting a concern

We have worked hard to foster a culture where anyone can speak openly about ethical concerns. Employees, contractors and any external stakeholder can raise a concern anonymously through our Integrity Helpline.

Our Integrity Helpline is available 24 hours a day, seven days a week (call 1 (866) 363-8028 or go to http://secure.ethicspoint.eu). A third party operates the helpline on our behalf to ensure confidentiality.

Employees can also raise a concern directly with their manager, People Services, our Chief Compliance Officer, any member of senior management or members of the Board.

Investigating ethical complaints

We investigate complaints promptly and thoroughly.

A written report is completed for every investigation process, including its outcome, and is maintained on file. Investigation procedures are included as an appendix to the ethics policy and include how to report a concern, our commitment to maintaining confidentiality and no retaliation, and information on the investigation process.

Material interests, conflicts of interest and related-party transactions

Our ethics policy applies to all permanent and temporary employees, contractors, and members of our Board. All members of our team are to conduct themselves in a manner that reflects the values forming the basis of our culture, trust, integrity and respect. It is everyone's responsibility to read, understand and comply with the policy, and executives must certify their compliance with the policy quarterly.

As mandated by our ethics policy, the Board's terms of reference, and applicable law, our directors must disclose to us in writing any conflict they have with us, or have the interest entered in the minutes of the Board meeting, including a description of the nature and extent of the conflict. Any such director must refrain from participating in any discussion or voting on the matter. As part of our practice, a director with a material interest will recuse themself from the Board (or Committee) meeting when a discussion or vote takes place on such a matter. In addition, as part of the Board's annual process, directors are asked to complete annual questionnaires to assist the Board in identifying and monitoring possible conflicts of interest and related party transactions. The PCG Committee oversees director conflicts of interest via its annual review of the Corporation's ethics policy.

Disclosure and insider trading policy

Our disclosure and insider trading policy governs the dissemination of information to the public and guides our decisions and actions in providing clear and complete disclosure in a timely manner, in compliance with all securities regulations.

Our disclosure committee consists of senior managers and reports to, and is subject to, the supervision and oversight of our President & CEO. Our disclosure committee is responsible for reviewing all proposed disclosure before it is released publicly. The disclosure committee also reports its work and findings to our Board and Audit Committee and must promptly inform our Board and Audit Committee of any material disclosure issues or concerns regarding any of our disclosure controls that come to the disclosure committee's attention.

Ethics training

All of our directors and employees participate in regular ethics training and attest that they understand the material covered, including reporting avenues to disclose concerns, and that they will comply with the ethics policy. Topics are geared towards the audience, with training covering elements of the ethics policy, including, but not limited to, how to report a concern, fraud and corruption, conflict of interest, accounting and auditing irregularities, insider trading, disclosure of confidential information, discrimination, harassment, sexual harassment, and workplace violence.

ROLE AND RESPONSIBILITIES

The Board's responsibilities also include ensuring compliance with laws and regulations. The Board approves all matters required by it to do so as per the CBCA, and any other legislation applicable to Capital Power, our articles and our by-laws. In carrying out the duty to act in the best interests of Capital Power, the directors may consider the interests of shareholders, employees, retirees, pensioners, creditors, consumers, governments, the environment and the long-term interests of the Company.

The Board may delegate the review and recommendations of certain matters to its standing committees. Most committee recommendations must be approved by the entire Board.

The Board explicitly delegates certain powers to management by written policy and subject to specific limits. Examples include:
- contract execution and spending authority policy;
- financial exposure management policy; and
- investment policy.

Strategic and corporate planning oversight

On an annual basis, the Board meets with management to review Capital Power's strategic and long term planning, which is designed to:
- ensure that we continue to operate consistently with our corporate purpose, mission, vision, and values;
- maximize shareholder value while taking into account the interests of our other stakeholders;
- integrate and advance sustainability strategies;
- assess the opportunities and risks that may affect our business; and
- ensure plans are in place that support the overall resilience and sustainability of the Company's business and strategy.

As President & CEO, Avik Dey leads the executive team and is responsible for Capital Power's strategic direction, sound management, and performance.

Management follows a comprehensive planning process for developing our overall strategy which includes assessments of the business environments in which we operate, critical assumptions, goals, supporting strategies, operational and financial matters (include the annual budget), and risks.

First quarter	Management begins the process for the following year by carrying out the following: • assessment of industry trends and the competitive environment; • assessment of sustainability trends; • preparation of commodity and economic forecasts; • review of how well it executed its strategy in the previous year; • determination of what modifications to the strategy are necessary (if any); • adjustment of its plans and objectives to execute the strategy; and • preparation of a long-range financial forecast.
Second quarter	Management uses the inputs to develop our strategy and long term plan, which contains our market outlooks, critical assumptions, goals, supporting strategies, operational and financial matters and risks, and submits the draft strategy and long term plan to the Board (generally in May). In advance of, the strategic planning meeting management presents a deep dive on industry themes, trends, and signals. The Board and management then meet for a two-day planning session to identify priorities and receive directional guidance on the draft strategic plan. Management highlights the insights, risks, and opportunities and solicits feedback from the Board and any proposed changes to the strategy and tactics and, if required, establishes new objectives, key performance indicators, and targets to ensure alignment with our corporate purpose.
Third quarter	Management reviews the Board's feedback from the strategic planning meeting and, if required, makes changes to the strategy and long term plan and submits the revised strategy and long term plan to the Board for approval, generally at its July meeting.
Fourth quarter	Management updates its financial forecasts based on recent events, updated commodity forecasts and the current budget. Corporate performance measures are also established for the following year based on the approved budget. Management establishes the budget based on the approved strategy and long term plan and submits it to the Board for approval.

The Board discusses the impact of current events and developments on our strategic plan and reviews our performance against our strategic plan every quarter. The Board also addresses emerging strategic and public policy issues as they arise throughout the year.

Enterprise risk management

Effectively managing risk is critical to maximizing shareholder value. We believe that risk management is everyone's responsibility, from the Board to individual employees.

Our enterprise risk management (ERM) program is based on the Committee of Sponsoring Organization's standard for risk management, COSO Enterprise Risk Management – Integrated Framework, and uses a systematic approach to identify, manage, report and monitor risk. ERM practices are embedded in two key corporate processes (strategic and long-term planning, and operational planning and budgeting), so we can identify risks that could prevent us from achieving our strategic and business objectives and develop strategies to mitigate those risks. This includes assessing specific risk areas, including unpredictable or unusual risks as well as emerging risks to our business.

We expect everyone to understand the risks that fall within their areas of responsibility and to manage these risks within approved risk tolerances.

Open communication is a key part of the process. We need our people to share the best available information (quantitative and qualitative), drawing from historical data, experience, stakeholder feedback, observation, forecasts, and their expert judgment.

Risk management framework

Risk governance and oversight

Board

- The Board reviews Capital Power's risk profiles biannually.
- The Board reviews and approves the Company's risk appetite and tolerance and ERM policy.

Risk management and oversight

- The President and CEO, in collaboration with the executive team, has ultimate accountability for managing the Company's risks and approves the ERM framework.

The day to day responsibility for the ERM framework resides under the leadership of the Senior Vice President, Finance & CFO. A detailed risk report is provided to the Board twice a year and updated as required.

Risk management process

Biannual risk review →	Risk profile is updated →	Executive and Board review →	Company-wide employee awareness
We assess company risks at least twice a year during strategic long-term and business planning and budgeting processes with Executive risk owners and their delegates to identify new or changing risks. Risks are evaluated using quantitative and qualitative methods to determine their severity and prioritize and design appropriate responses.	Individual risk assessments are consolidated into a corporate risk register to show Capital Power's exposure to each over a given time along with corresponding mitigating controls that allow risks to be monitored.	The Executive and Board receive a consolidated risk report with updates on changes in the risk profile and emerging risks being monitored. Results are also shared with the Internal Audit team to be used in the annual risk-based internal audit plan, which provides the Board and Management independent assurance that key risks are being managed effectively.	To ensure risk is understood and managed effectively, we make risk management a central part of our operations by embedding the results into systems and procedures and providing regular updates to our management teams.

The HSE and Audit Committees receive reports from the Senior Manager, Internal Audit at every meeting and conduct in camera sessions with them. The Senior Manager, Internal Audit reports administratively to the Vice President of Strategic Finance and Analysis and has a direct reporting relationship with the Audit Committee.

The Audit Committee also receives regular updates on key risks to the Company, including but not limited to commodity, and credit.

Oversight and protocols around cybersecurity risk
The Audit Committee receives an annual cyber-security report detailing the Company's key initiatives and accomplishments within information services, industrial controls, and supply chain (for more information on the risks covered under the ERM, please refer to the Integrated Annual Report). In addition to the annual cyber-security report, the Board and Audit Committee receive a quarterly update identifying top threats, key learnings, emerging trends, and cyber-security metrics.

Succession planning and leadership development
The Company's success is significantly dependent on the continued performance, development, and retention of our executive officers. To ensure business continuity, support future growth, and retain our talent, management creates and maintains succession, performance, and development plans for the President & CEO, executive team, and other critical roles. The PCG Committee plays an important oversight role, reviewing these plans at least once a year and reporting on them to the Board. Through this process, we ensure a steady flow of competent and talented leaders ready to take over key positions when necessary.

As business strategy, leadership roles, and workplace environments continue to rapidly evolve, succession planning has become increasingly important. The Company must craft succession plans with the future in mind, considering both the roles it needs and the employees it has to fill them.

The Company remains committed to identifying, assessing, and developing diverse, high-potential employees to prepare them for broader roles within the organization. This approach fosters employee engagement, retains talent, and provides a robust pipeline with respect to succession for key roles. Where required, the Company complements talent development by hiring externally.

A portion of executive and non-executive long-term incentive pay and measurement of performance share units is tied to improving the representation of women at the leadership level. To support these goals, our executive short-term objectives include strengthening the diversity of the operations pipeline and increasing and sustaining gender diversity at the professional level and above.

The PCG Committee reviews and discusses our broader performance management and talent development programs to ensure that we are developing our non-executive management high potential talent to support our ongoing business needs.

In addition, the PCG Committee:
- provides oversight of human capital risks;
- ensures proper processes are in place for monitoring succession plans, performance, and development of future senior management; and
- reviews potential succession and gaps for CEO, executive team, and other critical roles together with action plans to support the ongoing development of high potential talent within the Company.

For more information about the Company's diversity initiatives and targets please refer to the "Equity, Diversity and Inclusion" section on page 34 of this document.

CEO succession in 2023
In 2023, the Board of Directors appointed Avik Dey as President and Chief Executive Officer of Capital Power effective as of May 8, 2023 following receipt of Brian Vaasjo's retirement notice. The selection followed a rigorous North American search process conducted by a special committee of the Board (CEO Search Committee), with the support of a leading executive recruiting firm. Since it's inception in 2022, the ad hoc CEO Search Committee met with a wide range of high-quality internal and external candidates, and provided numerous updates to the Board of Directors and PCG Committee.

After a rigorous process, the Board ultimately decided that Avik Dey offered the best opportunity to deliver on Capital Power's strategy given his deep experience in the energy and power sectors and success in growing long term value for energy and energy transition companies. Brian Vaasjo remained in a consulting role until December 2023 to ensure a seamless transition.

ORIENTATION AND ONGOING DEVELOPMENT

We provide our new directors with a fulsome orientation as well as ongoing education for all directors to assist them in keeping up to date with recent trends.

The Board has a director orientation and education policy that includes:
- guidelines for new directors;
- types of education and orientation information for directors;
- educational opportunities;
- site visits; and
- conferences, symposiums and seminars.

Orientation

We provide our new directors with information pertaining to Capital Power's business and operations. We also provide them with access to many resources, including copies of the minutes and other supporting documents from recent Board meetings. They also receive a corporate governance manual prepared by management that includes our articles, by-laws and other Board documents.

Prior to their first Board meeting, new directors are assigned a "board buddy" and, as soon as practical, also spend time with management to attend orientation sessions intended to provide a basic understanding of Capital Power and our business. As well, we believe it is a good governance practice for new directors to attend Committee meetings for which they are not a member as a guest for at least the first year of their tenure to gain a better understanding of different aspects of Capital Power's business and governance.

We may also provide additional information tailored to a new director's needs and interests, information on our current activities, and any other information that a new director may request. New directors are offered a tour of one or more of Capital Power's facilities.

Ongoing development

Management regularly provides directors with articles, papers, and in-house seminars on issues relevant to Capital Power, our business, the industry, and the regulatory environments in which we operate as well as with a list of relevant external seminars and industry conferences.

Our directors are committed to reviewing the materials, attending seminars, and staying up to date on relevant issues through the media and other public information sources. In addition, we regularly invite third parties to present to the Board on relevant industry, business, or governance topics. For a summary of director education events during 2023, please refer to page 20.

Directors may attend conferences, industry symposia, and other seminars and be reimbursed 100% of the cost (including reasonable travel expenses) in circumstances where the Chair of the Board or Chair of the PCG Committee believes that the content is specifically relevant to Capital Power or its business. 50% of the cost (including reasonable travel expenses) will be reimbursed where the Chair of the Board or Chair of the PCG Committee believes that the content is of a more general governance nature that would be relevant to Capital Power as well as to other boards on which the director sits. Pre-approval by the Chair of the Board or Chair of the PCG Committee must be granted in either instance and reimbursement will be paid once the director submits original receipts with the expense claim

Periodically, Capital Power offers directors the opportunity to take site tours of some of our facilities and plants illustrative of each of the various types of power generating facilities we own and operate. Directors will attend such site tours whenever practicable.

You can learn more about the presentations our directors received in 2023 on page 20.

RECRUITMENT, ASSESSMENT AND TENURE

Skills matrix

The PCG Committee uses a skills matrix to identify and track the key skills and areas of strength that the Board believes are important for overseeing our business, management, and our future growth. The skills matrix is reviewed annually to ensure that it remains relevant and consistent with our go-forward strategy.

The table below shows the skills and strengths of each of the director nominees. You can learn more about each director's skills and experience, as well as their five top areas of contribution, in the director profiles beginning on page 14.

CPC Board of Directors Skills Matrix

	G. Bosgoed	J. Gardiner	C. Graham	K. Huntington	J. Peverett	B. Perry	R. Phillips	K. Trent	A. Dey
Background/Experience									
Executive Leadership[1]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy and Planning[2]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance/Compliance[3]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management and Oversight	✓	✓	✓	✓	✓	✓	✓	✓	✓
Power/Energy Industry[4]	✓	✓		✓	✓	✓	✓	✓	✓
Operations/Development/Construction[5]	✓			✓	✓	✓		✓	
Health, Safety and Environment[6]	✓			✓	✓	✓	✓	✓	
Cyber/Physical Security[7]	✓							✓	
Finance/Accounting[8]	✓	✓	✓	✓	✓	✓			✓
Capital Markets[9]		✓	✓	✓		✓	✓		✓
M&A[10]		✓	✓	✓	✓	✓	✓	✓	✓
Financial Products/Commodity Trading[11]				✓	✓	✓		✓	✓
Talent Management/Compensation[12]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Government/Public Affairs/Stakeholder Relations[13]	✓			✓	✓	✓		✓	
Regulatory/Legal	✓	✓	✓	✓	✓	✓	✓	✓	
Climate/ESG/Sustainability[14]	✓	✓	✓	✓					✓

✓-denotes knowledge of a skill as defined

Notes

(1) Executive Leadership – experience as a CEO, senior executive or senior partner of a public company or other organization of similar complexity.
(2) Strategy and Planning – ability to think strategically, identify and critically assess strategic opportunities and threats including transformational or disruptive change, and provide guidance on effective strategies.
(3) Governance/Compliance – understanding of good corporate governance practices and policies usually gained through experience as a board member of a public company (including as board or committee chair).
(4) Power/Energy Industry – experience as a director, senior executive, or advisor in the power or broader energy sector.
(5) Operations/Development/Construction – management or executive experience in power or utility operations, engineering, development or construction.
(6) Health, Safety and Environment – board or management experience in, or understanding of, the regulatory environment surrounding workplace health and safety, and the environment.
(7) Cyber/Physical Security – management or executive experience in securing corporate information systems and industrial controls, or physically securing and restricting access to offices and/or industrial plants.
(8) Finance/Accounting – experience as CFO or senior executive or partner in accounting, financial management or banking with understanding of financial accounting and reporting, corporate finance, financial internal controls and Canadian GAAP/IFRS.
(9) Capital Markets – experience as an investment banker or with transactions to raise capital (including public and private equity and debt offerings), and understanding of relationships between issuers, underwriters, and market participants.
(10) M&A – experience in major transactions involving private and/or public companies, such as mergers, acquisitions, divestitures and unsolicited takeover defence.
(11) Financial Products/Commodity Trading – experience as an executive, CFO, treasurer, or investment banker in managing or overseeing financial and/or commodity trading and derivatives products.
(12) Talent Management/Compensation – management, executive or board experience in designing or implementing market-based compensation plans, leadership development, talent management, succession planning, pensions, compensation decision-making (including risk-related aspects of compensation), equity, diversity and inclusion, and/or human resources principles and practices generally.

(13) Government/Public Affairs/Stakeholder Relations – board or management experience in, or understanding of, government and public affairs generally, including government and other stakeholder relations in Canada or the US, in the context of the power industry or other highly-regulated industries.
(14) Climate/ESG/Sustainability – understanding of climate, environment, social, governance, and sustainability matters and their implications for business, strategy, risk management, and disclosure through board and management experience, as well as relevant certifications.

Board assessment

Consistent with the Board's commitment to a culture of continuous improvement, assessments of the performance of the Board, Committees and individual directors are undertaken annually. Every three to five years an independent third party is retained to complete the Board and Committee assessments and to provide in-depth peer-to-peer feedback to each director (last completed in 2022). For all other years, the assessment process includes Board and Committee effectiveness surveys as well as one-on-one interviews between the Chair of the Board and each director, and between the Chair of the Board and each member of the executive leadership team.

The Chair of the Board and the Chair of the PCG Committee provide leadership for the annual assessment processes and the PCG Committee has oversight responsibility and ensures the Board addresses the opportunities and suggestions for improvement in board effectiveness that are identified.

Additionally, the process helps to identify the top focus areas for the year going forward for the Board and for each Committee. These may include areas for the Board and Committees to work on in terms of improving corporate governance, enhancing accountability, increasing Board/Committee knowledge in a key area of opportunity or risk, furthering progress on our strategic plan, and enhancing shareholder value. Progress with respect to these focus areas is discussed in camera at every meeting of the Board and the Committees.

The results of the Board and Committee effectiveness surveys and one-on-one interviews and/or the independent assessment are discussed by the Board and the Committees at their meetings in February.

2023 Assessment

What	Process	Key Topics
Board/Committee Effectiveness Surveys	• each director submitted responses anonymously in Q4 • aggregate results compiled and provided to the Chairs of the Board and the PCG Committee • results compiled for Audit and HSE Committees and provided to the chairs of those respective committees	• Strategy, shareholder value, stakeholder considerations • Capital allocation process and priorities • Risk oversight • ESG/sustainability focus and metrics • Board composition • Meeting agendas, processes, materials • Ethics, Integrity, tone from the top, Board culture • Overall Board performance including against 2023 focus areas • Board/Committee Chair performance • 2024 focus areas
One-on-one interviews	• conducted in Q1 2024 by the Chair of the Board with each director and members of the executive leadership team	Directors: • 2023 board performance and succession • Individual director effectiveness (self & peers), continued tenure, and personal development; • CEO performance/development, talent development • Innovation, technology, AI, and cybersecurity • 2024 strategic planning consideration; and • 2024 focus areas Executive Leadership Team: • Board guidance to management; • Board focus; • Board tone from the top; and • Board education topic suggestions • CEO performance

You can read more about the annual evaluation process in our corporate governance policy on our website (www.capitalpower.com).

Director tenure and succession

Our Board has adopted a policy around director tenure and succession (as referenced in our corporate governance policy, referred to as the tenure policy) and a succession plan and Committee rotation (succession plan). We have not adopted a retirement age policy because we believe that term limits are a better way to ensure continual Board renewal.

Director Term Limits		Other Mechanisms for Board Renewal
Age Limit	Tenure Limit	
No	Yes – 10 years (if appointed after 2016) Yes – 12 years (if appointed prior to 2016)	Succession planning measures.

Our tenure policy provides that:

- our primary tools for determining who to nominate to the Board are our director skills matrix, our peer-to-peer director performance evaluations, and our board diversity policy;
- to remain on the Board, a director must be re-elected by our shareholders and receive satisfactory performance reviews;
- non-management (independent) directors elected or appointed to the Board prior to 2016 have a maximum tenure of 12 years;
- non-management (independent) directors elected or appointed to the Board during or after 2016 have a maximum tenure of 10 years;
- the Board may extend the term of any director beyond the limits in the tenure policy if the Board determines that Capital Power and the Board would benefit from a director's service beyond the term limit and any exercise of such discretion must be identified and disclosed to our shareholders in the circular in which such director is being nominated for election beyond their term limit;
- the PCG Committee reviews the anticipated retirement dates of our directors every year, and, in conjunction with this review, will consider the Board's size and composition, succession planning needs associated with loss of skills and experience, the need for Board continuity, and the need for diversity, new skills and experience on the Board as our business and external conditions evolve;
- in conjunction with the above:
    - the PCG Committee reviews and uses our director skills matrix to develop a list of potential candidates for nomination or appointment to the Board in the future based on their skills and experience and in accordance with our board diversity policy;
    - the list of potential Board directors is composed of people the PCG Committee believes would be beneficial to join the Board when there is a vacancy by filling any gaps in, or otherwise complement, the current skills matrix as well as comply with our independence criteria for the Board and its Committees; and
    - the PCG Committee may also hire a search firm to identify potential candidates.
- in the normal course, Board Chair succession is determined via a formal process that reflects relevant considerations at that point in time. The process is managed by the PCG Committee, or the Board may elect to form a special committee that would not include any directors having an interest in being considered for the role of Board Chair;
- in the event of an unplanned (emergency) succession requirement for the Board Chair, the Chair of the PCG Committee shall be deemed acting Chair until the next meeting of the Board, at which time the Board shall ratify and confirm the Chair of the PCG Committee as acting Board Chair until a replacement Board Chair is appointed via the formal process described above; and
- in the event of an unplanned (emergency) succession requirement for any Committee Chair, the Board Chair in consultation with the specific Committee members will select a new Committee Chair.

While shareholders elect directors at annual meetings, the Board may appoint additional directors between annual meetings to fill vacancies or to address any gaps identified via the skills matrix or board assessments.

Board succession is considered in the context of directors chairing and/or serving on the Board's standing Committees, which do much of the detailed, substantive work of the Board and which work generally requires specific subject-matter expertise. The Board succession plan provides that:

- the Chairs of the Board and the PCG Committee will establish and maintain a Board succession plan;
- the Chair of the Board establishes a development plan for each of our directors that feeds into the succession plan;
- a subset of the skills matrix will be used for each standing Committee of the Board in order to aid succession planning and director development; and
- Committee Chairs and memberships will be rotated as appropriate to facilitate director development, Board succession planning, institutional knowledge, continuity, and renewal.

EQUITY, DIVERSITY, AND INCLUSION

Capital Power maintains a board diversity policy as part of its commitment to diversity at the Board and executive team levels. The policy includes provisions such as giving extra weight to women and candidates who represent diversity beyond gender in the final nomination decisions and establishes goals of:

- at least 40% of the independent directors on the Board be women;
- at least 20% of the independent directors be individuals that are visible minorities, Indigenous people, persons with disabilities, or LGBTQ2S+; and
- at least 30% of the executive team be women.

As of March 11, 2024, the Board and the executive team have exceeded all representation goals with 44% of the independent directors and 50% of the Company's executive team being women; and 33% of the independent directors representing diverse groups beyond gender as noted above.

Furthering our objective to enhance and maintain diversity at the Board level, when assessing Board composition or identifying suitable candidates for appointment or election to the Board, we consider people having a diverse mix of experience, skills and backgrounds, who collectively reflect (1) the strategic needs of our business and the nature of the environment in which Capital Power operates, and (2) the skills and experience the Board requires as a whole to be effective. For us, diversity includes, but is not limited to, business and industry experience, geography, gender, age, visible minorities, Indigenous people, persons with disabilities, and persons in the LGBTQ2S+ community.

Pursuant to the board diversity policy, the PCG Committee will:

- consider the benefits of all aspects of the different diversity groups when reviewing the composition of the Board during succession planning and their annual review of the skills matrix;
- consider candidates for nomination to the Board on merit, with due regard for the benefits of diversity when identifying such candidates;
- consider a slate of director candidates that consists of at least 50% women candidates in every search for a new director;
- ensure that every search for new directors includes candidates from different diversity groups (focusing on gender, people who are Indigenous, visible minorities, persons with disabilities, and LGBTQ2S+);
- give extra weight to women candidates and candidates that represent different diversity groups beyond gender in the final nomination decisions; and
- consider the balance of skills, experience, independence and knowledge of Capital Power on the Board, and the diversity of the Board, as part of the annual performance review of the Board, its Committees, and our individual directors.

On an annual basis, the PCG Committee reviews the board diversity policy and assesses its effectiveness in promoting a diverse Board and executive team, including our progress towards achieving our diversity objectives and targets described below. In addition, the board diversity policy is reviewed by our internal audit department as part of their rotating audit of all corporate policies approved by the Board, including measuring effectiveness based on our goal of women representing at least 40% of our independent directors.

Board and executive team diversity targets

	Women		**Additional designated groups – Indigenous people, members of visible minorities and persons with disabilities**	
	Target	**Progress**	**Target**	**Progress**
Board of directors	Women representing 40% of our independent directors	Achieved	20% of our independent directors being from the additional designated groups and LGBTQ2S+[(1)]	Achieved
Executive team (members of senior management)	Women representing 30% of our executive team	Achieved	No target adopted	n/a

Note

(1) For the purposes of Capital Power's non-gender diversity target, the board of directors diversity target includes individuals who self-identify as being a member of an additional designated group and LGBTQ2S+.

The next table depicts the diversity of our board of directors and members of senior management as of March 11, 2024.

		Women		Persons with Disabilities, Indigenous Peoples, Members of visible minorities (additional designated groups)		Other groups that contribute to diversity – LGBTQ2S+		Number of individuals that are members of more than one designated group
	Total[(2)]	Number	Percentage	Number	Percentage	Number	Percentage	
Board of directors	9	4	44%	2	22%	1	11%	1
Members of senior management[(1)]	8	4	50%	4	50%	0	0%	2

Note

(1) For purposes of this table, senior management does not include the Chair of the Board.
(2) Indicates total number of directors or senior management, as applicable.

Other than for women, we have not adopted specific diversity targets regarding the representation of any additional designated groups (visible minorities, Indigenous people, and persons with disabilities) for members of senior management.

Our Company is committed to advancing diversity and inclusion within our organization through robust and targeted programs and processes. We believe that bringing together talented employees from diverse backgrounds, on an inclusive basis, is key to executing our strategy and maximizing long-term value. Our efforts to create an inclusive employee experience, where we work collaboratively to meet the challenges and capture the opportunities of our business, are central to our EDI journey.

In 2024 Capital Power plans to increase and sustain gender diversity at the professional level and above and strengthen the diversity of our operations pipeline (diverse categories include gender, Indigenous, visual minority, and persons with disabilities.

Organization-wide diversity targets linked to compensation

	Gender diversity		**Overall Diversity**	
	Targets	**Time Frame**	**Target**	**Time Frame**
Entire organization	At least 30% of new hires be women[(1)]	Annual (2023)	9% growth in workforce diversity[(4)]	For 2022 and 2023 LTIP grants[(2)]
	Establish plant operations and maintenance apprenticeship program focused on women and fill 2 positions in the program	Annual (2024)		
	1% increase in women representation at the professional level and above	Annual (2024)		
	10% growth in the representation of women at the leadership level[(3)]	For 2022 and 2023 LTIP grants[(2)]		
	Improve the representation of women at the leadership level to 34%	2024 LTIP grant [(3)]		

Note

(1) Target exceeded in 2023 with 34% of new hires being women.
(2) Measurement period for the 2022 grant is from January 1, 2022 to December 31, 2024 and for the 2023 grant is from January 1, 2023 to December 31, 2025.
(3) Measurement period for the 2024 grant is from January 1, 2024 to December 31, 2026.
(4) We are on track to exceed our 2022 and 2023 LTIP measures to increase women in leadership and overall diversity in the organization.

Four (44%) of Capital Power's director nominees and four (50%) members of senior management self-identify as women. In addition, one of our nominee directors (11%) and four (50%) members of senior management have self-identified as a member of a visible minority, one of our nominee directors (11%) as Indigenous, and one of our nominee directors (11%) as LGBTQ2S+.

As we progress on our pathway to net zero, Capital Power continues to commit to a diverse, equitable and inclusive workforce. While we have not set targets for diversity beyond gender for the executive level, we continue to engage in activities to strengthen diversity beyond gender within the organization; we actively recruit individuals from diverse backgrounds, we are executing on our Indigenous Relations strategy, and have an EDI Council who supports the organization. Through employee self-identification we have baseline diversity data and currently, at the executive level, have 50% gender diversity and 50% diversity beyond gender.

SHAREHOLDER ENGAGEMENT

Maintaining an open dialogue with our shareholders is very important to Capital Power. A copy of our shareholder engagement policy (engagement policy) may be found on our website at www.capitalpower.com.

Opportunities for engaging with Capital Power's management are varied and include:

- webcasts of our quarterly earnings conference calls with research analysts;
- webcasts of our annual investor day for analysts and institutional investors with presentations by our executives;
- executive presentations at institutional and industry conferences; and
- investor road shows in Canada, United States, and Europe.

Management and the Board also receive feedback from shareholders through:

- our annual general meeting;
- analyst and institutional shareholder participation in perception studies that are administered by a third party;
- a dedicated address for email inquiries and a toll-free investor phone line; and
- a confidential ethics hotline and website for shareholders and the public to report a concern.

The engagement policy prescribes:

- governance topics for discussion between the Board and shareholders;
- information sought by the Board from shareholders for the purpose of arranging a meeting;
- guidelines regarding meeting attendance; and
- a means for shareholders to contact the Board to request a meeting.

The engagement policy also provides information for shareholders about contacting management.

Shareholders who are interested in directly engaging with the Board regarding those topics specified in the engagement policy are encouraged to contact the Board at:

Board Office
Capital Power Corporation
1200, 10423 – 101 Street NW
Edmonton, AB T5H 0E9
Email: board@capitalpower.com

SHAREHOLDER PROPOSALS

If you want to send a shareholder proposal for inclusion in the circular and proxy form for our 2025 annual meeting of shareholders, we must receive it by January 29, 2025, as required under the CBCA, the corporate statute that governs Capital Power. We expect our 2025 annual meeting of shareholders to be held on or about April 30, 2025. Please send your proposal to the attention of the Corporate Secretary, Capital Power Corporation, 12th Floor, 10423 – 101 Street, Edmonton, Alberta, Canada, T5H 0E9.

Board Committees

The Board has three standing Committees:

- Audit Committee;
- People, Culture, and Governance (PCG) Committee; and
- Health, Safety, and Environment (HSE) Committee.

The Board may also establish ad hoc committees as appropriate.

Former President & CEO Brian Vaasjo's contract with Capital Power expired in the second quarter of 2023. In April 2022 the Board established an ad hoc CEO Search Committee (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington, and Robert Phillips) and the CEO Search Committee engaged an executive search firm to support a comprehensive process to identify the next President & CEO. The search was completed in May 2023 with the appointment of Avik Dey as President & CEO. The CEO Search Committee was dissolved on April 17, 2023 and a new ad hoc CEO Transition Committee was formed (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington, Robert Phillips, and Barry Perry). Details on compensation for chair of the ad hoc CEO Search Committee can be found in the Director Compensation section on page 45.

The Board also established an ad hoc GCCS Committee to review material risks associated with the Genesee Repowering project and assist the Board in assessing the Corporation's investment. Details on compensation for the ad hoc CEO Search Committee can be found in the Director Compensation section on page 45

The PCG Committee reviews the composition of each Committee at least once every calendar year. It looks at director independence, director qualifications, and individual skills and experience when it constitutes each Committee, ensuring that each one has the necessary expertise to provide effective oversight and carry out its responsibilities. Each Committee has its own terms of reference, which it reviews and approves every year. These are posted on our website (www.capitalpower.com). You can find more information about each director in the director profiles beginning on page 14.

AUDIT COMMITTEE

Members	Barry Perry (Chair) Carolyn Graham, Kelly Huntington, Robert Phillips, Keith Trent Jill Gardiner (ex-officio, non-voting member)
Independent	100%
Qualifications	All members are financially literate as defined by Canadian securities laws and regulations and Barry Perry, Carolyn Graham, and Kelly Huntington are considered to be financial experts; each of these directors fits within the definition of an audit financial expert as defined by major proxy advisory services: • Barry Perry is a Chartered Professional Accountant, former president & chief executive officer of Fortis, former chief financial officer of Fortis, and holds a Bachelor of Commerce from Memorial University of Newfoundland • Carolyn Graham is a Chartered Professional Accountant and a fellow of the Institute of Chartered Professional Accountants of Alberta, former chief financial officer of Canadian Western Bank, and chair of the audit committee for a public REIT as well as numerous not-for-profits • Kelly Huntington is currently senior vice president & chief financial officer of MYR Group Inc. (publicly traded), previously Kelly was senior vice president & chief financial officer of USIC and for Indianapolis Power and Light Company (IPL), she was also senior vice president of Enterprise Strategy for OneAmerica Financial Partners (which included responsibility for internal audit) and president & chief executive officer for IPL, and has held a variety of positions in investment banking, private equity, financial analysis, investor relations and risk management and holds an MBA from Northwestern University's Kellogg School of Management, is a Chartered Financial Analyst, and has the NACD.DC designation • Robert Phillips acquired significant experience and exposure to accounting and financial reporting issues as the current President of R.L. Phillips Investments Inc., a private investment firm, and as a former chief executive officer, has other previous audit committee experience, and is a fellow (F.ICD) and director of the Institute of Corporate Directors and chair of its Audit Committee • Keith Trent has senior executive experience, including management of an internal audit team, has current and previous audit committee experience, and has profit/loss accountability and Sarbanes-Oxley process experience
Key responsibilities	The Committee provides assistance to the Board in fulfilling its oversight responsibility to shareholders of Capital Power, the investment community and others in relation to the integrity of Capital Power's financial statements, financial reporting processes (including the integrated annual report and the annual information form), systems of internal accounting and financial controls, the risk identification assessment conducted by management including fraud risk assessment and the programs established by management and the Board in response to such assessment, the process by which management measures publicly disclosed progress towards the achievement

	of material, non-financial, sustainability related performance metrics, the internal audit function and the external auditors' qualifications, independence, performance and reports to Capital Power. In addition, the Committee monitors, evaluates, advises or makes recommendations on matters affecting the financial and operational control policies and practices relating to Capital Power, including the external, internal or special audits thereof. Finally, the Committee monitors, evaluates, advises or makes recommendations, in accordance with these terms of reference and any other directions of the Board, on matters related to liquidity, the raising of capital and capital allocation. The Committee's terms of reference are available on our website (www.capitalpower.com).
Key activities and priorities in 2023	• recommended annual public disclosure documents for the year ended December 31, 2022 • recommended quarterly financial statements, MD&As, and press releases • reviewed quarterly forecasts • monitored the external auditors (approved the audit plan, scope, and engagement letters, recommended the budget, and reviewed the interim and year-end audit reports) • recommended the external auditors to the Board for recommendation to our shareholders • conducted a comprehensive assessment of the external auditors • monitored the internal auditors (approved the audit plan and budget, reviewed the quarterly and annual audit status reports, and reviewed annual performance) • monitored risk management and internal controls (reviewed interim and annual certification of filings under CSOX, procedures for accounting and auditing complaints, quarterly litigation reports, quarterly ethics reports, management compliance certificates, fraud risk assessment, tax compliance and exposures, corporate insurance program, significant accounting estimates, and reviewed GAAP and securities updates) • monitored commodity portfolio management activities • recommended amendments to our commodity risk limits • recommended amendments to our commodity risk policy • received an annual cyber-security report detailing the Company's key initiatives and accomplishments within information services, industrial controls, and supply chain and a quarterly update identifying top threats, key learnings, emerging trends, and cyber-security metrics • recommended a normal course issuer bid, and monitored our strategy regarding share buy-backs pursuant to our normal course issuer bid • recommended amendments to our credit facilities • recommended medium term note (MTN) and subscription receipt offerings • recommended financing strategies related to financing scenarios for growth opportunities • reviewed our financial exposure management, including investment, banking and treasury risk, credit ratings, corporate liquidity, and interest rate and foreign exchange risks • recommended amendments to our financial exposure management policy • recommended amendments to our contract execution and spending authority policy • recommended reactivation of our dividend reinvestment plan • recommended a dividend increase • received credit reports regarding major credit risk exposures and counterparties • recommended amendments to our credit policy • reviewed our ethics policy and its investigation procedures • reviewed our disclosure and insider trading policy • recommended amendments to the Committee's terms of reference • reviewed the Committee's effectiveness • reviewed post-implementation reviews of acquisitions and major projects in accordance with the investment policy • identified focus areas for the Committee and discussed progress with respect to these focus areas in camera at every meeting • reviewed management's progress regarding digital transformation of the Capital Power Finance function • reviewed the process used by management to measure publicly disclosed progress towards the achievement of material non-financial performance metrics to ensure accuracy and reasonableness • reviewed climate/ESG evolving disclosure requirements and best practices

Pre-approval policies and procedures

The Committee must pre-approve any non-audit services to be provided by the external auditors. If, because of time constraints, the Committee is unable to give pre-approval, the Committee Chair has authority to pre-approve additional services up to $100,000 per service and a maximum of $250,000 per year, as long as the Committee Chair reports them at the next Committee meeting for ratification.

There were no non-audit related services which required approval in 2023.

The Committee met four times in 2023 and met without management present at every meeting. The Committee also met with the external auditor and with the internal auditor without management present at every meeting.

PEOPLE, CULTURE, AND GOVERNANCE (PCG) COMMITTEE

Members	Kelly Huntington (Chair) Gary Bosgoed, Carolyn Graham, Barry Perry, Jane Peverett Jill Gardiner (ex-officio, non-voting member)
Independent	100%
Qualifications	All members have expertise in governance and human capital management: • Kelly Huntington has senior executive and chief executive officer experience with responsibility and/or support for executive compensation design, implementation and review, has experience as a director of non-profit organizations as a member or chair of the committee with responsibility for compensation and nominations/governance, and has the NACD.DC designation • Carolyn Graham has the ICD.D designation and during prior experience as chief financial officer and chief risk officer at a schedule 1 bank, supported its human resources committee with alignment of executive compensation with strategy and core values, and with risk assessment of compensation policies and practices • Gary Bosgoed has senior executive and chief executive officer experience including over thirty years experience in executive compensation oversight and is a member of the governance and nominations committee for a public company • Barry Perry has senior executive and chief executive officer experience and serves on the human resources and compensation committee for CPP Investments, and the human resources committee for RBC. • Jane Peverett has previous board chair experience including compensation and governance committee experience, was past chair of a public company governance committee, and has the ICD.D designation
Key responsibilities	The purpose of the Committee is to: • review and recommend to the Board the establishment and maintenance of appropriate structures, processes and policies required within Capital Power to address governance issues and maintain compliance with recognized corporate governance guidelines • make recommendations regarding the Board's effectiveness and identify and recommend individuals to the Board for nomination as Board members and review matters related to director succession • review and determine matters affecting workforce and compensation • review and determine key compensation and human capital management policies, so that such policies foster programs that consider current market practice and provide total compensation which is competitive • review incentive programs to foster performance and alignment with long term shareholder interests • review potential risks associated with the compensation programs • develop and execute on a CEO succession strategy; review the plan at least annually, and when required, lead the process, or recommend the creation of an ad hoc committee, to identify a candidate for appointment to the position of CEO • review management's recommendations and policies regarding succession planning (including crisis management) for executives of Capital Power and certain non-executive roles, with a focus on high potential, critical skills and diverse candidates, including a review of talent development and management programs • review key human capital issues by reviewing workplace culture and engagement strategies in addition to strategy and programs that advance equity, diversity, and inclusion throughout the Company, and monitor performance within these areas The Committee's terms of reference are available on our website (www.capitalpower.com).
Key activities and priorities in 2023	*Board composition, development and compensation* • reviewed our director skills matrix and Committee structure and membership • reviewed the board succession plan, and reviewed CEO and executive succession planning • recommended our director nominees for our 2023 annual meeting of shareholders • recommended the record and annual meeting dates for our 2024 annual meeting of shareholders • recommended Committee appointments • recommended new director candidates to the Board • monitored CEO transition progress • recommended director compensation changes effective for 2024 remuneration • recommended composition, terms of reference, and compensation for ad hoc GCCS Committee • recommended compensation for chair of ad hoc CEO Search Committee

Key activities and priorities in 2023, continued	*Corporate governance* • recommended our governance and compensation disclosure in the AIF for the year ended December 31, 2022, the Integrated Annual Report, and the circular in connection with our 2023 annual meeting of shareholders • reviewed our disclosure and insider trading policy • reviewed terms of reference of the Board, all Committees, the Chair, individual directors and CEO and recommended changes where applicable • reviewed our Board evaluation process and assessed director, Board and Committee performance • reviewed our corporate governance practices and our disclosure of those practices • kept abreast of developments in corporate governance trends and practices • identified focus areas for the Committee and discussed progress with respect to these focus areas in camera at every meeting *People, compensation and benefits* • assessed performance for the 2022 annual incentive plan • recommended the 2024 Capital Power annual objectives (including for the CEO) • recommended the CEO's and executives' base salaries, target short-term incentive awards, long-term incentive grants, and 2024 performance measures for the short-term and long-term incentive program • reviewed our compensation policies and practices, including management's key messages for compensation disclosure and risk management • reviewed our compensation programs to ensure the design of the programs consider current market best practices • reviewed regular updates on performance for the 2023 annual incentive plan • reviewed the 2024 long-term incentive plan PSU measures • approved management's recommendations for base salary adjustments, short-term incentive program awards (including merchant short-term incentive program awards) and long-term incentive grants to non-executives, and our 2024 performance measures for the non-executive short-term incentive program • reviewed our compensation principles, which we use to guide the development and execution of our compensation programs • considered the risks associated with our compensation programs and policies • recommended the executive compensation peer groups effective for the 2024 compensation review • recommended the performance peer group for performance share units • recommended alternative termination provisions for the Long Term Incentive Program (LTIP) with an emphasis on retention and succession preparedness of critical talent • recommended changes to the executive performance measures for the 2024 short-term incentive (STI) program to better highlight the emphasis of ESG-related measures on executive pay • received updates on workplace culture and employee engagement • received updates on our equity, diversity, and inclusion initiatives • reviewed the governance of our pension and other benefit plans and the executive compensation program and recommended amendments to the supplemental retirement pension plan • approved union mandates • approved the replenishment of a discretionary off-cycle RSU pool and continued delegation of granting authority to the CEO • received a report on executive share ownership guidelines

Independent compensation consultant

The Committee has an independent compensation consultant policy that sets out guidelines for the relationship between the Committee, management, and the independent consultant. The policy is available on our website (www.capitalpower.com).

The Committee retains an independent consultant (Meridian Compensation Partners) for executive compensation matters because it recognizes the importance of receiving third party advice which is independent from management. This helps ensure that the Committee's decisions and recommendations are appropriate for Capital Power and are consistent with market and good governance practices.

The consultant is responsible to the Committee and must keep all matters confidential. It must also advise the Committee Chair of any potential conflicts of interest. The Committee's consultant has never undertaken any work for management. See page 55 for details about their services and fees.

WTW is management's consultant and provides management with consulting advice and administrative support on compensation, pensions and benefit matters.

The Committee met five times in 2023 and met without management present at every meeting.

HEALTH, SAFETY AND ENVIRONMENT (HSE) COMMITTEE

Members	Keith Trent (Chair) Gary Bosgoed, Jane Peverett, Robert Phillips Jill Gardiner (ex-officio, non-voting member)
Independent	100%
Qualifications	All members are knowledgeable about our HSE programs and policies. They are also skilled or experts in sustainable business practices, including HSE and social responsibility, and have other expertise relevant to the Committee mandate. • Keith Trent has extensive senior executive operational and HSE experience and extensive in-house legal experience with a major US energy company • Gary Bosgoed is an engineer, has extensive senior executive experience in infrastructure, industrial, commercial and institutional projects and is a member of the HSE and reserves committee for MEG Energy • Jane Peverett is a former chief executive officer and chief financial officer in the power and energy infrastructure business and serves on a number of other boards • Robert Phillips is a former chief executive officer, has corporate law experience and has senior executive experience with energy related companies
Key responsibilities	The Committee oversees matters relating to the impact of our operations on the environment and on the workplace health and safety of employees, including: • reviewing our strategies, goals and policies for the three areas and revising them as appropriate • matters of health, safety, and environment • monitoring our performance in these areas • reviewing and recommending operational short and long term key performance metrics • material operational events and trends • major construction projects The Committee's terms of reference are available on our website (www.capitalpower.com).
Key activities and priorities in 2023	• reviewed our overall performance in HSE, including our HSE policy, training, compliance and trends • recommended amendments to our Health, Safety, Security, and Environment (HSSE) policy • reviewed risk management and audit activities related to this area • reviewed our annual disclosure on HSE, which was recommended to the Board for approval • monitored current, pending or threatened material, HSE related legal/regulatory actions by or against Capital Power • monitored changes and proposed changes to environmental laws and regulations • monitored our progress with implementing a world class safety program • received a report on management of contractor safety performance and reporting • reviewed proposed amendments to our HSE objectives and performance indicators and other key performance metrics related to our short-term incentive plan, long-term business plan and operations, and recommended the same to the Board and PCG Committee, as applicable • recommended amendments to the Committee's terms of reference • received updates regarding our plant operations • received updates regarding our construction activities • identified focus areas for the Committee and discussed progress with respect to these focus areas in camera at every meeting

The Committee met three times in 2023 and met without management present at every meeting.

3. Compensation

Director compensation

Compensation discussion and analysis

APPROACH TO COMPENSATION

Our director compensation program is designed to attract and retain the most qualified people to serve on our Board. The program recognizes the size and complexity of Capital Power, the director compensation paid by a peer group of companies (which is the same group used to assess executive compensation), and the importance of share ownership to align the interests of directors and shareholders.

Avik Dey does not receive any director compensation because he is an employee of Capital Power and is compensated in his role as President & CEO.

SHARE OWNERSHIP

The Board believes in aligning the interests of directors and shareholders. We have share ownership guidelines which require directors to hold at least three times the total value of their annual cash and equity retainer in common shares and deferred share units (DSUs). The value of ownership is calculated at the higher of cost of acquisition or market price as of the date of the circular. Directors must meet the requirement within five years of the date they were appointed or elected to the Board or within five years after a material change to their compensation.

As of March 11, 2024, six of the eight independent directors met the requirements (see page 46). The independent directors who have yet to meet our share ownership requirement are still within the five-year period as set out in the guidelines.

See the director profiles beginning on page 14 for the details of their individual holdings.

DECISION-MAKING PROCESS

The PCG Committee reviews director compensation every two years (last reviewed in October 2023, the results of which can be found below), including an assessment of our director and executive compensation peer group selection criteria as well as the alignment of the current peer group with the criteria. Director compensation is benchmarked against the same peer group that is used for benchmarking executive compensation, which can be found on page 51.

ELEMENTS OF COMPENSATION

Director compensation includes annual cash, equity, Committee Chair and Committee membership retainers, and a modest travel allowance if a director cannot travel to and from a Board or Committee meeting within the same day. The annual equity retainer is paid in deferred share units (DSUs) to promote equity ownership and align the interests of directors and shareholders.

The table below shows our director fee schedule for 2023.

Compensation element	Payee	Amount
Annual cash retainer(1)	Board Chair	$165,000/yr
	All other independent directors	$80,000/yr
Annual equity retainer(2)	Board Chair	$175,000/yr
	All other independent directors	$90,000/yr
Annual Committee Chair retainer	Audit	$20,000/yr
	PCG	$20,000/yr
	HSE	$15,000/yr
Annual Committee member retainer(3)	Audit	$6,000/yr
	PCG	$6,000/yr
	SE	$4,000/yr
Travel allowance(4)	Independent directors, as applicable	$500(5)

Notes

(1) If the number of Board meetings exceeds 12 per year, the Board reserves the right to consider adding meeting fees in the amount of $1,500 per additional meeting (attendance fees).

(2) All directors are subject to share ownership guidelines of 3x the total cash and equity retainer to be achieved by the end of 5 years after the date of their appointment or within 5 years of a material change to their compensation.

(3) The Board reserves the right to consider meeting or retainer fees for any ad hoc special committees established.
(4) Directors are entitled to be reimbursed for all reasonable travel expenses directly and necessarily incurred in connection with service on Capital Power's Board. When a director's travel serves multiple purposes (including non-Capital Power ones), Capital Power will contribute an amount that is no greater than that which would have been reasonably required to travel directly to and from the Capital Power business.
(5) Should a director be required to travel from their place of residence the day before a Board or Committee meeting, or should a member have to travel back to their residence the day following a meeting, then a travel allowance fee is allocated.
(6) US resident directors are paid the amounts listed above in US dollars (for example, US resident directors receive an annual retainer of US $80,000 per year and an annual equity retainer of US $90,000 per year) to provide consistent compensation to US resident directors in their home country currency, regardless of the Canadian and US dollar exchange rate.
(7) Directors may elect to receive all or a portion of their annual retainer, Committee Chair retainer, or Committee retainer in DSUs, in accordance with our DSU plan.

The Board conducted a review of director compensation in October 2023 and to align director compensation with market median resolved to increase:

- the annual cash retainers for the Board Chair and all other independent directors to $185,000/yr and $100,000/yr respectively;
- the annual equity retainers for the Board Chair and all other independent directors to $195,000/yr and $110,000/yr respectively;
- the annual Audit Committee Chair cash retainer to $25,000/yr; and
- the annual Audit Committee Member cash retainer to $10,000/yr.

These changes took effect with the 2024 remuneration.

DSU plan

DSUs are credited to directors as notional units which have the same downside risk and upside opportunity as common shares, but do not have a dilutive effect and must be held until the director leaves the Board. We calculate the number of DSUs to be granted by dividing the amount of the retainer by the volume-weighted average closing price of our common shares on the TSX for the five trading days immediately preceding the grant date. Using a five-day volume-weighted average is common practice among Canadian public companies and may reduce the potential impact of share price volatility when determining the size of the grants than if using the share price from a single day.

DSUs vest immediately and cannot be redeemed until a director leaves the Board. DSUs earn dividend equivalents as additional whole or partial notional units at the same rate as dividends paid on our common shares. DSUs are redeemed for cash. The plan provides that cash payments for redeemed DSUs shall be calculated using the volume-weighted average closing price of our common shares on the TSX for the five trading days immediately before the date that:

(i) the Corporation receives an election notice (for non-US Taxpayers) or

(ii) is six months (for US Taxpayers)

both after a director leaves the Board.

We may amend the plan at any time if a change does not adversely affect the rights of directors to receive DSUs or any previously granted DSUs without their consent, unless the change is required by law.

In addition to the annual equity retainer, directors can elect to receive all or a portion of the annual cash retainer, Committee Chair retainer and/or Committee member retainer in DSUs. Retainers are paid quarterly.

2023 details

DIRECTOR COMPENSATION TABLE

The table below shows the type of compensation directors earned in 2023.

It does not include Avik Dey as he does not receive director compensation because he is an employee of Capital Power and is compensated in his role as President & CEO. Similarly, while Brian Vaasjo acted as President & CEO he too did not receive director compensation.

Doyle Beneby, Kelly Huntington, and Keith Trent received their compensation in US dollars, however their amounts stated in the table below are in Canadian dollars.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Doyle Beneby	131,891	120,665	–	–	–	2,681	255,237
Gary Bosgoed	93,000	90,000	–	–	–	1,000	184,000
Jill Gardiner	165,000	175,000	–	–	–	2,500	342,500
Carolyn Graham	38,333	37,500	–	–	–	500	76,333
Kelly Huntington	142,117	120,665	–	–	–	2,681	265,463
Barry Perry	106,000	90,000	–	–	–	2,000	198,000
Jane Peverett	97,500	90,000	–	–	–	2,000	189,500
Robert Phillips	90,000	90,000	–	–	–	1,500	181,500
Katharine Stevenson	53,667	52,500	–	–	–	500	106,667
Keith Trent	139,441	120,665	–	–	–	2,019	262,125

Fees earned
Represents the aggregate amount of directors' annual cash retainer, Committee Chair retainer and Committee member retainers. Directors can elect to receive all or a portion of the annual cash retainer, Committee Chair retainer and Committee member retainers in DSUs. See the table on the next page for a breakdown of the total fees earned.

Share-based awards
Represents the annual equity retainer paid in DSUs. The number of DSUs granted will be determined by dividing the amount of the retainer paid in DSUs by the volume-weighted average closing price for our common shares on the TSX for each of the five trading days immediately preceding the grant date.

All other compensation
Represents the travel allowance and attendance fees, if applicable, paid to directors, which are only paid in cash.

Notes

- Some directors received their compensation in US dollars to provide consistent compensation to US resident directors in their home country currency, regardless of the Canadian and US dollar exchange rate.
    - Doyle Beneby earned fees totalling US$98,500, share-based awards totalling US$90,000, and other compensation totalling US$2,000.
    - Kelly Huntington earned fees totalling US$106,000, share-based awards totalling US$90,000, and other compensation totalling US$2,000.
    - Keith Trent earned fees totalling US $104,000, share-based awards totalling US $90,000, and other compensation totalling US$1,500.
- Carolyn Graham was appointed to the Board effective August 2, 2023 and as such her compensation is pro-rated to that date.
- Katharine Stevenson resigned from the Board effective August 1, 2023 and as such her compensation is pro-rated to that date.
- Doyle Beneby is not standing for re-election in 2024

BREAKDOWN OF FEES EARNED

The table below shows the breakdown of fees earned by independent directors in 2023. Three directors served as Committee Chairs and received a retainer for that role:

- Kelly Huntington (PCG Committee);
- Barry Perry (Audit Committee); and
- Keith Trent (HSE Committee).

Doyle Beneby, Kelly Huntington, and Keith Trent received their compensation in US dollars, but their amounts stated in the table below are in Canadian dollars.

Directors can elect to receive all or a portion of the annual cash retainer, Committee Chair retainer and Committee member retainers in DSUs. Attendance fees, if any, are paid in cash.

Name	Total fees earned ($)	Annual director retainer ($)	Annual Committee Chair retainer ($)	Committee member retainer ($)	% of annual fees paid in cash	% of annual fees paid in DSUs
Doyle Beneby	131,891	107,258	13,193	11,440	0%	100%
Gary Bosgoed	93,000	80,000	–	13,000	100%	0%
Jill Gardiner	165,000	165,000	–	–	75%	25%
Carolyn Graham	38,333	33,333	–	5,000	0%	100%
Kelly Huntington	142,117	107,258	26,815	8,044	100%	0%
Barry Perry	106,000	80,000	20,000	6,000	50%	50%
Jane Peverett	97,500	80,000	7,500	10,000	0%	100%
Robert Phillips	90,000	80,000	–	10,000	0%	100%
Katharine Stevenson	53,667	46,667	–	7,000	100%	0%
Keith Trent	139,441	107,258	20,111	12,072	100%	0%

Notes

- Committee member retainers: Audit $6,000/yr; PCG $6,000/yr; HSE $4,000/yr.
- Carolyn Graham was appointed to the Board and Audit and PCG Committees as of August 2, 2023 and as such, her director and committee member retainers were pro-rated.
- Doyle Beneby resigned from the PCG Committee effective March 27, 2023 and as such his committee member retainer was pro-rated.
- As of August 1, 2023 Audit Committee members were Barry Perry (Chair), Carolyn Graham, Kelly Huntington, Robert Phillips, and Keith Trent. PCG Committee members were Kelly Huntington (Chair), Gary Bosgoed, Carolyn Graham, Barry Perry, and Jane Peverett. HSE Committee members were Keith Trent (Chair), Doyle Beneby, Gary Bosgoed, Jane Peverett, and Robert Phillips.
- Doyle Beneby is not standing for re-election in 2024.
- Katharine Stevenson resigned from the Board effective August 1, 2023 and as such her compensation is pro-rated to that date.
- As of March 11, 2024 Audit Committee members are Barry Perry (Chair), Carolyn Graham, Kelly Huntington, Robert Phillips, and Keith Trent. PCG Committee members are Kelly Huntington (Chair), Gary Bosgoed, Carolyn Graham, Barry Perry, and Jane Peverett. HSE Committee members are Keith Trent (Chair), Gary Bosgoed, Jane Peverett, and Robert Phillips.
- The Board established an ad hoc GCCS Committee in 2023 (comprised of Jane Peverett (chair), Doyle Beneby, Gary Bosgoed, Robert Phillips, and Keith Trent) with compensation retainers set at $15,000/yr annual chair retainer, $6,000/yr annual committee member retainer, with additional meeting fees to commence only after the Committee has met for more than fifteen hours in any calendar year ($1,000/meeting for meetings greater than or equal to two hours in duration, and $500/meeting for meetings less than two hours in duration).
- The Board established an ad hoc CEO Search Committee in April 2022 (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington and Robert Phillips). The ad hoc committee met informally several times since April 2022, however additional compensation was only paid to Doyle Beneby as committee chair. The CEO Search Committee was dissolved on April 17, 2023 and a new ad hoc CEO Transition Committee was formed (comprised of Doyle Beneby (chair), Jill Gardiner, Kelly Huntington, Robert Phillips, and Barry Perry). No additional remuneration was paid to the CEO Transition Committee members.
- Some directors received their compensation in US dollars to provide consistent compensation to US resident directors in their home country currency, regardless of the Canadian and US dollar exchange rate:
  - Doyle Beneby earned fees totalling US$98,500, comprised of US$80,000 (annual director retainer), US $10,000 (ad hoc CEO search committee chair retainer) and US$8,500 (HSE, PCG, and GCCS Committee member retainers).
  - Kelly Huntington earned fees totalling US$106,000, comprised of US$80,000 (annual director retainer), US$20,000 (annual Committee Chair retainer), and US$6,000 (Audit Committee member retainer).
  - Keith Trent earned fees totalling US$104,000, comprised of US$80,000 (annual director retainer), US$15,000 (annual Committee Chair retainer), and US$9,000 (Audit and GCCS Committee member retainers).
- As Capital Power held 13 Board meetings in 2023, the Board is considering adding an additional meeting attendance fee. If the resolution passes, a $1,500 meeting fee would be added to the Q1 2024 remuneration.

SHARE OWNERSHIP

The following table shows the common shares and DSUs each independent director nominee held as at March 11, 2024, and includes reinvested dividends. The value of common shares and DSUs reflects the higher of cost of acquisition or market price as of the date of the circular. Directors must meet the share ownership requirement within the later of five years of being appointed or within five years after a material change to their compensation.

Equity ownership of directors

As at March 11, 2024

Name	Ownership requirement ($)	Total common shares and DSUs (#)	Value ($)	As a % of ownership requirement (%)	Meets ownership requirement	Deadline to meet ownership requirement
Gary Bosgoed	630,000	3,568	$148,974	24%	in progress	January 1, 2029
Jill Gardiner	1,140,000	54,103	$2,146,748	188%	yes	January 1, 2029
Carolyn Graham	630,000	3,237	$125,512	20%	In progress	January 1, 2029
Kelly Huntington	849,933	41,360	$1,630,809	192%	yes	January 1, 2029
Barry Perry	630,000	33,671	$1,328,432	211%	yes	January 1, 2029
Jane Peverett	630,000	20,788	$845,382	134%	yes	January 1, 2029
Robert Phillips	630,000	30,610	$1,228,559	195%	yes	January 1, 2029
Keith Trent	849,933	31,434	$1,247,008	147%	yes	January 1, 2029

Notes

- See Director Profiles starting on page 14 for a breakdown of the number of each type of instrument used in the valuation.
- As of the date of the circular, the closing price for our common shares on the TSX was $38.78.
- All directors are subject to share ownership guidelines of 3x the annual cash and equity retainer (excluding Committee and Chair retainers) to be achieved by the end of 5 years after the date of their appointment or within 5 years of a material change to their compensation.
- Effective January 1, 2024, the annual equity and cash retainers for the Chair and all other independent directors was increased by $20,000 respectively and as such, the deadline to meet the ownership requirement was reset.
- Avik Dey's share ownership requirement as CEO is calculated as of December 31, 2023 and can be found on page 52.

Share-based awards

The following table sets out information regarding DSUs outstanding as at December 31, 2023:

	Share-based awards (DSUs)			
Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Number of shares or units of shares that have vested (#)	Market value or payout value of vested share-based awards not paid out or distributed ($)
Gary Bosgoed	0	0	2,979	112,741
Jill Gardiner	0	0	42,503	1,608,295
Carolyn Graham	0	0	806	30,501
Kelly Huntington	0	0	40,564	1,534,926
Barry Perry	0	0	6,735	254,860
Jane Peverett	0	0	17,611	666,394
Robert Phillips	0	0	23,174	876,889
Keith Trent	0	0	30,638	1,159,345

Notes

- Directors do not receive stock options.
- DSUs vest in full when awarded to Directors.
- Number of shares or units of shares that have vested includes reinvested dividends.
- Market value or payout value of vested share-based awards not paid out or distributed is based on $37.84 the closing price of our common shares on the TSX on December 29, 2023.

Executive compensation

Letter to shareholders

March 11, 2024

Dear shareholders,

On behalf of the Board, and the PCG Committee (the Committee), I am pleased to share with you Capital Power's compensation discussion and analysis (CD&A). Your Board and the PCG Committee continue to keep up to date with trends and best practices to ensure our approach to executive compensation is current, supports our strategy, and aligns with the interests of our shareholders. We strive to deliver compensation programs that are realistic and understandable to our employees, shareholders, and other stakeholders.

Capital Power's strategic priority is to provide shareholders with a strong long-term total return by effectively managing our existing operations and growing our asset portfolio. Our market competitive compensation programs are aligned with these strategies with a strong pay-for-performance orientation that supports the attraction, retention, and motivation of employees. Through our ongoing commitment to our people, we maintain a safe, healthy, and responsible corporate culture and workplace that enables employees to do their best work. Together, we are focused on the future.

Committee oversight
The Board holds an annual 'say on pay' advisory vote to receive direct feedback from shareholders on Capital Power's executive compensation. We are pleased that shareholder support to date has been very strong with approval in the range of 90% to 99% (97.20% in 2023).

The Committee considers and monitors compensation risk to ensure that our programs continue to support the right level of risk-taking throughout the organization and remain aligned with our shareholders' interests.

In addition to our regular annual work (see page 39), the Committee undertook the following initiatives in 2023:
- provided oversight to the ad hoc committee responsible for recruiting and recommending a new President & CEO;
- provided support for the successful transition to the new President & CEO;
- recommended revisions to the termination provisions for the Long-Term Incentive Program (LTIP) with an emphasis on retention and succession preparedness of critical talent; and
- reviewed and recommended to the Board changes to the executive performance measures for the 2024 short-term incentive (STI) program focusing on the completion of repowering and the progress of other major construction projects.

Succession planning
We recognize the need to continue to evolve to meet our changing environment. Our succession planning initiatives include developing our talent, refining our processes, and realigning responsibilities to make us stronger and position us to maximize Capital Power's future potential.

Following the successful transition to the new President and CEO, we realigned our organizational structure to enhance and accelerate the delivery of our strategy. As part of this effort, we expanded our Executive Team through three internal promotions and one external hire and realigned responsibilities, demonstrating our commitment to developing diverse, high-potential employees to prepare them for broader roles within the organization and positioning us to lead the Company to net zero by 2045.

2023 performance (see page 63)
We measure performance against financial and non-financial targets that align with Capital Power's long-term corporate strategy. Corporate measures used to assess performance for incentive purposes include funds from operations (FFO), health, safety and environment (HSE) performance, an annual strategic objective (in 2023, a committed capital objective) and a growth objective. Each named executive officer (NEO) has additional individual business and ESG objectives related to their role that may include operational performance, asset optimization activities, cost management, retention, succession planning, diversity, and ESG initiatives and reporting.

Capital Power had a very successful year due to the work of the executive and employees across the organization who demonstrated their agility and resilience to dynamic and challenging circumstances. FFO results were among our highest ever, we made significant investments in new projects, and our operations and safety performance remained strong; however, we faced difficulties with the execution of our construction projects.

Overall, the Board assessed corporate performance as close to target:

- we generated $941 million of FFO which was below target, but significantly higher than last year;
- we achieved HSE performance between our target and stretch goalposts;
- we continued to invest in strategic growth, committing $2.5B of capital which surpassed our stretch objective; and
- we underperformed on several major construction projects, and did not achieve threshold performance levels.

Corporate ESG measures include measures related to the retention of our people, strengthening the diversity of our workforce and other ESG initiatives. We had strong performance in most of these areas during the year.

Capital Power delivered a total shareholder return (TSR) of -15.1% in 2023 and a 3-year TSR of 24.3%.

2023 compensation highlights

Based on our corporate and individual performance, short term incentive program (STIP) payments were awarded to the NEOs. Overall, the total performance result and resulting payout factor for executives with fully successful individual performance was below target, with a total payout factor at 99.3%.

Over the three-year performance period from 2021 to 2024, Capital Power's relative TSR performance resulted in a payout multiplier for our 2021 performance share units of 187% (of target).

As a Committee, we have discretion to adjust incentive payouts to ensure that compensation outcomes align with performance and reflect the risks undertaken to achieve results. No adjustments were made in assessing 2023 performance.

For 2024, we are increasing the base salary for most NEOs and three NEOs will have their LTIP target increased. These changes are being made to maintain alignment of the compensation package with the median of our executive compensation peer group.

Looking ahead

The Board is pleased that management continues to execute on our strategy, while preparing our people and operations for an even more dynamic future. The Committee recognizes the importance of maintaining alignment with market practice to underpin our ability to attract, retain, motivate, and reward all employees to deliver long term shareholder value.

This Committee is experienced, knowledgeable and diligent, and will continue to work hard to do what is right for Capital Power and its shareholders to support future growth and to benefit all stakeholders.

You can contact the Committee or the Board through the Corporate Secretary, Capital Power Corporation,12th floor, 10423 – 101 Street, Edmonton, Alberta T5H 0E9, or via e-mail at Board@capitalpower.com.

Sincerely,

Kelly M. Huntington

Kelly Huntington
Chair, People, Culture, and Governance (PCG) Committee

Compensation Practices

The following table summarizes our compensation governance practices which are reviewed regularly for continued alignment with market and best practices.

✓ What We Do	× What We Don't Do
Compensation Design ✓ Provide majority of our compensation in variable pay which is at-risk and contingent on performance ✓ Link majority of our variable pay to long-term performance ✓ Align our compensation programs with our business strategy, shareholder returns, and our ESG commitments ✓ Cap payouts from our incentive programs ✓ Include financial and HSE circuit breakers in our short-term incentive program design, eliminating payouts if performance does not meet threshold levels ✓ Include 3-year cliff vesting of share units in our long-term incentive program design to encourage appropriate risk-taking that considers sustainable growth of shareholder value ✓ Use a minimum (or floor) of 15% of the share price when granting stock options to moderate leverage ✓ Apply discretion to address extenuating circumstances ✓ Claw-back awards from executives if we are required to restate our financial and other results or if executive misconduct has resulted in a material negative impact on the business, its reputation, or its financial condition ✓ Provide a defined contribution supplemental retirement plan to new executive hires ✓ Prohibit insiders from hedging by engaging in any transaction in which they could benefit, directly or indirectly, if the value of any of our securities falls *Compensation Governance* ✓ Have a qualified and independent committee that uses an independent advisor ✓ Require executives to have a meaningful ownership stake in the Company plus a post-employment hold for the CEO ✓ Cap CEO severance at 24 months ✓ Allow executives to defer annual incentive payments into deferred share units to increase long-term alignment ✓ Have double trigger change-of-control provisions requiring both a change of control and termination by the executive for good reason (see page 81 for definition) ✓ Consider our risk profile when assessing compensation designs and outcomes ✓ Review the historical pay outcomes for our President & CEO relative to our performance ✓ Provide for an annual "say on pay" vote	× Re-price stock options or grant options at a discount × Guarantee a minimum payment in our incentive programs, including our performance share units × Encourage excessive risk-taking through our compensation programs × Benchmark compensation against unreasonable or aspirational peer companies

Compensation discussion and analysis

The CD&A discusses executive compensation for 2023 for our named executives:

- Avik Dey, President & CEO
- Sandra Haskins, Senior Vice President, Finance & CFO
- Bryan DeNeve, Senior Vice President, Chief Commercial Officer
- Jacquie Pylypiuk, Senior Vice President, Technology, Chief People & Culture Officer
- Jason Comandante, Senior Vice President, Head of Canada
- Brian Vaasjo, former President & CEO (retired June 4, 2023)
- Kathryn Chisholm, former SVP, Planning, External Relations and Chief Sustainability Officer (retired July 5, 2023)
- Chris Kopecky, former SVP and Chief Legal, Development and Commercial Officer (left Capital Power September 15, 2023)

In this CD&A, all references to *Committee* mean the Board's PCG Committee, which has reviewed and approved the contents of this section.

APPROACH TO COMPENSATION

Philosophy and objectives

Our executive compensation is designed to pay for performance. We use direct and indirect compensation to create a total compensation package that is competitive with our peers.

Our program aims to achieve three key objectives:

- attract, retain and reward high performing employees;
- link compensation with our business strategy and objectives, including our ESG-related commitments; and
- align total compensation with the interests of shareholders.

The Committee sets our strategy for executive compensation. It focuses on short, medium and long-term performance goals and the need for executives to have an ownership stake in Capital Power to achieve our business priorities and enhance our value for shareholders.

Compensation component			Key objectives: Attract and retain high performing talent	Key objectives: Link compensation to business strategy and objectives	Key objectives: Align compensation with interests of shareholders
Base salary		See pages 56, 63, 70, and 72	✓ Competitive base level of fixed compensation based on scope of responsibilities and market data ✓ Rewards experience, expertise and execution of responsibilities		
Short term incentives	*Short term incentive program (STIP)*	See pages 56, 62, 63, and 72		✓ Based on achievement of annual performance targets that support overall strategic direction ✓ Rewards achievement of annual corporate objectives and individual performance goals	
Long term incentives		See pages 56, 58, 62, 66, 68, 72, 75, and 77			✓ Equity-based compensation for sustaining mid to long-term performance aligning interests of executives and shareholders ✓ Used to retain executives ✓ Rewards achievement of mid to long-term performance results and growth in share price
	Performance share units (PSUs)	See pages 59, 66, 72, 75, and 76			
	Stock options	See pages 60, 68, 72, 75, and 76			
	Restricted share units (RSUs)	See page 59			

Staying competitive through benchmarking

We benchmark our executive compensation against a peer group of companies that we compete with for executive talent. When developing this group, we consider comparably sized companies, as determined by financial criteria such as revenue, total enterprise value and total assets from related industries and geographies.

For 2023 executive compensation-setting, the following peer group criteria was used:

- utility and related companies from across Canada (13 of 20), to align with the industry we operate in;
- publicly traded energy services and exploration and production companies from Alberta (4 of 20), to consider the commodity risk inherent in parts of our business; and
- general industry companies with headquarters in Edmonton (3 of 20), to reflect one of the primary markets we recruit talent from.

The list of peer companies that meet the 2023 peer group criteria is as follows:

Primary screen: Utilities/Related Companies in Canada	Secondary screen 1: Energy Services & E&P Companies in Alberta	Secondary screen 2: General Industry Companies in Edmonton
Algonquin Power & Utilities Corp.	ARC Resources Ltd.	ATB Financial Inc.
AltaGas Ltd.	Crescent Point Energy Corp.	Canadian Western Bank
ATCO Ltd.	Ensign Energy Services Inc.	Stantec Inc.
Boralex Inc.	Precision Drilling Corporation	
ENMAX Corp.		
EPCOR Utilities Inc.		
Gibson Energy Inc.		
Innergex Renewable Energy Inc.		
Keyera Corp.		
Northland Power Inc		
Parkland Fuel Corporation		
Superior Plus Corp		
TransAlta Corporation		

The Committee and external consultants review the peer group annually to ensure the criteria remains relevant and that the companies in the group remain aligned with these criteria. In July 2023, the Committee approved a recalibration of the peer group criteria: raising the ceiling on revenue range to address Capital Power's development pipeline and revenue growth since 2021; and, collapsing the two secondary screens into one to better capture the practical local market for executive talent with industry-specific skills. When developing the group, we also consider the business focus of any potential peers to ensure an appropriate overlap with Capital Power operations. The peer group criteria used to set executive compensation for 2024 are detailed below, and the list of peer companies follows:

- utility and related companies from across Canada (13 of 18), to align with the industry we operate in;
- publicly traded companies in Alberta (5 of 18), to reflect the primary market we recruit talent from.

Primary screen: Utilities/Related Companies in Canada	Secondary screen: Publicly traded in Alberta
Algonquin Power & Utilities Corp.	Crescent Point Energy Corp.
AltaGas Ltd.	Ensign Energy Services Inc.
ATCO Ltd.	Precision Drilling Corporation
Boralex Inc.	Stantec Inc.
ENMAX Corp.	Whitecap Resources Inc.
Emera Incorporated (new)	
EPCOR Utilities Inc.	
Gibson Energy Inc.	
Innergex Renewable Energy Inc.	
Keyera Corp.	
Northland Power Inc	
Superior Plus Corp	
TransAlta Corporation	

The group of 18 companies is well balanced from various perspectives, including size, industry, and region. The table below summarizes Capital Power's positioning against the peer group (all values are in millions of $).

	($ millions)		
Market	**Total revenue[1]**	**Total enterprise value[2]**	**Total assets[1]**
25th percentile	$2,159	$5,878	$5,851
50th percentile	$3,459	$8,449	$9,193
75th percentile	$5,563	$16,085	$17,432
Capital Power Corporation	**$4,068**	**$8,402**	**$11,156**
	60th percentile	**49th percentile**	**60th percentile**

Notes

(1) Total revenue and total assets reflect the most recent fiscal year.
(2) Total enterprise value reflects 3-month average ending December 31, 2023.

We obtain market data from publicly available proxy circulars and third-party compensation surveys to compare executive base salaries and short and long-term incentive awards for positions that are similar in scope and responsibility.

Compensation for element, and overall total direct compensation, is targeted at the median of the peer group. The resulting total target direct compensation (base salary and short and long-term incentives) will produce above median compensation in the event of superior corporate and individual performance. Conversely, in challenging performance years, resulting total direct compensation will be below median, reinforcing our strong alignment between pay and performance.

Share ownership requirements

We require executives to own shares in Capital Power to align their interests with those of our shareholders. Minimum requirements increase by level of executive, and individuals must meet the requirements within five years of being appointed to the position or from the date that a change has been made to the required guideline. The CEO is subject to a one-year post-retirement equity hold period.

	Share ownership guideline
Level of executive	**As a multiple of base salary**
President & CEO	5 x
All Senior Vice Presidents	2 x

Share ownership for each executive is based on the sum of the number of common shares, unvested restricted share units and vested executive deferred share units (DSUs) held. Stock option and PSU grants do not count towards an executive's ownership requirement. The Executive DSU plan allows executives to voluntarily defer all or a portion of their annual short-term incentive award into DSUs. The DSU plan helps to facilitate equity ownership by providing executives a way to acquire share units on a pre-tax basis. Participation in the voluntary DSU deferral program is capped at the level required by executives to comply with their guidelines. As with DSUs held by directors, the DSUs vest immediately but the value of the DSUs cannot be accessed until they leave the Company.

The following table shows the common shares and share units each named executive held on December 31, 2023. The value of equity reflects the higher of cost of acquisition or $37.84, the closing price of our common shares on the TSX on December 29, 2023. The estimated value of RSUs includes dividend equivalents and represents the payout value on an after-tax basis (using a marginal tax rate of 48%).

	Avik Dey [1]	**Sandra Haskins**	**Bryan DeNeve**	**Jacquie Pylypiuk[2]**	**Jason Comandante[3]**
Base Salary	$835,000	$460,000	$440,000	$340,000	$370,000
Current Equity Ownership					
Value of common shares	$0	$381,881	$1,455,818	$476,924	$0
Multiple of salary	0	0.8	3.3	1.4	0
Value of DSUs & after-tax RSUs	$272,296	$508,881	$648,580	$81,907	$160,271
Total ownership value	$272,296	$890,763	$2,104,398	$558,831	$160,271
Multiple of salary	**0.3**	**1.9**	**4.8**	**1.6**	**0.4**
Compliance Assessment[4]					
Meets ownership requirement?	In Progress	In Progress	Yes	In Progress	In Progress
Compliance date	May 8, 2028	July 30, 2025	May 1, 2020	July 30, 2025	August 29, 2028

Notes

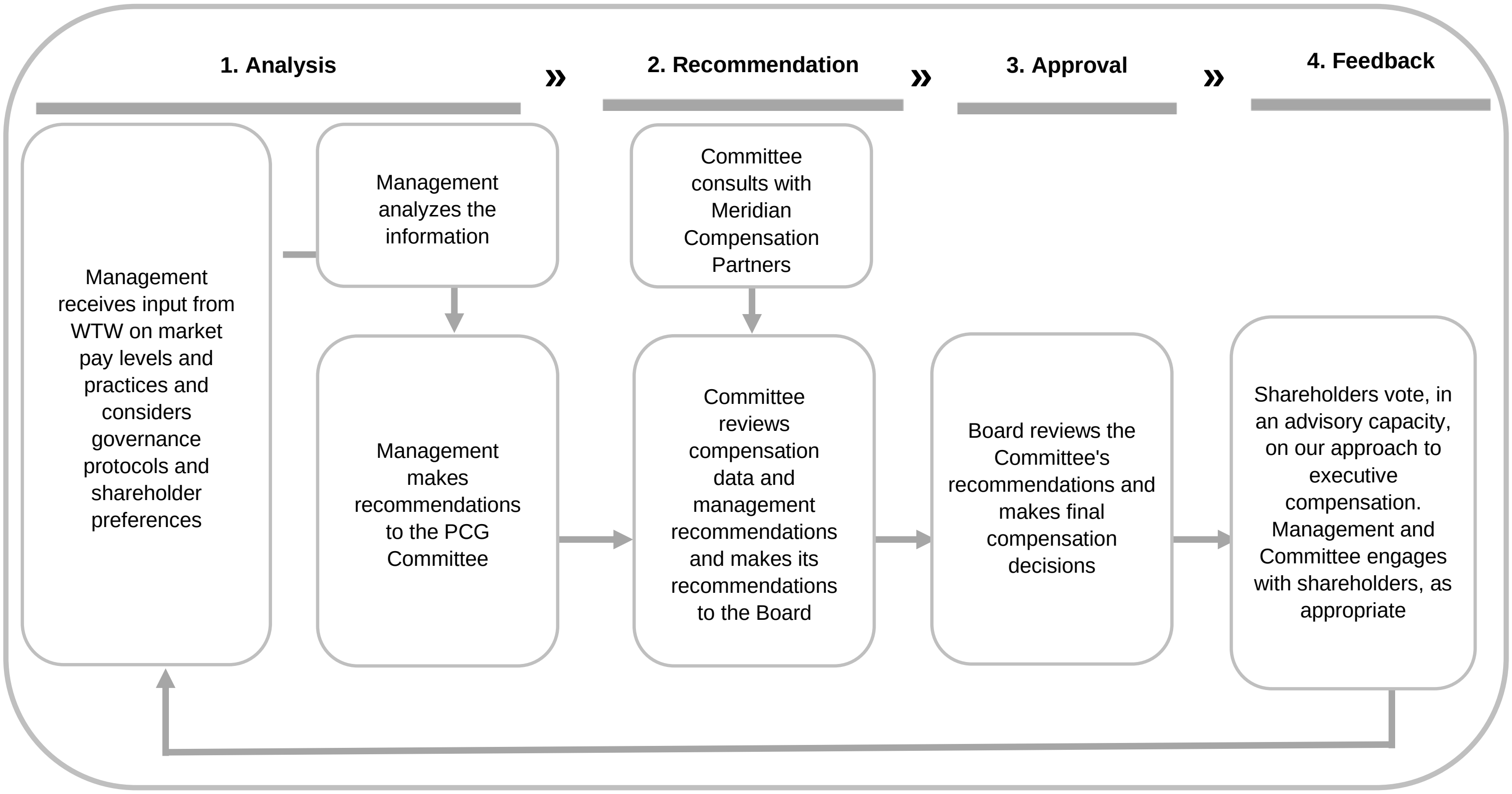
(1) Avik Dey is subject to a 1-year post-retirement hold period on equity ownership compliance.
(2) Jacquie Pylypiuk was appointed SVP on July 30, 2020.
(3) Jason Comandante was appointed SVP on August 29, 2023.

(4) Brian Vaasjo, former President & CEO (retired June 4, 2023) is subject to a 1-year post-retirement hold period on equity ownership compliance. As of December 31, 2023, Mr. Vaasjo complies, as he holds a 7x multiple of base salary (as of his retirement date) compared to the ownership requirement of a 5x multiple of base salary.

Hedging Prohibition

We have an anti-hedging policy that prohibits insiders from engaging in any transaction in which they could benefit, directly or indirectly, if the value of any Capital Power security falls. In addition, all directors and any employee that has a minimum share ownership requirement is prohibited from pledging equity interests used to satisfy their ownership requirement.

DECISION-MAKING PROCESS



All executive compensation decisions are based on a formal process that involves management, the Committee and the Board. Management's external consultant (WTW) and the Committee's independent compensation consultant (Meridian Compensation Partners) also provide input.

Analysis
Compensation planning is integrated with the annual business planning and budgeting process as well as our long-term planning process. Financial, operational and ESG targets are set based on the overall strategic plan and business priorities applicable to the time horizon of the respective compensation program.

Management researches compensation information with input from WTW that includes data analysis from peer group proxy circulars.

Management assesses the information and makes recommendations to the Committee.

Recommendation
The Committee reviews the compensation strategy and program design to ensure they align with our business needs. It reviews the total compensation of the CEO and other executives against market data and recommends any changes to compensation levels to the Board. The Committee approves the annual salary increase budget for non-executives and the design of incentive programs.

In addition, the Committee reviews the CEO's performance and his individual performance assessments of the other executives and recommends the executive STIP awards to the Board. It also reviews and approves the total payout of the STIP and the measures for the LTI program to ensure they reinforce our key priorities.

Independent advice
The Committee has retained an independent consultant for executive compensation considerations because it recognizes the importance of receiving third party advice from a subject matter expert that has no relationship with management. This helps to ensure that the Committee's decisions and recommendations are made in an objective manner and are appropriate for Capital Power and consistent with market practices.

The consultant provides independent advice on:

- market trends and practices;
- compensation and performance;
- peer groups for executive and director compensation;
- executive and director compensation benchmarking;
- the performance framework and performance assessment process;
- considerations related to levels of compensation in the competitive market provided by management and its advisor;
- CEO and executive compensation packages and annual STIP and LTIP awards; and
- other compensation and related governance matters included within the Committee's mandate.

The consultant is responsible to the Committee and must keep all matters confidential. It must also advise the Committee Chair of any potential conflicts of interest.

The Board has a policy that sets out broad guidelines for the independent consultant relationship. The policy limits the consultant's exposure to management and requires the Committee to pre-approve any work plan undertaken with management, among other things. To date, the Committee's consultant has not undertaken any work for management. Meridian Compensation Partners has been the Committee's consultant since October 2018. The table below shows the fees paid to the Committee's consultant for the last two years:

	2023	**2022**
Executive compensation fees	$44,101	$42,370
CEO transition	$27,425	-
Director compensation review	$18,280	-
Total	**$87,807**	**$42,370**

Management uses its own consultant for human capital matters and has retained WTW since Capital Power's inception.

Approval

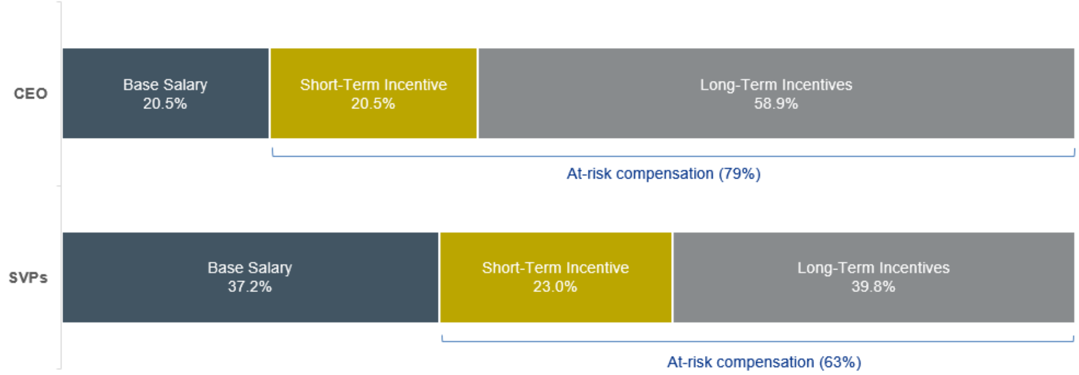
The Board reviews the Committee's recommendations and approves all decisions on executive compensation.

ELEMENTS OF COMPENSATION

Total direct compensation includes base salary and short and long-term incentive awards, weighted towards at-risk pay that include goals which are aligned with our business plans and long-term strategy. Incentive awards are at risk because they are contingent on performance – they also account for the largest portion of the mix.

Compensation mix

A target compensation mix is set for each executive, based on level and role, the individual's relative ability to influence our business results and competitive practices.



Base Salary

Base salaries are reviewed annually and targeted at the median of the compensation peer group.

Objective	What it rewards
Provides a competitive level of fixed compensation based on scope of responsibilities and market data	Experience, expertise and execution of responsibilities

Short-term Incentive

Target awards are set for each position as a percentage of base salary and are targeted at the median of the peer group for executive positions with similar responsibilities.

Objective	What it rewards
Provides compensation that is based on achieving annual performance targets that support our overall strategic direction	Achievement of annual corporate objectives and individual performance goals

The table below shows the target incentive for each named executive for 2023:

	As a % of base salary		
Name	**Minimum (%)**	**Target (%)**	**Maximum (%)**
Avik Dey	0	100	200
Sandra Haskins	0	70	140
Bryan DeNeve	0	70	140
Jacquie Pylypiuk	0	50	100
Jason Comandante	0	50	100
Brian Vaasjo	0	100	200
Kathryn Chisholm	0	70	140
Chris Kopecky	0	70	140

STIP awards are based on performance during the 2023 calendar year and are paid out in March 2024.

Performance measures and weightings

Performance under the STIP is based on the following measures and weightings for the executive group:

Performance measure	Weighting[1]	
Financial [65% overall weighting]		
Funds from operations (FFO)	45%	Most Corporate measures, aside from the Growth Objective and some ESG measures, have a threshold, target and stretch value for each metric.
Corporate Strategic Objective (In 2023, Committed Capital)	10%	
Growth Objective (In 2023, Construction & Repowering Projects)	10%	
Environmental, Social and Governance (ESG)		**[20% overall weighting]**
Health, Safety and Environment (HSE) Index	10%	
Various ESG initiatives (related to diversity, inclusion, and sustainability)	10%	
Individual measures [15% overall weighting]		
Business objectives	15%	The individual measures are assessed through the performance management process. Performance against business objectives is measured and rated against a five-point scale that determines the payout:

Performance	Payout (as a % of STIP target value)
Below Threshold	0%
Threshold (minimum)	50%
Target	100%
Stretch (maximum)	200%

Rating	Payout (as a % of STIP target value)
Unacceptable	0%
Stronger performance required	50%
Fully successful	100%
Frequently exceeds expectations	150%
Outstanding	200%

Notes

(1) In the 2024 program year, the Corporate Strategic Objective is removed as we work on embedding strategic decision-making in all aspects of our operation. In combination with a reduction of FFO weighting to 40%, we are applying greater emphasis (25% of the 65% financial measures weighting) on fleet expansion and decarbonization acceleration related efforts.

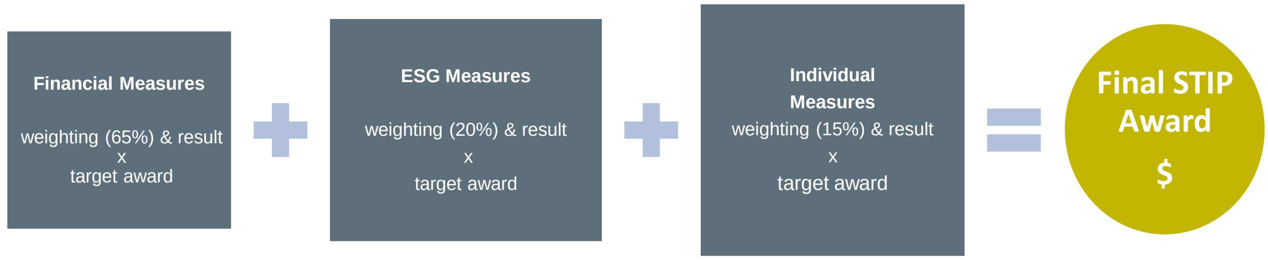
The maximum payout is capped at 200% of target.

The following requirements must be met for an individual to receive the maximum payout:

- stretch results for corporate performance; and
- outstanding individual performance on business objectives.

Payout formula

The target incentive opportunity (target award) for each position is a percentage of base salary. Performance is assessed against each measure and its weighting (base salary x weighting x target incentive x performance achievement). Results against each of the five performance measures are added together to determine the final STIP award:



The STIP includes a circuit breaker which is set at a level below the threshold value of FFO (70% of target). If FFO is below the circuit breaker value, the STIP will not pay out except for the compensation related to the HSE Index component of the incentive.

Notwithstanding this circuit breaker guideline, the Committee may still use informed judgment and discretion when determining the level of incentives that may be paid for all components of the short-term incentive when the minimum circuit breaker level is not met, or as the Committee deems appropriate in the circumstances.

Measurement of the HSE Index includes the two conditions outlined below which can impact the score included in the payout of the STIP award:

- if there is a fatality or permanent disabling injury, then total recordable incident frequency will not meet threshold performance and will not contribute to the STIP award; and
- if there is a major or critical environmental incident, then the Environment Incident measure will not meet threshold performance and will not contribute to the STIP award.

Committee oversight and discretion
The Committee has the discretion to recommend to the Board adjusted payout levels for the program and for individuals to consider any unusual factors or extenuating circumstances that are beyond the executive's control and result in an incentive award that inappropriately overpays or underpays or creates an unintentional result. No adjustments were recommended for 2023 performance as the compensation outcomes driven by the incentive plan were well aligned with performance.

Long-term Incentive
Target awards are set for each position as a percentage of base salary and are targeted at the median of the peer group for executive positions with similar responsibilities.

Objective	What it rewards
Provide equity-based compensation for sustaining mid to long-term performance and aligns the interests of executives and shareholders Used to retain executives longer term	Achievement of mid to long-term performance results and growth in share price

Awards are granted annually, with the size of the grant based on the target award and grant level approved by the Committee and the Board. The award components of the LTIP are the same for the CEO and SVPs: 60% delivered as Performance Share Units (PSUs); 20% delivered as Restricted Share Units (RSUs); and, 20% delivered as stock options.

The table below shows the target incentive for each named executive as of December 31, 2023:

Name	As a % of base salary
Avik Dey	300
Sandra Haskins	135
Bryan DeNeve	135
Jacquie Pylypiuk	80
Jason Comandante	60
Brian Vaasjo*	275
Kathryn Chisholm*	125
Chris Kopecky*	135

* Eligibility for LTIP grants ceased as of their last day of service.

The Committee assesses the CEO's performance and recommends his LTIP award to the Board for its review and approval. The CEO makes recommendations for the other program participants based on their level of responsibility, performance, and market competitiveness. The CEO provides his recommendations to the Committee which then recommends awards to the Board for its review and approval.

The Committee and the Board do not consider grants from previous years when determining new awards.

Board oversight and discretion
The Board has the discretion to amend or discontinue the LTIP at any time, subject to compliance with the requirements of the TSX.

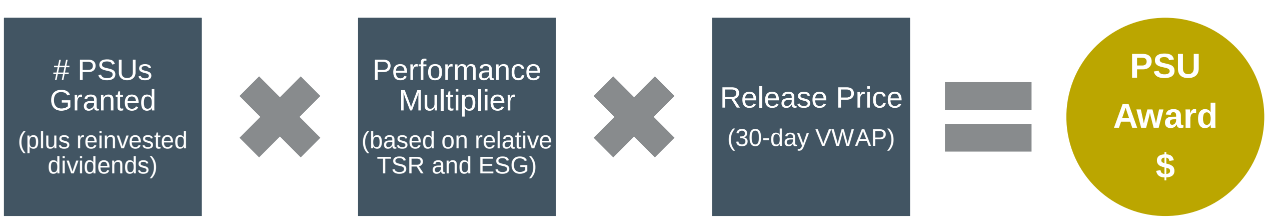
Performance Share Units (PSUs) and Restricted Share Units (RSUs)

Form of award	Notional share-based awards
Who participates	Executives and senior management
Dividends	Dividend equivalents (at the same rate as dividends paid on our common shares)
Vesting	Cliff vest at the end of three years, on January 1 (dividend equivalents vest on the same schedule and for PSU dividend equivalents only, are based on the same performance as the PSUs themselves)
Payout	Cash
Assignment	Generally, cannot be transferred except for estate planning purposes. Outstanding PSUs and RSUs are for the benefit of and are binding on the beneficiary
Termination	*Resignation/termination* for cause • PSUs: forfeited. • RSUs: forfeited. *Termination without cause* • PSUs: vesting is based on actual performance to the end of the quarter preceding the date of termination (where available otherwise, target performance is used) and pro-rated to the termination date. • RSUs: vesting is pro-rated to the termination date. *Retirement or disability* • PSUs: beginning with the 2023 LTIP grant, continue to vest to the end of the 3-year term and actual performance is used. Prior grants vested pro-rata to the retirement/disability date. • RSUs: beginning with the 2023 LTIP grant, continue to vest to the end of the 3-year term. Prior grants vested pro-rata to the retirement/disability date. *Death* • PSUs: beginning with the 2023 LTIP grant, fully vest immediately based on target performance. Prior grants vested pro-rata to the termination date. • RSUs: beginning with the 2023 LTIP grant, fully vest immediately. Prior grants vested pro-rata to the termination date.

The performance measurement of PSUs is based on a combination of two objectives:
- relative total shareholder return (TSR), weighted at 80%, defined as growth in share price (including reinvested dividends) relative to the performance peer group; and
- a basket of ESG measures, weighted at 20%, focusing on diversity and emissions intensity.

PSUs granted prior to 2022 focus only on relative TSR.

Payout formula



The actual payout or realized value of PSUs is based on our relative TSR ranking, our progress on diversity and emissions intensity reduction, and our 30-day volume-weighted average share price (VWAP) at the end of the three-year performance period.

Performance peer group

Our performance peers are companies with similar business characteristics that we compete with for investment capital.

All companies in the performance peer group are publicly-traded Canadian companies classified as power producers or utilities with total enterprise values (TEV) greater than $1 billion (TEV is capped at 10x our TEV to avoid including significantly larger organizations), with strong dividend yields and low volatility (as measured through a company's beta, namely the measure of volatility relative to the market as a whole).

Management regularly reviews the peer group to ensure that companies meet the established criteria. The following is a list of the companies used to measure our TSR performance for the 2021, 2022, and 2023 PSU grants:

- Algonquin Power & Utilities Corp.
- AltaGas Ltd.
- Boralex Inc.
- Brookfield Renewable Energy Partners L.P.
- Canadian Utilities Limited
- Emera Inc.
- Fortis Inc.
- Hydro One Ltd.
- Innergex Renewable Energy Inc.
- Northland Power Inc.
- TransAlta Corporation

The difference between the executive compensation peer group and the performance peer group reflects the different purposes of each of the groups, namely benchmarking executive pay versus benchmarking company performance. The executive compensation peer group represents the market for executive talent while the performance peer group represents companies that share similar risks and opportunities, are subject to similar macro-economic influences, and are operational, strategic and shareholder investment competitors.

Independent consultants and the Committee review the peer group scoping criteria every year to assess the suitability of current peers and identify potential changes to the peer group. Many of the peers do not have the same commodity exposure as Capital Power, so we anticipate that performance relative to these companies will be impacted by our position within the commodity cycle. Given the limited number of direct performance peers, we believe that the current group best represents other Canadian companies with similar business and operational strategies.

Payout multiplier

Relative TSR performance is measured over a three-year period. Payouts are made at the end of the three-year period based on the payout multiplier and our share price at the end of the period (a 30-day volume-weighted average).

The table below shows the TSR rankings and corresponding payout multipliers for the formula. The payout multiplier is interpolated on a straight-line basis if performance falls between percentiles.

If we achieve a TSR ranking of:	Then the payout multiplier is
75th percentile or higher	200% of target
50th percentile (median)	100% of target
25th percentile	50% of target
Below the 25th percentile	0% of target

Stock options

Stock options promote a focus on increasing our absolute share price over the longer term.

The exercise price for stock options granted under the LTIP is the closing price of our common shares on the TSX on the day immediately preceding the grant date (the fair market value).

Form of award	The right to purchase our common shares at a price that is at least the fair market value on the grant date
Participants	Executives and senior management
Vesting	One-third each year beginning on the first anniversary of the grant date (unless stated otherwise when the options are granted)
Term	Expire after seven years (or less as stated when the options are granted) If the expiry date falls during a black-out period, the expiry date is extended to 10 days after the black-out period ends
Payout	Based on when the participant exercises the options

	The participant only realizes a value if the share price is higher than the exercise price when they exercise the options
Assignment	Generally, cannot be transferred, except for estate planning purposes or judicial order. Any outstanding options are for the benefit of and are binding on the party holding exercise rights
Termination	*Resignation* – unvested options are forfeited and vested options expire the earlier of; the 7-year expiry date of the option or 30 days after termination. *Termination without cause* – all options continue to vest and expire the earlier of; the 7-year expiry date of the option or 30 days after termination. *Retirement/disability* – beginning with the 2023 LTIP grant, all options continue to vest and expire the earlier of; the 7-year expiry date of the option or 36 months after retirement/disability. Prior grants have a 12-month expiry window and unvested options continued to vest in the 12-month window. *Death* – beginning with the 2023 LTIP grant, all unvested options vest immediately and expire the earlier of; the 7-year expiry date of the option or 12 months after the date of death. Prior grants have unvested options continue to vest in the 12-month window. *Termination for cause* – vested and unvested options are forfeited upon termination.

The Committee and the Board believe that stock options form an important component of a competitive compensation package for executives and senior management. They help attract, retain, and motivate them to execute our business strategy successfully and to drive long term value creation for our shareholders.

The Board recognizes the need to strike a proper balance between a long-term compensation program for management employees that aligns their interests with those of shareholders, and potential shareholder concerns about dilution from the ongoing granting and exercising of stock options.

Stock option valuation
Stock options are valued using the estimated accounting grant date fair value (determined by using a binomial option pricing model) with a minimum value (or floor) of 15% of the share price. For the 2023 stock option grant, a value ratio of 15% was used.

Stock appreciation rights
Stock appreciation rights (SARs) promote a focus on increasing our absolute share price over a pre-determined period. The LTI plan permits the granting of stand-alone stock appreciation rights (SARs) or SARS in tandem with option grants (subject to the same terms and conditions as the options to which they are attached), both of which can be exercised in cash. No SARs have been issued or are outstanding.

Amending or terminating LTIP
We must receive shareholder approval to make any of the following changes:

- increase the maximum number of shares that can be granted under the LTIP;
- reduce the exercise price below the market price of the shares on the grant date;
- cancel and re-issue an award under different terms which has the effect of reducing the exercise price of the award;
- increase the limits of the number of common shares that can be reserved for issue to insiders or to any participant;
- reduce the exercise price of an outstanding award;
- extend the term beyond seven years;
- extend the term of any outstanding awards;
- allow a participant to assign their options to someone not currently allowed under the LTIP; and
- change the definition of persons eligible to participate in the LTIP.

The Board can amend the LTIP to make housekeeping or administrative changes if they meet the TSX requirements. The Board can also terminate the LTIP at any time.

Any changes do not affect the rights that participants have already accrued.

Share reserve and issuance

Under the LTIP Plan and any other security-based compensation arrangement of the Corporation:

- the number of common shares reserved for issuance to insiders shall not exceed 10% of the total issued and outstanding common shares; and
- the number of common shares issued to insiders, within a one-year period, shall not exceed 10% of the total issued and outstanding common shares.

As of December 31, 2023, the number of common shares reserved for issue for stock options awarded to insiders falls below all of the limits described above.

A total of 9,194,506 common shares have been reserved for issuance under the plan, and 681,959 remain available as of December 31, 2023.

For additional discussion of our equity compensation plan, please see page 77.

Amendment to the LTI plan
After a review of our LTI plan, the Board approved that a recommendation be made at the 2024 annual general meeting, to be held on or after April 30, 2024, that shareholders approve an amendment to the LTI plan to increase the number of common shares that may be issued pursuant to future grants by 2 million to a total of 11,194,506.

The Board and the PCGC Committee continue to believe that the ability to grant stock options to our executive officers and senior managers enables us to attract and retain the necessary talent to successfully execute our business strategy. The Board recognizes the need to strike a proper balance between a long-term compensation program for management employees that aligns their interests with those of shareholders and potential shareholder concerns regarding dilution caused by the ongoing granting and exercising of stock options. The key features of our LTI plan include (and, if our shareholders approve the proposed amendment, will continue to include):

- annual grants to named executives will continue to consist of 20% time-based stock options, 20% time-based restricted share units, and 60% performance share units, which are fully-at-risk,
- non-employee directors are not eligible to participate and there are caps on grants to insiders generally, and
- LTI awards support our share ownership philosophy and provide for “double trigger” vesting following a change in control.

The current LTI Plan provides that a total of 9,194,506 common shares may be issued under the LTI Plan. As of March 11, 2024, 6,799,118 common shares have been issued pursuant to stock option exercises under the LTI Plan, representing 5.3% of the outstanding common shares, and 1,710,963 common shares have been reserved for issuance pursuant to current stock options outstanding, representing 1.3% of the outstanding common shares; therefore, 684,425 unallocated common shares remain available for future option grants under the LTI Plan, representing 0.5% of the outstanding common shares. If shareholders approve the amendment to the LTI Plan:

- the aggregate number of common shares that may be issued under the LTI Plan would be increased to 11,194,506 common shares, representing approximately 8.7% of the outstanding common shares as at March 11, 2024; and
- the 2,684,425 common shares reserved and available for issuance on future stock option grants pursuant to the amendments to the LTI Plan would represent approximately 2.1% of the outstanding common shares as at March 11, 2024.

ASSESSING PERFORMANCE

Our executive compensation is designed to pay for performance, rewarding individuals for results that meet or exceed our corporate objectives and business strategy within the risk tolerances approved annually by the Board.

Capital Power's integrated business planning, risk management, budgeting and performance management processes are designed to:

- align departmental business plans with our strategy and long term plan;
- promote cross-functional coordination;
- increase accountability for deliverables and cross-functional commitments; and
- link plans with resources through integration with the budget process.

The business planning process starts with the development of the CEO's business plan. The business plan has key initiatives that support the long-term corporate strategy and several necessary shorter-term deliverables or milestones, most of which are delegated to the executive team. These delegated deliverables become the executive team's deliverables, for which they identify and delegate, as appropriate, interim deliverables. The business planning process follows this cascading approach down to all managerial positions.

The business planning process provides a framework to ensure that executive and managerial positions are working in concert to move Capital Power forward in the desired direction, ultimately focused on supporting our overall vision and corporate strategy.

The STIP provides competitive annual bonuses that reflect corporate and individual performance against business plan deliverables. Corporate measures focus on corporate results and create joint accountability among the executives. Individual performance objectives allow for the differentiation of payouts based on individual contributions. Individual performance is assessed relative to how well each executive meets their annual individual deliverables in their business plan.

The LTIP promotes a focus on increasing our share price in both absolute and relative terms. In absolute terms, share performance directly affects the value that executives can realize from their share unit and stock option holdings – stock options have no value except to the extent share price increases and the value of share units is based on the share price at the end of the 3-year vesting period. In relative terms, higher or lower share performance compared to that of our performance peer group will result in higher or lower payouts from PSU holdings. This emphasis on longer-term performance, with the value directly tied to share price, is intended to align executive interests with those of our shareholders over a longer time horizon. Adhering to the business plans and accomplishing the key initiatives that support our corporate strategy can result in appreciation in our share price.

Risk management

The Board establishes acceptable levels of risk, and these govern our business decisions and risk management policies. Compensation risk is factored into every compensation decision or recommendation the Committee makes to ensure decisions and actions are consistent with our policies and practices and appropriate based on market conditions and peer practices. Management provided the Committee with an internally conducted compensation program risk assessment in October 2023, reviewing our compensation structure, policies and practices, and the key risks affecting our business.

As a result of the assessment, it was determined that none of Capital Power's current compensation practices are reasonably likely to have a material adverse effect on the Company. Management engages a third-party consultant to perform a compensation program risk assessment every three to five years and reviews the program risk internally in the interim years. The next risk assessment will be conducted by an external party and be completed in 2024. Assessment results are presented to the Board. The table below describes risk mitigating features of our compensation programs:

Compensation Governance	• Risk management integrated into the business planning and review process • There is overlap between members of the various Board Committees which provides context on common activities and helps better manage risks
Pay Philosophy & Structure	• Executive compensation is balanced between fixed and variable pay, short and long-term incentives, and absolute and relative measures, encouraging proper risk taking that builds long-term value creation and discouraging excessive short-term risk taking that can threaten our long-term success • Retention risk is mitigated during a change-in-control event by double trigger vesting of long-term incentives • Severance arrangements are limited to a reasonable level (see Appendix B, page 92) to discourage inappropriate risk taking
Pay Plan Design	• Incentive programs have a balance of measures to provide for a broad view of performance • The STIP financial metric (FFO) encourages acquisition/development of assets that make strong contributions to our results • Other objectives measured for STIP include operational, ESG, safety and project execution • The Committee has the discretion to recommend to the Board adjusted payout levels of the STIP, whether overall or by individual, to address unintentional results • Performance multipliers under the STIP and the PSU component of the LTIP are capped at 2X target award opportunity • To support sustained results, PSUs, RSUs, and options are awarded annually and have overlapping vesting periods and PSUs also have overlapping performance cycles • Executives have share ownership guidelines (5X for CEO; 2X for other Executives), and the CEO is required to maintain his share ownership after retirement, exposing them to the long-term risks of their decision-making • Our claw-back provision(1) requires both current and former executives and employees to reimburse the Company for any STI or LTI compensation awarded for financial or other results that were subsequently materially restated or corrected, within a three-year period of the event. In addition, the claw-back provision includes a trigger for misconduct defined as an event where the individual engaged in intentional, willful, or gross negligence or omission which resulted in a material negative impact on the Company's business, reputation, or financial condition • Our anti-hedging policy(1) prohibits insiders from engaging in trading activities that would allow them to benefit from a decrease in the value of our securities. It also prohibits employees and directors from pledging or encumbering any shares that are included in their minimum share ownership requirements

Note

(1) These policies and provisions are contained in our corporate governance policy which can be found on our website (www.capitalpower.com).

COMPENSATION DECISIONS

The Board, on the Committee's recommendation and based on management's executive compensation review, approved the following decisions on executive compensation for performance in 2023.

Base salary

	2022 Salary	2023 Salary	% Increase	2024 Salary	% Increase
Avik Dey President & CEO	n/a	$835,000	n/a	$885,000	6.0%
Sandra Haskins Senior Vice President, Finance & CFO	$440,000	$460,000	4.5%	$470,000	2.2%
Bryan DeNeve Senior Vice President, Chief Commercial Officer	$410,000	$440,000	7.3%	$450,000	2.3%
Jacquie Pylypiuk Senior Vice President, Technology & Chief People and Culture Officer	$325000	$340,000	4.6%	$355,000	4.4%
Jason Comandante Senior Vice President, Head of Canada	$357,845	$370,000	3.4%	$370,000	n/a
Brian Vaasjo Former President & CEO	$800,000	$860,000	7.5%	n/a	n/a
Kathryn Chisholm Former SVP, Planning, External Relations and Chief Sustainability Officer	$390,000	$405,000	3.8%	n/a	n/a
Chris Kopecky Former SVP and Chief Legal, Development and Commercial Officer	$410,000	$425,000	3.7%	n/a	n/a

Note

- Base salaries are reviewed on an annual basis and are targeted within a competitive range of the median of the peer group (see page 51).

2023 STIP award

Corporate performance

Performance measure	Weighting	Target*	Result	Performance assessment	Highlights
Financial **Funds from operations (FFO)** • cash provided by operating activities (IFRS-defined term), less changes in operating working capital	45%	$954 million	$944.7 million	95.1% Between Threshold and Stretch	FFO was significantly higher than last year, despite being slightly below target.
		*(Threshold: $859M; Stretch: $1049M)			
Corporate Strategic Objective **Committed capital during the year** • a measurement of achievement as defined by the Board	10%	$600 million	$2,506 million	200% Above Stretch	Successful acquisitions of La Paloma, Harquahala, and Frederickson assets and advancing York Energy Centre BESS[1], Goreway BESS, East Windsor Cogeneration Centre Expansion, and Maple Leaf Solar.
		*(Threshold: $300M; Stretch: $1,100M)			
Growth Objectives • Complete Halkirk 2 on-time and on-budget • Genesee 1 & 2 Repowering proceeding on-time and on-budget • Genesee 1 & 2 Battery Energy Storage System (BESS) on time and on budget	10%	1.00	0.00	0% Below Threshold	Halkirk 2 is trending on schedule but projecting cost overruns. Genesee 1&2 Repowering CODs were extended and projecting cost overruns. Genesee BESS project was cancelled.
ESG Objective	10%	1.00	1.06	140.0% Between Target and Stretch	Performance indicators generally came in above target.

Performance measure	Weighting	Target*	Result	Performance assessment	Highlights
Health, Safety & Environment (HSE) Index • a measurement of safe, healthy and environmentally accountable work performance. Utilizes five (5) leading indicators.		*(Threshold: 0.85; Stretch: 1.15)			
ESG Objective **Various ESG initiatives** • Sustainable Sourcing • CCS at Genesee • Retention Rate • Diversity	10%	1.00 *(Threshold: 0 ; Stretch: 2.0	0.75	75.0%	Performance indicators with the exception of CCS at Genesee came in above target.

[1]BESS - Battery Energy Storage System

Individual performance(1)

Performance Measures	Weighting	Highlights
ESG and Business Objectives	15%	ESG Objectives Each named executive officer has ESG objectives, including the Health Safety and Environment measures described above. Measures that have a larger impact on the entire Company are identified with individual executives having primary accountability. These measures include people measures related to retention, strengthening employee diversity and inclusion, and environmental emissions initiatives. Individual Business Objectives Each named executive officer has individual annual business objectives related to their areas of responsibility that may include, among others, operational performance, asset optimization activities, and cost management. In 2023, all ESG and Individual Business objectives were generally met or exceeded.

Note

(1) Individual performance measures are established at the beginning of each year. The CEO reviews and assesses performance results and makes a recommendation to the Board for approval. Individual measures are assessed on a five-level performance assessment scale ranging from Unacceptable to Outstanding. Details on individual performance assessment results for the named executives are discussed in detail under the Individual Performance section on the following page.

Corporate Measures	Weighting		Performance assessment		Corporate performance results
Funds from operations (FFO)	45%	x	200%	=	90.0%
ESG Objective HSE Index	10%	x	166.7%	=	16.67%
Corporate Strategic Objective	10%	x	126.2%	=	12.62%
Growth Objective	10%	x	50.0%	=	5.0%
				Total	124.29% of target

Individual Measures	Weighting		Performance assessment		Individual performance results
Unacceptable			0%		**0%**
Stronger performance required			50%		**12.5%**
Fully successful	25%	x	100%	=	**25%**
Frequently exceeds expectations			150%		**37.5%**
Outstanding			200%		**50%**

STIP Award Amounts

	Base salary		Target incentive		Corporate performance results + Individual performance results		2023 STIP award*
Avik Dey	$835,000	x	100%	x	(84.30% + 22.5%)	=	$891,780
Sandra Haskins	$460,000	x	70%	x	(84.30% + 22.5%)	=	$343,896

Bryan DeNeve	$440,000	x	70%	x	(84.30% + 22.5%)	=	$328,944
Jacquie Pylypiuk	$340,000	x	50%	x	(84.30% + 22.5%)	=	$181,560
Jason Comandante	$370,000	x	50%	x	(84.30% + 15.0%)	=	$183,705

**The following named executives received a target 2023 STIP award pro-rated to their last day of employment: Brian Vaasjo ($358,137); Kathryn Chisholm ($143,692); and, Chris Kopecky ($210,288).*

Based on a review of the STI targets against market competitive data for our peers, the Board determined that no changes were required for the named executive officers in 2024.

Individual performance

Named executive	Business objectives rating	Comments
Avik Dey President and CEO	Frequently Exceeds Expectations	Mr. Dey achieved Frequently Exceeds Expectations on his 2023 Individual Measures. Mr. Dey effectively transitioned into his role as President and CEO, quickly developing strong relationships internally and externally. Under Mr. Dey's leadership, the company signed and announced 3 asset acquisitions during 2023 which will materially contribute to the company's position in the attractive US markets. Other key successes include realigning the executive team to advance our strategy and addressing underperformance of our construction projects.
Sandra Haskins Senior Vice President Finance & CFO	Frequently Exceeds Expectations	Ms. Haskins achieved Frequently Exceeds Expectations on her 2023 Individual Measures. Measures associated with her areas of responsibility, tax, and timing of quarter end closings, met expectations. The closing of our medium-term notes in September 2023 and execution of acquisition related financings exceeded expectations.
Bryan DeNeve Senior Vice President, Operations (up to August 28, 2023) Senior Vice President, Chief Commercial Officer (as of August 29, 2023)	Frequently Exceeds Expectations	Mr. DeNeve achieved Frequently Exceeds Expectations on his 2023 Individual Measures. Safety and environment exceeded expectations. Availability targets were met. As SVP, Chief Commercial Officer, Mr. DeNeve achieved Frequently Exceeds Expectations on his 2023 performance. The company signed and announced 3 asset acquisitions during 2023 which will materially contribute to expanding the company's position in the attractive US markets.
Jacquie Pylypiuk Senior Vice President Technology & Chief People and Culture Officer	Frequently Exceeds Expectations	Ms. Pylypiuk achieved Frequently Exceeds Expectations on her 2023 Individual Measures. Cost performance in her areas met expectations. Information technology performance measures generally exceeded expectations. Ms. Pylypiuk's support of the Governance Committee of the Board Directors to execute the CEO Succession process exceeded expectations
Jason Comandante Senior Vice President, Head of Canada	Meets Expectations	Mr. Comandante achieved meets expectation on his 2023 performance. Mr. Comandante is new to his role and was promoted to his position during Q3-2023. Mr. Comandante oversees the physical and financial optimization of Capital Power's Canadian fleet, the successful execution of Canadian development and acquisition opportunities, and the assessment and investment in decarbonization technologies in Canada. He met expectations as he integrates into his new role.

Payment of 2021 PSU awards

PSU awards are at-risk compensation. The named executives achieved performance of 187% for the 2021 PSU awards when they vested on January 1, 2024. The table below is based on $37.84, the 30-day volume-weighted average closing price of our common shares on the TSX immediately preceding the vesting date.

	Accumulated PSUs	Payout multiplier	Release Price	Payout

	2021 grant plus reinvested dividends (#)		based on relative TSR (%)		30-day VWAP ($)		realized value ($)
Sandra Haskins	9,893	x	187%	x	37.33	=	690,619
Bryan DeNeve	10,818	x	187%	x	37.33	=	755,147
Jacquie Pylypiuk	4,104	x	187%	x	37.33	=	286,480
Jason Comandante	1,224	x	187%	x	37.33	=	85,436
Brian Vaasjo	39,087	x	187%	x	37.33	=	2,728,533
Kathryn Chisholm	14,197	x	200%	x	44.64	=	633,776
Chris Kopecky	9,020	x	200%	x	40.54	=	270,554

Notes

- As noted in Schedule B, Brian Vaasjo's outstanding share units continue to vest to the completion of their 3-year term.
- The payout for Kathryn Chisholm is based on the relative TSR measured at the fiscal quarter preceding her date of retirement (July 5, 2023). The Release Price is based on the 30-day volume weighted average closing price of our common shares on the TSX immediately preceding her date of retirement (July 5, 2023).
- The payout for Chris Kopecky is based on the relative TSR measured at the fiscal quarter preceding his last day of service (September 15, 2023). The Release Price is based on the 30-day volume weighted average closing price of our common shares on the TSX immediately preceding his last day of service (September 15, 2023).

Relative TSR

TSR measures the change in value of an investment over time, representing the return that an investor receives from changes in share price and dividends paid. Relative TSR measures the performance of a company against its business competitors, and rewards industry out-performance.

We calculated TSR for the period ending December 31, 2023 for the 2021 PSU grant over a three-year measurement period, as follows:

- starting and ending share price – share price is the simple average closing share price of the 30 trading days prior to the start and end of the measurement period, which reduces the possible impact of short-term share price fluctuations;
- reinvested dividends – dividends are notionally reinvested in additional shares on the dividend payment date;
- performance peer group – the following 11 companies were used to measure our TSR performance for the 2021 PSU grant:

Algonquin Power & Utilities Corp.	Fortis Inc.
AltaGas Ltd.	Hydro One Ltd.
Boralex Inc.	Innergex Renewable Energy Inc.
Brookfield Renewable Energy Partners LP	Northland Power Inc.
Canadian Utilities Limited	TransAlta Corporation
Emera Inc.	

The following table details the results of Capital Power's relative TSR for the 2021 PSU award. For more detail on our Performance Share Units, see page 59.

	TSR result
25th Percentile	-42.3%
50th Percentile	4.0%
75th Percentile	27.3%
Capital Power Corporation	24.3%
Payout Factor	187%

Payment of 2021 RSU awards

RSU awards are at-risk compensation. The 2021 RSU grant vested on January 1, 2024. The table below is based on $37.84, the 30-day volume-weighted average closing price of our common shares on the TSX immediately preceding the vesting date.

	Accumulated RSUs		**Release Price**		**Payout**
	2021 grant plus reinvested dividends (#)		30-day VWAP ($)		realized value ($)
Sandra Haskins	3,298	x	37.33	=	123,120

Bryan DeNeve	3,606	x	37.33	=	134,607
Jacquie Pylypiuk	1,368	x	37.33	=	51,081
Jason Comandante	2,040	x	37.33	=	76,161
Brian Vaasjo	13,029	x	37.33	=	486,384
Kathryn Chisholm	2,366	x	44.64	=	105,643
Chris Kopecky	1,504	x	40.54	=	45,103

Notes

- As noted in Schedule B, Brian Vaasjo's outstanding share units continue to vest to the completion of their 3-year term.
- The payout for Kathryn Chisholm is based on the 30-day volume weighted average closing price of our common shares on the TSX immediately preceding her date of retirement (July 5, 2023).
- The payout for Chris Kopecky is based on the 30-day volume weighted average closing price of our common shares on the TSX immediately preceding his last day of service (September 15, 2023).

2024 LTI award

The Board approved a grant of PSUs (weighted at 60%), RSUs (20%) and stock options (20%), no earlier than March 15, 2024, to the named executives and other eligible participants. The LTIP targets used for the executive grant are provided in the section titled Elements of Compensation.

PSUs and RSUs will vest on January 1, 2027 and the realized value will depend on our volume-weighted average closing share price on the 30 trading days preceding the vesting date and for PSUs only, a basket of ESG measures including employee diversity and emissions targets weighted at 20% and our relative TSR against the performance peer group weighted at 80%.

The realized value of the option award depends on our share price over time and when the executive exercises the options. Options vest one third each year beginning on the first anniversary of the grant date and expire after seven years.

Based on a review of the LTI targets against market competitive data for our peers, Management determined that LTI targets will be increased for three named executive officers, effective the 2024 LTIP grant, as follows:

- Sandra Haskins, Senior Vice President, Finance & CFO, will have their LTIP target increased from 135% to 140%
- Bryan DeNeve, Senior Vice President, Chief Commercial Officer, increased from 135% to 140%
- Jason Comandante, Senior Vice President, Head of Canada, increase from 60% to 70%.

Pay for performance analysis

Executive compensation includes cash and equity-based compensation with terms varying from one year for annual base salary and the short-term incentive plan, to three to seven years for our long-term incentives.

Compensation under our incentive programs is variable, or at-risk, to motivate executives to deliver strong corporate and individual performance. Equity-based compensation adds another element of risk and motivation because executives can realize a higher value of their long-term incentives the better our shares perform over time.

The charts below give a pay for performance analysis for our President and CEO, over the period 2021 to 2023*, based on two different views: pay opportunity and realizable pay. Compensation is compared to company performance, relative to the executive compensation peer group. Company performance is measured as total shareholder return (TSR), equal to the annualized rate of return of a stock to an investor, reflecting both capital gains plus reinvested dividends.

*Note: The charts incorporate compensation for Brian Vaasjo in 2021 and 2022, and for Avik Dey in 2023 (with salary and bonus annualized).

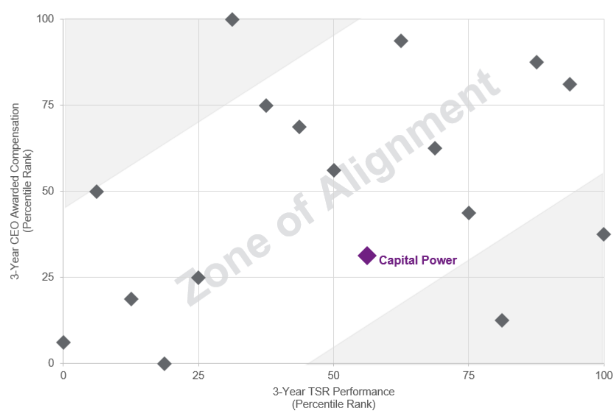
Zone of alignment

	Pay opportunity	Realizable pay
CEO pay definition	Pay Opportunity is defined as the sum of annual base salary, actual bonus received and the estimated value of long-term incentive on the date of grant.	Realizable pay is defined as the sum of annual base salary, actual bonus received and the in-the-money value of long-term incentive grants.
Company performance definition	Total shareholder return (TSR), which is equal to the annualized rate of return of a stock to an investor, reflecting both capital gains and reinvested dividends.	Same.
Outcome	The CEO's pay opportunity is positioned **within** the zone of alignment at the **31st** percentile while Capital Power's TSR performance is at the **56th**	The CEO's realizable pay is positioned **within the zone** of alignment at the **38th** percentile while Capital Power's TSR performance is at the **56th**

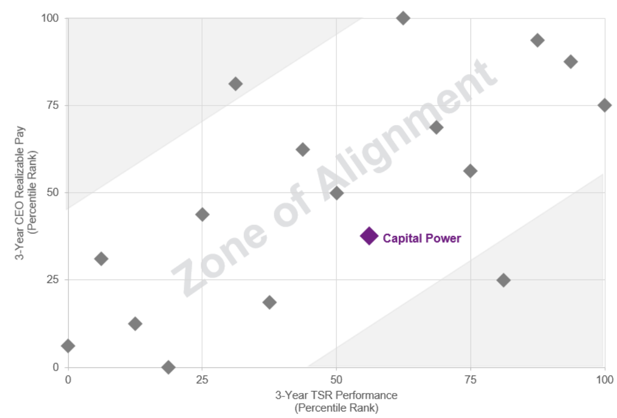
percentile, meaning lower compensation for higher performance.

percentile. Realizable pay is still low for higher performance, but alignment is improved, which suggests that compensation programs are generally operating as intended.

Pay Opportunity



Realizable pay



Look back analysis

The table below gives a compensation look back for the President & CEO by comparing absolute shareholder value, the grant date value of compensation awarded for performance, and the actual compensation value received.

On a weighted average basis over the cumulative period of 2016 to 2023, the President & CEO has realized 71% more than the expected value of the compensation that the committee awarded (labeled Awarded compensation) while the shareholder's investment has increased by 72%.

Year	CEO	Targeted compensation(1)	Awarded compensation(2)	Actual compensation value as of December 31, 2023(3)	Value of $100		
					Period	CEO(4)	Shareholder(5)
2016	B. Vaasjo	$2,449,511	$2,558,959	$3,664,378	2016JAN01 to 2023DEC31	$425	$353
2017	B. Vaasjo	$2,480,957	$2,654,631	$11,285,642	2017JAN01 to 2023DEC31	$202	$251
2018	B. Vaasjo	$2,521,693	$2,598,416	$6,401,718	2018JAN01 to 2023DEC31	$187	$219
2019	B. Vaasjo	$2,676,254	$3,036,978	$7,176,027	2019JAN01 to 2023DEC31	$129	$189
2020	B. Vaasjo	$2,692,107	$3,040,325	$5,133,028	2020JAN01 to 2023DEC31	$196	$138
2021	B. Vaasjo	$3,032,329	$3,339,988	$6,552,154	2021JAN01 to 2023DEC31	$139	$127
2022	B. Vaasjo	$3,579,719	$3,984,199	$6,379,596	2022JAN01 to 2023DEC31	$118	$107
2023	A. Dey	$3,611,090	$4,105,410	$5,653,355	2023JAN01 to 2023DEC31	$68	$87
					Weighted average(6)	$171	$172

Notes

(1) Includes salary as noted in the CEO's employment agreement, target short-term incentive award and the expected value of the long-term incentive award as of the date of the grant.

(2) Includes actual salary earned, actual short-term incentive award in respect of performance during the year, and the expected value of the long-term incentive award as of the date of the grant.

(3) Includes actual salary earned, actual short-term incentive award in respect of performance during the year, the value of maturity of share units granted (or current value for units that are outstanding), the value of stock options exercised during the period, and the in-the-money value of stock options that remain outstanding. Share units and options are valued at the closing price of our common shares on the TSX on December 29, 2023 of $37.84 per share.

(4) Represents the actual value to the CEO for each $100 awarded in total direct compensation during the fiscal year indicated.

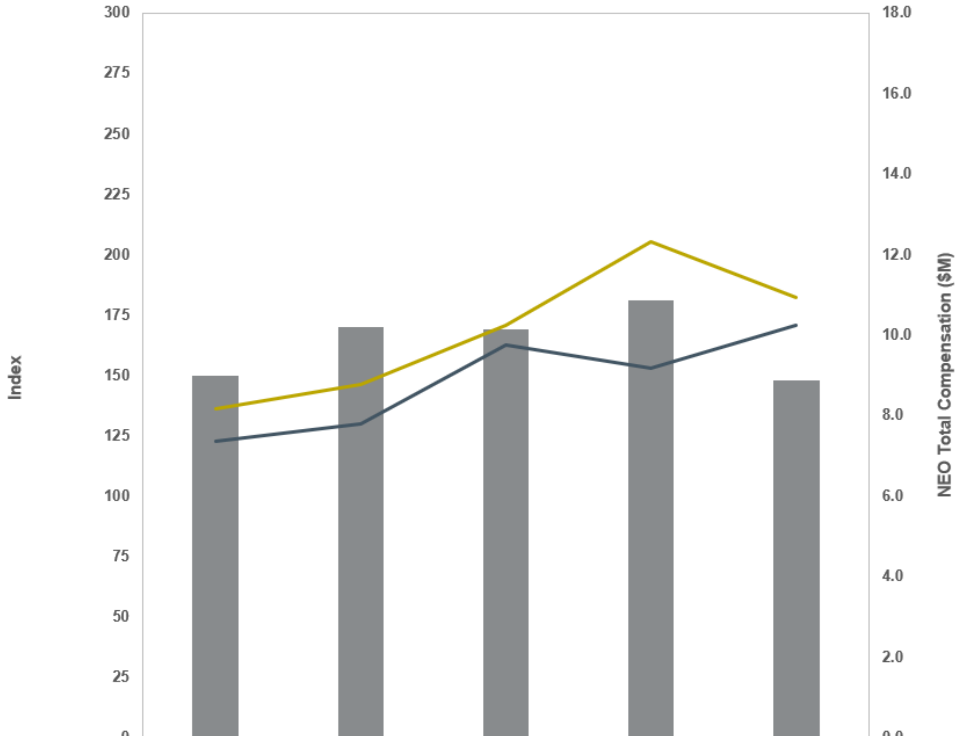
(5) Represents the cumulative value of a $100 investment in common shares made on the first trading day of the period indicated, including reinvested dividends.

(6) The weighted average for the CEO and the shareholder has been calculated using the "targeted compensation" as the common multiplier.

Overall, the pay for performance analyses above demonstrate that Capital Power has provided compensation to the CEO over the time period that is aligned with absolute and relative Company performance and the shareholder experience.

SHARE PERFORMANCE

The following graph compares the annual change in the cumulative total shareholder return on our common shares to the cumulative total return on the S&P/TSX Composite Index. The calculation for the 5-year period assumes an investment of $100 in our common shares (CPX) on December 31, 2018 and the reinvestment of dividends.



	2019	2020	2021	2022	2023
NEO total compensation ($MM)	9.0	10.2	10.1	10.9	8.9
CPX TSR	136	146	171	205	182
S&P/TSX Composite Index TSR	123	130	162	153	171

Note

The above graph reflects share values as of December 31 of the respective year.

Total named executive officer compensation (for executives in the role as of December 31, 2023) is the sum of the following elements:

- base salary;
- short-term incentive;
- grant date fair value of long-term incentive awarded;
- pension; and
- all other compensation.

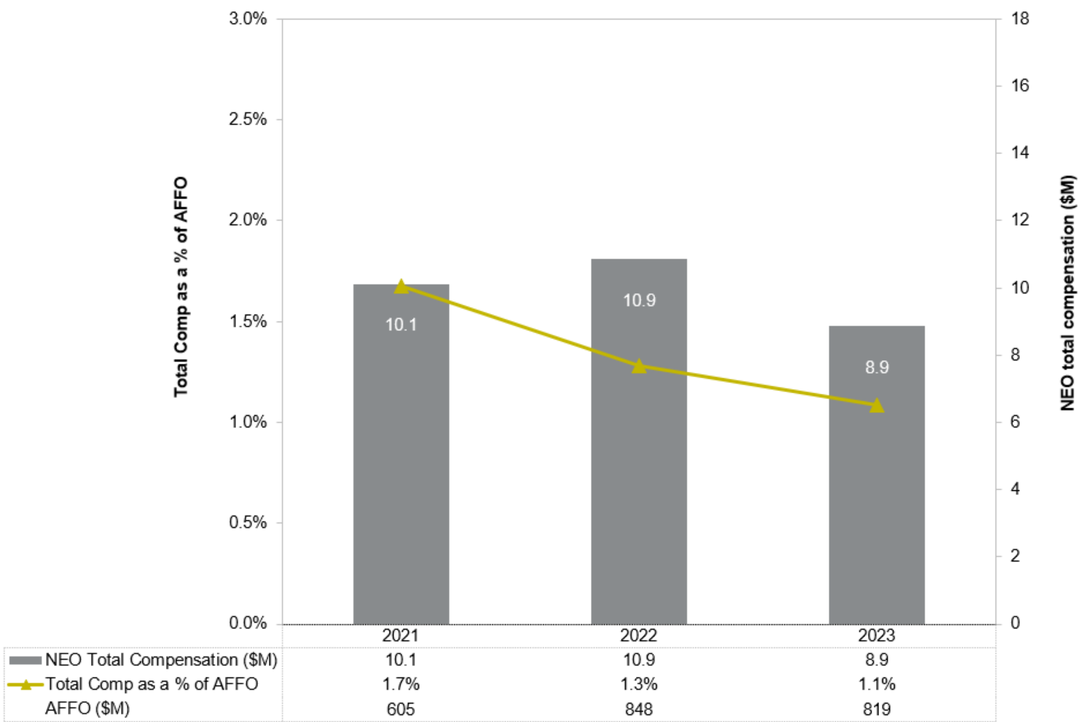
Executive compensation will be affected by our share performance over the long term because a significant portion is equity based, aligning the interests of executives and shareholders. While the grant date fair value of our stock option and share unit grants do not vary with corporate or share performance, award payouts are directly tied to our share performance.

- For stock options and share units, there is a direct correlation between our share price performance and the actual gains realized by our executives.
- For PSUs, in addition to share price, performance relative to that of our peer group will impact the payout (and beginning with the 2022 LTIP grants, performance measurement includes an ESG component tied to decarbonization and workplace diversity).

This relationship is illustrated in the look back analysis (see previous section) where the actual value earned through the various compensation elements shows alignment with our shareholder returns.

Cost of Management Ratio

To demonstrate the relationship between NEO compensation and the Company's financial resources, the following graph plots the total compensation of the named executive officers (for executives in the role as of December 31, 2023) and adjusted Funds from Operations (AFFO), since 2021.



Note

AFFO is reported for the year ended December 31 and is a Non-GAAP financial measure. See Non-GAAP Financial Measures on page 60 in the Company's Integrated Annual Report for the year ended December 31, 2023.

2023 details

SUMMARY COMPENSATION TABLE

The table below shows the compensation each named executive received for the fiscal years ended December 31, 2023, 2022, and 2021. Avik Dey does not receive compensation as a director of Capital Power.

Name and principal position	Year	Salary ($)	Option-based awards ($)	Share-based awards ($)(6)	Non-Equity incentive plans (Annual) ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Avik Dey(1) President & CEO	2023	531,846	502,941	2,003,978	891,780	25,692	280,336	4,218,573
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sandra Haskins Senior Vice President, Finance & CFO	2023	454,616	116,410	475,214	343,896	257,518	57,318	1,704,972
	2022	431,923	113,765	442,783	427,126	298,179	63,217	1,776,993
	2021	400,577	96,113	404,990	401,128	484,716	60,686	1,848,210
Bryan DeNeve Senior Vice President, Commercial	2023	431,923	108,471	442,758	328,944	424,594	61,483	1,798,173
	2022	410,000	113,765	442,783	398,003	127,410	64,407	1.556.368
	2021	410,000	105,083	442,817	370,378	42,362	58,247	1,428,887
Jacquie Pylypiuk Senior Vice President, Technology & Chief People and Culture Officer	2023	335,962	50,953	207,961	181,560	40,315	56,048	872,799
	2022	325,000	46,760	181,982	262,909	43,867	50,842	911,360
	2021	318,269	39,869	168,004	264,973	31,031	46,895	869,041
Jason Comandante(2) Senior Vice President, Head of Canada	2023	366,121	24,548	192,184	183,705	(519,185)	40,588	287,961
	2022	357,845	25,745	100,208	502,659	(144,675)	29,251	871,033
	2021	357,845	23,778	100,211	382,607	(136,055)	30,134	758,520
Brian Vaasjo(3) Special Advisor to the CEO (former President & CEO)	2023	377,462	431,153	1,760,002	358,137	313,453	45,961	3,286,168
	2022	800,000	411,068	1,600,022	1,294,320	440,194	96,860	4,642,464
	2021	800,000	379,701	1,600,018	1,204,480	326,021	96,499	4,406,719
Kathryn Chisholm(4) (former Senior Vice President, Chief Strategy & Sustainability Officer)	2023	217,154	95,539	389,975	143,692	109,914	30,626	986,900
	2022	390,000	92,185	358,804	407,839	130,167	53,052	1,432,047
	2021	390,000	85,145	358,833	381,560	63,953	53,406	1,332,897
Chris Kopecky(5) (former Senior Vice President and Chief Legal, Development and Commercial Officer)	2023	307,504	108,471	442,758	210,288	30,435	1,301,721	2,401,177
	2022	412,718	96,909	377,199	398,003	35,135	125,981	1,445,945
	2021	394,466	50,102	211,131	401,128	24,443	27,403	1,108,364

Notes

(1) Appointed to the position of President & CEO on May 8, 2023.
(2) Appointed to the position of Senior Vice President, Head of Canada on August 29, 2023. Mr. Comandante held non-executive positions prior to this date.
(3) The amount stated for Mr. Vaasjo's "Non-Equity Incentive Plan" represents payment of his 2023 STIP award at target, and pro-rated for service up to his retirement date (June 4, 2023).
(4) The amount stated for Ms. Chisholm's "Non-Equity Incentive Plan" represents payment of her 2023 STIP award at target, and pro-rated for service up to her retirement date (July 5, 2023).
(5) The amount stated for Mr. Kopecky's "Non-Equity Incentive Plan" represents payment of his 2023 STIP award at target, and pro-rated for service up to his last day of service (September 15, 2023). The amount stated for Mr. Kopecky's "All other compensation" includes a one-time lump sum payment provided at the end of his employment with Capital Power.
(6) Share based awards values represent accounting fair value.

Salary
Based on management's executive compensation review, base salaries for the following named executive officers will be increased in 2024:

- Avik Dey, President & CEO, increased from $835,000 to $885,000
- Sandra Haskins, Senior Vice President, Finance & CFO, increased from $460,000 to $470,000
- Bryan DeNeve, Senior Vice President, Chief Commercial Officer, increased from $440,000 to $450,000
- Jacquie Pylypiuk, Senior Vice President, Technology & Chief People and Culture Officer increased from $340,000 to $355,000

Share-based awards
Amounts are based on the grant date fair value of the share unit awards (using a 30-day volume-weighted average price preceding the grant date, noted in the table below) and represent what was approved by the Board.

	2023[1,2]	**2022**	**2021**
PSUs and RSUs	$42.26	$39.39	$36.06

[1] Avik Dey received an LTIP grant on May 18, 2023, shortly after his hire date, which included share unit awards. The grant date fair value of Mr. Dey's 2023 share units is $44.03.
[2] Jason Comandante received a grant of RSUs on August 29, 2023, effective his date of appointment to an executive position, with a grant date fair value of $40.72.

Option-based awards
Amounts are the grant date fair value of the option awards consistent with the accounting valuation and in accordance with IFRS. We adopted a minimum option valuation factor of 15% for granting purpose in 2021, 2022 and 2023. The actual fair values in 2021, 2022 and 2023 were less than the minimum; therefore, the minimum was adopted for all three grants.

	2023 Accounting	**2022 Accounting**	**2021 Accounting**
Volatility	18.4%	17.6%	17.4%
Dividend yield	5.60%	5.41%	5.99%
Expected life	4.5 years	4.5 years	4.5 years
Risk-free rate	3.36%	1.22%	0.36%
Vesting discount	0%	0%	0%
Fair value[1]	$4.38	$3.42	$2.47

[1] Avik Dey received an LTIP grant on May 18, 2023, shortly after his hire date, which included stock options. The grant date fair value of Mr. Dey's 2023 stock options is $4.91 (based on a grant price of $46.41).

Non-equity incentive plans (Annual)
Amounts are the actual STIP awards earned for that year and paid in March of the following year.

Pension value
- Pension Value is comprised of the cost of pension (DB or DC) that is accrued in a given year, and the change in total Defined Benefit Obligation (DBO) due to actual changes in pensionable earnings being different than the actuarial assumption (3.0% per annum). Pensionable earnings that increase at a rate less than 3.0% result in a decrease in the DBO.
- 2023 pension value represents compensatory changes from January 1, 2023 to December 31, 2023. The 2023 pension value reflects changes in the obligation due to actual salary experience during 2023 and includes service cost based on a 3% increase in pensionable earnings for 2023 and thereafter.
- 2022 pension value represents compensatory changes from January 1, 2022 to December 31, 2022. The 2022 pension value reflects changes in the obligation due to actual salary experience during 2022 and includes service cost based on a 2.5% increase in pensionable earnings for 2022 and thereafter.
- 2021 pension value represents compensatory changes from January 1, 2021 to December 31, 2021. The 2021 pension value reflects changes in the obligation due to actual salary experience during 2021 and includes service cost based on a 2.5% increase in pensionable earnings for 2021 and thereafter.

All other compensation

The 2023 perquisite amounts include:

- an executive benefit allowance of $8,615, an executive business allowance of $15,385, a relocation allowance of $100,000 and a payment of $117,819 to reimburse Mr. Dey for expenses incurred to allow him to commence his employment with Capital Power on May 8, 2023.
- an executive benefit allowance of $14,000 and an executive business allowance of $15,000 for Sandra Haskins, Bryan DeNeve, and Jacquie Pylypiuk.
- an executive benefit allowance of $4,308, an executive business allowance of $4,615 and a parking allowance of $5,040 for Jason Comandante.
- an executive benefit allowance of $6,462 and an executive business allowance of $11,538 for Brian Vaasjo.
- an executive benefit allowance of $8,077 and an executive business allowance of $8,654 for Kathryn Chisholm.
- an executive benefit allowance of $10,261 and an executive business allowance of $10,994 for Chris Kopecky.

INCENTIVE PLAN AWARDS

Outstanding share based and option-based awards

The table below shows each named executive's outstanding incentive plan awards as of December 31, 2023:

		Option-based awards				Share-based awards		
Name	Grant date	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market value or payout value of vested share-based awards not paid out or distributed ($)
Avik Dey	May 18/23	72,246	$46.41	May 18/23	-	45,308	1,241,262	–
Sandra Haskins	March 09/17	5,394	$25.53	March 09/24	66,400	-	-	-
	March 07/19	4,885	$30.78	March 07/26	34,488	-	-	-
	April 01/20	3,874	$27.15	April 01/27	41,413	-	-	-
	March 09/21	18,719	$34.23	March 09/28	67,576	13,191	824,856	-
	March 03/22	–	–	–	–	-	-	173,685
	March 11/22	18,736	$40.48	March 11/29	–	12,514	757,668	-
	March 08/23	-	-	-	-	-	-	122,351
	March 17/23	18,741	$41.41	March 17/30	–	11,917	326,481	-
Bryan DeNeve	February 28/17	–	–	–	–	-	-	44,922
	April 01/20	7,887	$27.15	April 01/27	84,312	-	-	-
	March 09/21	20,466	$34.00	March 09/28	73,882	14,424	901,910	-
	March 11/22	18,736	$40.48	March 11/29	-	12,514	757,668	-
	March 17/23	17,463	$41.41	March 17/30	-	11,103	304,183	-
	May 18/23	-	-	-	-	17,804	673,709	-
Jacquie Pylypiuk	March 09/17	7,082	$25.53	March 09/24	87,179	-	-	-
	March 07/18	7,962	$24.47	March 07/25	106,452	-	-	-
	March 07/19	9,363	$30.78	March 07/26	66,103	-	-	-
	April 01/20	7,748	$27.15	April 01/27	82,826	-	-	-
	March 09/21	7,765	$34.23	March 09/28	28,032	5,472	342,173	-
	March 11/22	7,701	$40.48	March 11/29	-	5,143	311,395	-
	March 17/23	8,203	$41.41	March 17/30	-	5,215	142,872	-
Jason Comandante	March 09/17	8,100	$25.53	March 09/24	99,711	-	-	-
	March 07/18	8,725	$24.47	March 07/25	116,653	-	-	-
	March 07/19	7,283	$30.78	March 07/26	51,418	-	-	-
	April 01/20	5,776	$27.15	April 01/27	61,745	-	-	-
	March 09/21	4,631	$34.23	March 09/28	16,718	3,264	163,804	-
	March 11/22	4,240	$40.48	March 11/29	-	2,832	139,319	-
	March 17/23	3,952	$41.41	March 17/30	-	2,513	81,962	-
	August 29/23	-	-	-	-	2,331	88,202	-
Brian Vaasjo	March 07/18	177,057	$24.47	March 7/25	2,367,252	-	-	-
	March 07/19	144,191	$30.78	March 7/26	1,017,988	-	-	-
	April 01/20	66,874	$27.15	June 01/26	714,883	-	-	-
	March 09/21	73,951	$34.23	June 01/26	266,963	52,116	3,258,839	-
	March 11/22	67,699	$40.48	June 01/26	-	45,221	2,737,847	-
	March 17/23	69,412	$41.41	June 01/26	-	44,136	1,209,173	-
Kathryn Chisholm	March 07/18	41,131	$24.47	March 7/25	549,921	-	-	-
	March 07/19	45,476	$30.78	March 7/26	321,061	-	-	-
	April 01/20	6,365	$27.15	June 01/26	68,042	-	-	-
	March 09/21	16,583	$34.23	June 01/26	59,865	-	-	-
	March 11/22	15,182	$40.48	June 01/26	-	-	-	-
	March 17/23	15,381	$41.41	June 01/26	-	9,780	267,924	-
Chris Kopecky	March 03/22	-	-	-	-	-	-	217,075
	March 08/23	-	-	-	-	-	-	152,026

Notes

- Share-based awards number and market payout value includes PSUs and RSUs.
- Value of unexercised in-the-money options — the greater of zero dollars or the difference between the closing price of our common shares on the TSX as of December 29, 2023 of $37.84 per share and the option exercise price, times the number of outstanding vested and unvested stock options.
- Number of shares or units of shares that have not vested — includes reinvested dividends.
- Market or payout value of share-based awards that have been earned but not vested — On December 31, 2023 no PSUs or RSUs had vested. See Compensation Decisions for 2022 – Payment of 2021 PSU Awards starting on page 66. The named executives realized 227% of the grant value of the 2021 PSU awards (and 122% for RSUs) when they vested on January 1, 2024. For other share units, the stated value is based on the closing price of our common shares on the TSX as of December 29, 2023 of $37.84 per share multiplied by the number of share units. Earned PSUs reflect the current performance multiplier.
- Market value or payout value of vested share-based awards not paid out or distributed — The value denoted for Bryan DeNeve, Sandra Haskins and Chris Kopecky represents the closing price of our common shares on the TSX of $37.84 as of December 29, 2023 multiplied by the number of DSUs they held as of December 31, 2023.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Avik Dey	n/a	n/a	891,780
Sandra Haskins	66,874	178,536	343,896
Bryan DeNeve	166,735	1,387,351	328,944
Jacquie Pylypiuk	57,407	356,960	181,560
Jason Comandante	39,757	266,156	183,705
Brian Vaasjo	512,531	3,921,250	358,137
Kathryn Chisholm	134,725	1,119,575	143,692
Chris Kopecky	56,039	212,542	210,288

Notes

Option-based awards – Value vested during the year — the difference between the closing price of our common shares on the TSX on the respective vesting date and the option exercise price of the respective option grant, multiplied by the number of stock options that vested during the year.
Share-based awards – Value vested during the year — values shown are 2020 PSU and RSU (where applicable) awards that vested on January 1, 2023 and were paid to the named executives on February 17, 2023.
Non-equity incentive plan compensation – Value earned during the year — values shown are STIP awards. For Brian Vaasjo, Kathryn Chisholm and Chris Kopecky, values shown represent award at target, and pro-rated to their last day of service. Capital Power does not have a long-term non-equity incentive plan.

Stock options

The following table provides details of the option-based awards exercised by named executives during the year ended December 31, 2023:

Name	Grant date	Number exercised (#)	Exercise Price ($)	Market Price ($)	Value Realized ($)
Brian Vaasjo	March 9, 2017	42,000	$25.53	$39.65	$449,462
	March 9, 2017	42,000	$25.53	$39.43	$442,404
	March 9, 2017	42,000	$25.53	$39.14	$433,034
	March 9, 2017	40,262	$25.53	$39.06	$412,689
					$1,737,588
Jacquie Pylypiuk	March 1, 2016	1,000	$17.33	$40.54	$17,608
	March 1, 2016	1,000	$17.33	$40.62	$17,632
	March 1, 2016	1,000	$17.33	$40.64	$17,686
	March 1, 2016	1,000	$17.33	$40.63	$17,677
	March 1, 2016	1,000	$17.33	$40.69	$17,724
	March 1, 2016	1,000	$17.33	$40.71	$17,737
	March 1, 2016	1,000	$17.33	$40.71	$17,739
	March 1, 2016	1,000	$17.33	$40.75	$17,770
	March 1, 2016	1,932	$17.33	$41.02	$34,730
					$176,304
Kathryn Chisholm	March 1, 2016	9,984	$17.33	$41.71	$184,652
					$184,652
Chris Kopecky	March 9, 2017	3,512	$25.53	$40.88	$38,440
	March 7, 2018	8,020	$24.47	$40.86	$93,752
	March 7, 2019	7,069	$30.78	$41.05	$51,702
	April 1, 2020	6,247	$27.15	$41.05	$61,092
	March 9, 2021	6,505	$34.23	$41.05	$31,194
					$276,181

EQUITY COMPENSATION PLANS

We adopted our two equity compensation plans for executives and employees — the 2009 plan and the LTIP — before our initial public offering in 2009 which were approved by the shareholders prior to the initial public offering. The initial public offering prospectus disclosed the two equity compensation plans. The one and only option grant made under the 2009 plan expired on July 8, 2016, and the 2009 plan was terminated by the Board on November 17, 2016.

The maximum number of shares reserved for issue under our stock option plan is 9,194,506, representing approximately 7.8% of the common shares outstanding as at December 31, 2023.

Of the total number of common shares that can be issued under the LTIP, 399,911 options were issued under the LTIP in 2023.

The table below provides details about the equity compensation plans as at December 31, 2023:

	Number of securities to be issued upon exercise of outstanding stock options (a)		Weighted average exercise price of outstanding stock options (b)	Number of securities remaining available for future issue (excluding securities reflected in column (a)) (c)		Total stock options outstanding and available for grant (a) + (c)	
Plan category	**% of common shares outstanding**	**#**		**% of common shares outstanding**	**#**	**% of common shares outstanding**	**#**
Equity compensation plans approved by security holders	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity compensation plans not approved by security holders	1.5%	1,736,821	$33.80	0.6%	681,959	2.1%	2,418,780
Total	1.5%	1,736,821	$33.80	0.6%	681,959	2.1%	2,418,780

Note

Stock options were granted for 2,183,100 common shares under the 2009 plan, and 10,756,315 common shares under the current LTIP for a total of 12,939,415 options. Of the total granted under the two plans, stock options for 4,426,868 common shares have been cancelled or expired, and stock options for 6,775,726 common shares have been exercised.

The table below shows the stock option overhang, dilution and run rate. See Stock options on page 60 for details.

Rate	Description	2023	2022	2021
Overhang	• the total potential dilution from stock options • the total number of stock options outstanding plus the number of shares available for future issue, divided by the number of common shares outstanding	2.06%	2.35%	3.08%
Dilution	• the current dilution from stock options • the total number of stock options outstanding divided by the number of common shares outstanding	1.48%	1.47%	1.92%
Run rate	• shows the number of annual stock option grants and indicates how quickly the stock option reserve is being used • the total number of stock options issued in a year, divided by the number of common shares outstanding	0.34%	0.27%	0.31%

The Company regularly monitors dilution levels and, where warranted, will consider changes to the LTIP award mix to manage the situation.

The table below is a summary of outstanding stock options granted by the Board and run rate:

Year	Number of common shares to be issued for stock options previously granted	As a percentage of common shares outstanding at year-end (run rate)
2017	696,057	0.69%
2018	719,050	0.70%
2019	639,265	0.62%
2020	393,245	0.37%
2021	340,832	0.31%
2022	311,581	0.27%
2023	399,911	0.34%

Copies of the plan documents are available on SEDAR+ (www.sedarplus.ca). See also Stock options on page 60.

RETIREMENT BENEFITS

Pension and other benefits help provide long-term financial security and retain executives.

We have a defined benefit plan (legacy employees only) and a defined contribution plan (employees hired since July 9, 2009) for Canadian employees. US employees may participate in our 401(k) plan.

Canadian management employees are also eligible to participate in our supplemental retirement plan if their pension benefits under either plan are limited because of the maximum pension or contribution limits defined in the *Income Tax Act* (Canada) (Income Tax Act).

Defined benefit plan

Our defined benefit plan is the Local Authorities Pension Plan (LAPP), a multi-employer, contributory pension plan for employees of municipalities, hospitals, and other public entities in Alberta, governed by the *Public Sector Pension Plans Act* (Alberta) and subject to the limits of the Income Tax Act. Bryan DeNeve and Sandra Haskins participate in the plan, and Brian Vaasjo participated in this plan prior to his retirement.

Benefits are based on the average of the best five consecutive years of pensionable earnings and years of service. Pensionable earnings are equal to base salary plus actual bonus, up to a maximum of 20% of base salary (beginning January 1, 2004) limited for each year of service after 1991 to the maximum annual accrual under the Income Tax Act.

The benefit formula is 1.4% of the average of the best five consecutive years' annual pensionable earnings up to the average Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan, plus 2% of the average of the best five consecutive years' annual pensionable earnings in excess of the five-year average YMPE. The benefit formula is multiplied by years of service up to a maximum of 35 years.

Employee and employer contribution rates are explained in the plan rules and are adjusted from time to time by the plan's Board of trustees based on recommendations from the plan's actuary.

In 2023, members were required to contribute 7.45% up to the YMPE plus 11.23% of pensionable earnings above the YMPE, and employers contributed 8.45% up to the YMPE and 12.23% of pensionable earnings above the YMPE.

Participants can receive an unreduced pension when they turn 65 or have 85 points (age plus years of service). The pension is reduced by 3% for each year that the combination of the individual's age and years of service is less than 85 or for each year the participant is younger than 65, whichever provides the lower reduction. No pension is paid if a participant has not completed two years of service.

The pension is indexed annually to 60% of the increase in the Alberta consumer price index.

The table below shows the reconciliation of the accrued benefit obligation for each named executive. The compensatory change reflects:

- the current employer service cost for the supplemental retirement plan (SRP);
- any change in the SRP obligation because of an unexpected increase in compensation during the period;
- any change in the obligation because of plan changes; and
- changes in employer contributions.

The actual increase in compensation may be different from the expected increase used in actuarial assumptions and will also vary among the named executives and from year to year.

Name (a)	Number of years of credited service (#) (b)	Annual benefits payable At year end ($) (c1)	At age 65 or on retirement ($) (c2)	Opening present value of defined benefit obligation ($) (d)	2023 Compensatory changes ($) (e)	2023 Non-compensatory changes ($) (f)	Closing present value of defined benefit obligation ($) (g)
Sandra Haskins	21.9	240,482	251,463	2,501,944	257,518	936,039	3,674,132
Bryan DeNeve	21.3	272,564	356,838	2,585,882	424,594	570,450	3,559,557
Jason Comandante	22.6	143,397	222,320	1,809,668	(538,607)	376,712	1,647,773
Brian Vaasjo	25.0	634,780	634,780	8,215,566	313,453	313,601	8,821,251
Kathryn Chisholm	18.8	200,169	200,169	2,248,612	109,914	171,069	2,508,225

Notes

(b) Number of years of credited service
Sandra Haskins — the amount reflects credited service under the LAPP and DB SRP;
Bryan DeNeve — the amount reflects credited service under the LAPP and DB SRP;
Jason Comandante—the amount reflects credited service under DB SRP only;
Brian Vaasjo— the amount reflects 25.0 years of credited service under the LAPP and 23.4 years of credited service under the DB SRP; and
Kathryn Chisholm — the amount reflects credited service under the LAPP and SRP.

(c1 and c2) Annual benefits payable
(c1) At year end — Accrued Defined Benefit pension under the LAPP and SRP as at December 31, 2023 and payable at normal retirement age of 65 based on highest average earnings, average YMPE and pensionable service as at December 31, 2023. An unreduced pension is payable at the earliest of age 65 or 85 points.
(c2) At age 65 — the amount payable on retirement at age 65, assumes continued service accrual to age 65 and that the highest average earnings and estimated CPP, at age 65, remain unchanged from December 31, 2023.

(d) Opening present value of defined benefit obligation
The defined benefit obligation and service cost for the SRP were determined using the same methods and assumptions used to determine accounting information disclosed in Capital Power's financial statements. Accounting entries for the LAPP are recognized on a defined contribution basis; therefore, only Company contributions to the LAPP are included in compensatory changes. As a result, columns (d), (e) and (f) do not sum up to column (g).

(e) 2023 Compensatory changes

- The defined benefit obligation and service cost for the SRP were determined using the same methods and assumptions used to determine accounting information disclosed in Capital Power's financial statements. Accounting entries for the LAPP are recognized on a defined contribution basis; therefore, only Company contributions to the LAPP are included in compensatory changes. As a result, columns (d), (e) and (f) do not sum up to column (g).Includes $21,369 in LAPP employer contributions for all named executives.

Compensatory changes are comprised of the cost of pension (DB or DC) that is accrued in a given year, and the change in total Defined Benefit Obligation (DBO) due to actual changes in pensionable earnings being different than the actuarial assumption (3.0% per annum). Pensionable earnings that increase at a rate less than 3.0% result in a decrease in the DBO.

(g) Closing present value of defined benefit obligation
The defined benefit obligation and service cost for the SRP were determined using the same methods and assumptions used to determine accounting information disclosed in Capital Power's financial statements. Accounting entries for the LAPP are recognized on a defined contribution basis; therefore, only Company contributions to the LAPP are included in compensatory changes. As a result, columns (d), (e) and (f) do not sum up to column (g).

Defined contribution plan

Contributions to the defined contribution plan are based on pensionable earnings up to the annual limits imposed under the Income Tax Act. Participants contribute 5% of pensionable earnings, and Capital Power contributes 5%, 6.5% or 8% of pensionable earnings depending on the participant's years of service.

We allow executive participants to suspend their membership and transfer the account balance to a locked-in retirement savings vehicle. We pay a lump sum equivalent to what would have been paid into the plan if they had continued to participate, after deducting any payroll withholding or other taxes.

Executive participants have the right to resume participation in the plan in the future. Company contributions will also resume, but only for future service as of the date the suspension is lifted.

Name (a)	Accumulated Value at December 31, 2022 ($) (b)	2023 Compensatory Changes ($) (c)	Accumulated Value at December 31, 2023 ($) (d)
Avik Dey	n/a	25,692	33,891
Jacquie Pylypiuk	338,675	40,315	421,967
Jason Comandante	829,277	19,422	949,899

Notes

(c) 2023 Compensatory Changes

The portion of compensatory changes attributable to the DC SRP for Avik Dey and Jacquie Pylypiuk are paid out on an annual basis and not reflected in the accumulated value at year end; and

No DC SRP contributions were made for Jason Comandante

401(k) plan

For its U.S. employees, Capital Power sponsors a 401(k) plan, under which members are permitted to make pre-tax or after-tax elective contributions up to 100% of eligible compensation. Capital Power matches employee deferrals to a maximum of 7% of eligible compensation, 5% which vests immediately and 2% which vests over a 2-year period.

Chris Kopecky participated in this plan prior to his departure. The following table is a reconciliation of the accumulated value as at the end of the last two years. The compensatory change is the employer contribution made on his behalf.

Name	Accumulated value at Dec 31, 2022[(1)] ($)	2023 Compensatory changes[(2)] ($)	Accumulated value at Sep 15, 2023[(3)] ($)
Chris Kopecky	1,509,093	30,435	1,783,091

Notes

(1) Based on Bank of Canada exchange rate of 1.3544 as at December 31, 2022.
(2) Based on average Bank of Canada exchange rate of 1.3455 between January 1, 2023 and September 15, 2023.
(3) Based on Bank of Canada exchange rate of 1.3526 as at September 15, 2023.

Supplemental retirement plan

All Canadian named executives participate in the SRP, which is unfunded and non-contributory. It provides pension benefits in excess of the maximum limits prescribed by the Income Tax Act (Canada) and is therefore a non-registered plan. The SRP includes both a Defined Benefit (DB) and a Defined Contribution (DC) plan and aligns with the underlying registered plan in which the executive participates with the exception of Jason Comandante who had a legacy arrangement with EPCOR

If a named executive was a member of the EPCOR DB supplemental pension plan (SPP) before our inception in July 2009 they will be eligible to participate in the Capital Power DB Supplemental plan regardless of the underlying registered plan. Service under the EPCOR SPP is recognized under the SRP plan. The SRP provides a defined benefit pension that is equal to 2% of the average pensionable earnings in excess of an earnings threshold, multiplied by years of service after January 1, 2000, and has the same early retirement and indexing provisions as our defined benefit plan. All the named executives participate in the SRP.

For new hires after July 2009, the SRP provides benefits that exceed the contribution limits of the Income Tax Act and are on a defined contribution basis.

OTHER BENEFITS

Other benefits support employee wellbeing.

We review the plans periodically to assess their competitiveness and whether they continue to meet our business and people objectives.

Health and welfare benefits

Benefit plans are designed to protect the health of employees and their dependents and cover them in the event of death or disability. Executives participate in the same benefits program as our other full-time employees.

Executive benefit allowance

In addition to health and welfare benefits, executives also receive an annual executive benefit allowance of $14,000 to offset their costs. The allowance is paid biweekly.

Executive business allowance
Executives receive an annual taxable allowance to offset the cost of various business-related expenses like memberships and other out-of-pocket costs associated with performing their duties. Avik Dey receives an annual $25,000 allowance; the other named executives receive $15,000 annually. The allowance is paid bi-weekly.

Financial planning allowance
Avik Dey is eligible to receive an annual financial planning allowance of up to $5,000. The other named executives are eligible to receive an annual financial planning allowance of up to $3,500.

Savings plan
Our savings plan allows all Canadian-based, non-unionized employees to contribute up to 100% of their base salary towards a range of investment options, including our common shares. Participation is voluntary.

We match employee contributions up to a maximum of 5% of base salary.

TERMINATION AND CHANGE OF CONTROL

We have employment agreements with each named executive. See Appendix B for a description of the compensation and benefits for each named executive if their employment is terminated.

The table below shows the estimated incremental amounts that would be paid if the named executive had been terminated on December 31, 2023 because of a termination without cause or a double trigger change of control (which requires both a change of control and termination by the executive for good reason). No incremental amounts are triggered by the other termination scenarios.

			For Termination without Cause			For Double Trigger Change of Control		
Name	Length of service for calculating the severance payment	Estimated severance ($)	Estimated value of stock options ($)	Estimated value of Share Units ($)	Total including Estimated Severance ($)	Estimated value of stock options ($)	Estimated value of Share Units ($)	Total including Estimated Severance ($)
Avik Dey	24 months	3,471,723	0	413,754	3,885,478	0	1,241,262	4,712,986
Sandra Haskins	18 months	1,244,700	22,526	1,438,795	2,706,022	67,576	1,909,006	3,221,281
Bryan DeNeve	24 months	1,588,397	24,627	1,628,550	3,241,574	73,882	2,637,471	4,299,750
Jacquie Pylypiuk	18 months	828,632	0	597,393	1,426,025	28,032	796,439	1,653,102
Jason Comandante	18 months	886,752	0	294,041	1,180,794	16,718	473,287	1,376,757

Notes

- The information in the table is provided for example purposes only using the executives' current contracts.
- Double Trigger Change of Control also requires termination for "good reason", which may include as examples: a materially adverse change in the executive's position/responsibilities, reporting relationship, or material reduction in compensation/aggregate level of benefits.
- Chris Kopecky received a severance payment of $1,192,928, commensurate with the terms and conditions of his employment contract upon termination without cause.

Estimated severance
Severance payment includes salary, STIP at target, annual Company benefits, pension, and savings plan contributions, for the length of service noted in the table (except for Bryan DeNeve whose severance is not to include the savings plan but does include the annual executive business allowance).

Estimated value of vested stock options
The difference between $37.84 the closing price of our common shares on the TSX on December 29, 2023, and the respective exercise price for each options grant, times the number of outstanding unvested stock options that would vest under the termination scenario.

Estimated value of Share Units
The estimated payout value of share units is based on the closing price of our common shares on the TSX on December 29, 2023 of $37.84 per share. The PSUs component is also multiplied by the performance multiplier calculated as of December 31, 2023. DSUs are fully vested at grant and are not included in the above table.

4. FORWARD-LOOKING INFORMATION

Forward-looking information or statements included in this notice of meeting and management proxy circular for our 2024 annual meeting of shareholders (the circular) are provided to inform the Company's shareholders, potential investors, and other stakeholders about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this circular is generally identified by words such as "will", "anticipate", "believe", "plan", "intend", "target", and "expect" or similar words suggesting future outcomes.

Forward-looking information in this document includes, among other things, information related to:
our priorities and long-term strategies, including our corporate, sustainability, renewables and decarbonization strategies;
our company-wide targets specific to climate-related performance, including reduction of emissions and emissions intensity and our pathway to net zero 2045, pathway to decarbonization, commitment to being off-coal in 2024, repowering of Genesee 1 and 2 and conversion of Genesee 3, completion of the Genesee Carbon Conversion Centre and commercial application of carbon conversion, capture, utilization and storage technologies;
our plans for equity, diversity and inclusion in our workforce, including our commitment to increase the number of female hires and improve gender balance at our organization and achieve our compensation linked organizational diversity targets by 2025;
our goals for Total Shareholder Return and for long-term future dividend growth;
our plans to move forward with the Halkirk 2 Wind facility in Alberta and the Ontario thermal and battery projects;
our plans to reduce our emissions and carbon footprint by repowering Genesee 1 and 2 to utilize natural gas and continuing investment in clean energy technologies, such as carbon capture, utilization and storage technologies, battery storage and direct air capture, hydrogen investment in renewables, strategically located natural gas assets, decarbonization technologies, alternative dispatchable carbon-free generation and negative abatement solutions, including our intention to advance studies for development of carbon capture and storage at the repowered Genesee 1 and 2 in Alberta and the anticipated reduction in emissions across our portfolio; and
the impact of climate change.

These statements are based on certain assumptions and analyses made by the Company considering its experience and perception of historical and future trends, current conditions, expected future developments, and other factors it believes are appropriate, including its review of purchased businesses and assets. The material factors and assumptions used to develop these forward-looking statements relate to: (i) electricity, other energy and carbon prices; (ii) performance; (iii) business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects; (iv) status of and impact of policy, legislation, and regulations; (v) effective tax rates; (vi) the development and performance of technology; (vii) foreign exchange rates; (viii) matters relating to the line loss rule proceeding before the Alberta Utilities Commission, including the recovery of payments and timing thereof from appropriate parties; and (ix) other matters discussed under the "Strategy and Targets" section in the Company's 2023 Integrated Annual Report pertaining to Performance Targets for 2024.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to several known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such material risks and uncertainties include: (i) changes in electricity, natural gas and carbon prices in markets in which the Company operates and the use of derivatives; (ii) regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation; (iii) disruptions, or price volatility, within the Company's supply chains, (iv) generation facility availability, wind capacity factor and performance including maintenance expenditures; (v) ability to fund current and future capital and working capital needs; (vi) acquisitions and developments including timing and costs of regulatory approvals and construction; (vii) changes in market prices and availability of fuel; (viii) ability to realize the anticipated benefits of acquisitions, (ix) limitations inherent in the Company's review of acquired assets; (x) changes in general economic and competitive conditions; (xi) changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services, and programs; and (xii) the risks and uncertainties discussed under the heading "Risks and Risk Management" in the Company's 2023 Integrated Annual Report for the year ended December 31, 2023. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

5. Other Information

Copies of the circular and our most recent AIF and Integrated Annual Report (including our consolidated financial statements for the year ended December 31, 2023) are available free of charge:

go to our website (www.capitalpower.com); or
request a copy from our Corporate Secretary, Capital Power Corporation, 12th Floor, 10423 – 101 Street, Edmonton, Alberta T5H 0E9.

Our disclosure documents and any reports, statements or other information we file with Canadian Securities Administrators or other similar regulatory authorities are available on SEDAR+ (www.sedarplus.ca).

We want your feedback

We work hard to maintain a comprehensive investor communications program, and welcome your feedback on our website, disclosure documents and other corporate information, including our:

- integrated annual report
- annual information form
- quarterly reports
- management proxy circular
- presentations and webcasts
- dividend history
- ethics policy
- investment overview
- community investment
- consultation initiatives

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The Board has approved the contents of this circular and has authorized us to send it to all shareholders of record.

By order of the Board,

Colleen Legge

Colleen Legge
Corporate Secretary
Capital Power Corporation
Edmonton, Alberta

March 11, 2024

Appendix A

Board of Directors – Terms of Reference

I. Introduction

A. The Board of Directors (the "Board") has the power to manage, or supervise the management of, the business and affairs of Capital Power Corporation (the "Corporation") except as limited or restricted by the *Canada Business Corporations Act* (the "Act") and the Corporation's Articles and By-laws.

B. The Corporation hereby adopts these terms of reference for the Board, which set out the specific responsibilities to be discharged by the Board. The purpose of these terms of reference is to assist the Board in annually assessing its performance.

C. The President and Chief Executive Officer (the "CEO") and their management team ("Management") formulate strategies and plans and present them to the Board for approval. The Board approves the goals of the business, the objectives and policies within which it is managed, and then assumes a stewardship role and evaluates the CEO's performance. Reciprocally, the CEO keeps the Board fully informed, in a timely and candid manner, of the Corporation's progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board.

II. Board composition

A. The Board will consist of a minimum of three (3) and a maximum of twelve (12) directors (the "Directors").

B. A majority of the members of the Board will be independent pursuant to National Policy 58-201 *Corporate Governance Guidelines* (as implemented by the Canadian Securities Administrators and as amended from time to time) ("NP 58-201").

C. The Board should consist of professional and competent members with an appropriate mix of skills and abilities to ensure that the Board carries out its duties and responsibilities in the most effective manner and that the Corporation meets its legal, financial and operational objectives.

D. The Directors will be elected at the annual general meeting of the Corporation each year and, subject to the Corporation's policies and applicable law, will hold office until their successors are duly elected or appointed.

III. Responsibilities

All of the following responsibilities are undertaken within the parameters and restrictions established by the Act, the Articles, and the By-laws.

A. Managing the affairs of the Board

The Board supervises the management of the affairs of the Board by establishing committees (the "Committees") to provide more detailed review of important areas of responsibility, delegating certain of its authorities to the CEO and Management, reserving certain powers to itself and making certain recommendations to the shareholders. This process includes:

i. appointing Committees and/or advisory bodies, which at a minimum shall be comprised of an Audit Committee, a People, Culture, and Governance Committee (the "PCG Committee") and a Health, Safety and Environmental Committee;

ii. delegating responsibilities to, and seeking the advice of, the Committees and establishing and periodically reviewing/approving their respective terms of reference;

iii. approving terms of reference for the chair of the Board (the "Chair") and Individual Directors;

iv. implementing processes to evaluate the performance of the Board, the Committees, and the Directors in fulfilling their respective responsibilities;

v. on the recommendation of the PCG Committee, implementing processes for new Director orientation and ongoing Director development;

vi. appointing the Secretary;

vii. on the recommendation of the PCG Committee, implementing effective governance processes to fulfill its responsibility for oversight and control;

viii. making recommendations to the shareholders in the following areas:

  a. on the recommendation of the PCG Committee, director nominees;

  b. on the recommendation of the Audit Committee, the appointment of the external auditors; and

  c. any special business items to be addressed by the shareholders that may be brought forward by the Board or the Corporation from time to time;

ix. delineating the authority to be retained by the Board and that to be delegated to the Committees and the CEO;

x. publishing a corporate governance statement annually, describing how each of the principles of good governance in NP 58-201 (or its successor) is put into practice;

xi. at least annually, surveying the management, development, effectiveness and performance of the Board, including reviewing and considering any amendments to be made to these terms of reference; and

xii. considering as a Board and not delegating to any Committee:

  a. any submission to the shareholders of the Corporation of a question or matter requiring the approval of the shareholders;

  b. the filling of a vacancy among the Directors or the Corporation's auditor or the appointment of additional Directors;

  c. the issuance of securities, including shares of a series, except as authorized by the Board;

  d. the declaration of dividends;

  e. the purchase, redemption, or any other form of acquisition of shares issued by the Corporation;

  f. the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Corporation from the Corporation or from any other person, or the procurement or agreement to procure purchasers for any shares of the Corporation;

  g. approval of the annual audited financial statements, quarterly financial statements and quarterly reports, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms, integrated annual reports, and other disclosure documents required to be approved by the directors of a corporation under securities laws, regulations or rules of any applicable stock exchange; or

  h. the adoption, amendment or repeal of the Corporation's by-laws (the "By-laws").

B. Strategy and plans

The Board has the responsibility to:

i. participate with the CEO and Management in developing and adopting the Corporation's strategic planning process including:

  a. providing input on emerging trends and issues;

b. reviewing and approving, on an annual basis, the Corporation's strategic plans (long-term business plans), which will take into account, among other things, the opportunities, risks and sustainability of the business of the Corporation; and

c. reviewing and approving, on an annual basis, the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures;

ii. approve annual capital and operating budgets which support the Corporation's ability to meet the objectives established in the strategic plan; and

iii. monitor the Corporation's progress towards its goals, and to revise and alter its direction through the CEO and Management in light of changing circumstances.

C. Management and human resources

With the assistance of the PCG Committee, the Board will be responsible for:

i. the appointment, termination, and succession of the CEO;

ii. approving CEO compensation;

iii. approving terms of reference for the CEO;

iv. monitoring CEO performance and reviewing CEO performance at least annually, against agreed upon written objectives;

v. providing advice and counsel to the CEO in the execution of the CEO's duties;

vi. approving compensation and benefits for Directors;

vii. approving decisions relating to those of the Corporation's officers reporting directly to the CEO, including the:

a. appointment and termination of Management; and

b. compensation and benefits for Management;

viii. satisfying itself as to the integrity of the CEO and Management and that the CEO and Management create a culture of integrity throughout the Corporation;

ix. ensuring succession planning programs are in place, including programs to train, develop, and monitor Management and other senior management;

x. approving certain matters relating to all employees, including:

a. the overarching compensation policy/program for employees;

b. new benefit programs or material changes to existing programs; and

c. material benefits granted to retiring employees outside of benefits received under approved pension and other benefit programs.

xi. satisfying itself as to the oversight and governance of, and approving all material amendments to, the Corporation's pension plans; and

xii. ensuring there are adequate procedures for the Board to be apprised on a timely basis of concerns relating to unethical behavior, fraudulent activities, or violation of the Corporation's policies.

D. Business and risk management

The Board has the responsibility to:

i. with the assistance of the Audit Committee, monitor corporate financial performance against the operating and capital plans, including assessing operating results to evaluate whether the Corporation's business is being properly managed and meeting its objectives;

ii. ensure the CEO and Management identify the principal risks of the Corporation's business and implement appropriate systems to manage these risks;

iii. with the assistance of the Health, Safety and Environment Committee, monitor and assess the effectiveness of the Corporation's employee health and safety and environmental stewardship;

iv. receive, at least annually, reports from the CEO and Management and, where applicable, from the Committees, on matters relating to, among others, ethical conduct, human rights, equity, diversity and inclusion, and other sustainability matters;

v. understand principal risks and determine whether the Corporation achieves a proper balance between risk and returns, and that Management ensures that systems are in place to address the risks identified; and

vi. with the assistance of the Audit Committee, assess and monitor management control systems, including evaluating and assessing information provided by the CEO and Management and others (e.g., internal and external auditors) about the effectiveness of management control systems.

E. Financial and corporate issues

The Board has the responsibility to:

i. with the assistance of the Audit Committee, at least annually, provide oversight of a review to ensure the implementation and integrity of the Corporation's internal control and management information systems;

ii. with the assistance of the Audit Committee, monitor operational and financial results;

iii. on the recommendation of the Audit Committee, approve annual and quarterly financial statements, and approve the release thereof by the Corporation;

iv. declare dividends from time to time;

v. approve debt financing, banking resolutions, and significant changes in banking relationships;

vi. review coverage, deductibles, and key issues regarding corporate insurance policies;

vii. approve commitments that may have a material impact on the Corporation; and

viii. approve the commencement or settlement of litigation that may have a material impact on the Corporation.

F. Shareholder and corporate communications

The Board has the responsibility to take all reasonable steps to:

i. ensure the Corporation has in place effective communication processes with shareholders and major stakeholders;

ii. with the assistance of the Audit Committee, ensure that the financial performance of the Corporation is adequately reported to the shareholders, other security holders and regulators on a timely and regular basis;

iii. on the recommendation of the Audit Committee, ensure the financial results are reported fairly and in accordance with generally accepted accounting principles; and

iv. ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.

G. Policies and procedures

The Board has the responsibility to take all reasonable steps to:

i. with the assistance of the PCG Committee (where applicable), approve and monitor compliance with all significant policies and procedures by which the Corporation is operated;

ii. with the assistance of the PCG Committee, direct the CEO and Management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;

iii. on recommendation from the relevant Committee, review and approve significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment);

iv. with the assistance of the PCG Committee, develop and adopt corporate governance principles and guidelines for the Corporation and review such corporate governance guidelines annually; and

v. with the assistance of the PCG Committee, adopt and monitor a written code of business conduct and ethics applicable to all directors, officers, and employees of the Corporation addressing:

a. conflicts of interest and the procedures to be established and monitored for identifying and dealing with conflicts of interest;

b. protection and proper use of corporate assets and opportunities;

c. confidentiality of corporate information;

d. fair dealing with the Corporation's security holders, customers, suppliers, competitors, and employees;

e. compliance with applicable laws, rules and regulations; and

f. reporting of any illegal or unethical behaviour.

IV. <u>General legal obligations of the Board of Directors</u>

A. The Board is responsible for directing the CEO and Management to ensure legal requirements have been met, and documents and records have been properly prepared, approved, and maintained.

B. The Act includes the following as legal requirements for Directors:

i. to act honestly and in good faith with a view to the best interests of the Corporation;

ii. to exercise the care, diligence, and skill that reasonably prudent people would exercise in comparable situations; and

iii. to act in accordance with the obligations contained in the Act, and any other relevant legislation, regulations and policies, and the Corporation's articles and By-laws.

V. <u>Meetings</u>

In accordance with, and subject to, the Act and the Corporation's Bylaws:

A. The Board will meet at least four times per year and review meeting materials prior to attending each meeting;

B. At each meeting, an in camera session will be held with just the Directors in attendance;

C. Agendas will be set by the Chair with assistance from the CEO and the Corporate Secretary and will be circulated with the materials for consideration at the meeting by the Corporate Secretary to all Directors, the CEO, Management, and the Corporate Secretary no later than the day prior to the date of the meeting. However, it will be standard practice to deliver the agenda and the materials for consideration at the meeting at least five (5) business days prior to the proposed meeting except in unusual circumstances;

D. Except as provided in these terms of reference, the Chair of the meeting may establish rules of procedure to be followed at meetings;

E. Meetings may be conducted with the participation of one or more 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 member participating in a meeting by those means is deemed to be present at the meeting;

F. Attendance at all or a portion of Board meetings by staff and others will be determined by the Board and will normally include the CEO, Management, and the Corporate Secretary; and

G. The Corporate Secretary, or such other person as may be designated by the Board, shall keep minutes of the proceedings of all meetings of the Board which, following Board approval, will be made 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.

Appendix B

Employment Contracts – Termination and Change of Control Benefits

The following table summarizes the treatment of the named executives' compensation and benefits if they are no longer employed by Capital Power. *Change of control* and *termination without cause/resignation* are based on adverse changes to the terms of employment.

	Resignation	Retirement/ Disability	Death	Termination without cause	Termination for cause	Double trigger change of control
Salary and benefits	All salary and benefits programs end.					
STIP	Annual STIP payment is forfeited.	Annual STIP payment is paid at target on a pro rata basis.			Annual STIP payment is not paid.	Annual STIP payment is paid at target and included in severance
Stock options	All unvested options under the LTIP are forfeited. Vested options granted under the LTIP expire on the original expiry date or 30 days after termination of employment, whichever is earlier.	Prior to the 2023 LTIP grant: In the case of retirement, unvested options under the LTIP continue to vest and can be exercised for 12 months following termination of employment, retirement or death, before they expire. Vested options expire on the original expiry date or 12 months after the date of termination, whichever is earlier. Beginning with the 2023 LTIP grant: Options under the LTIP will continue to vest and can be exercised for 36 months following termination of employment, retirement or disability, before they expire. Vested options expire on the original expiry date or 36 months after the date of termination, whichever is earlier. In the case of death, unvested options under the LTIP vest immediately. Options expire the earlier of the end of the option term or one year from the termination date.		Except as noted below for Bryan DeNeve, all unvested options under the LTIP will continue to vest and expire on the original expiry date or 30 days after termination of employment, whichever is earlier. For Bryan DeNeve, all unvested options will continue to vest and can be exercised for 12 months following termination of employment before they expire.	All unvested and vested options under the LTIP are forfeited.	All unvested options under the LTIP will vest and expire on the original expiry date or 30 days after termination of employment, whichever is earlier.
Share Units	All PSUs and RSUs are forfeited. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.	Prior to the 2023 LTIP grant: Vesting of PSUs and RSUs is pro-rated to the date of retirement (for Brian Vaasjo, PSUs and RSUs continue to vest after the date of retirement until fully vested). Performance pro-ration of PSUs is based on actual performance to the end of the quarter preceding the date of retirement. Payouts occur within 90 days of the date of retirement. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of retirement. Beginning with the 2023 LTIP grant: Vesting of PSUs and RSUs continues to the end of the 3-year term. Performance pro-ration of PSUs is based on actual performance.	Prior to the 2023 LTIP grant: Vesting of PSUs and RSUs is pro-rated to the date of death. Beginning with the 2023 LTIP grant: Unvested PSUs and RSUs will vest immediately. PSU performance pro-ration is based on target performance. Payouts occur within 90 days of the date of death. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of death.	Vesting of PSUs and RSUs is pro-rated to the date of termination. Performance pro-ration of PSUs is based on actual performance to the end of the quarter preceding the date of termination (where available otherwise, target performance will be used), pro-rated to the date of termination. Payouts occur within 90 days of the date of termination. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.	All PSUs and RSUs are forfeited. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.	All unvested PSUs and RSUs vest immediately. PSU performance pro-ration is based on actual performance to the end of the quarter preceding the date of termination. Payouts occur within 90 days of the date of termination. DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.

	Resignation	Retirement/ Disability	Death	Termination without cause	Termination for cause	Double trigger change of control
Pension LAPP/DB SRP	Vested pension is paid as a commuted value or deferred benefit.	Vested pension is paid as a deferred or immediate benefit or commuted value.	Vested pension is paid as a commuted value or deferred (if less than 55) or immediate benefit (if 55 or older).		Vested pension is paid as a commuted value or a deferred (if less than 55) or immediate benefit (if 55 or older). Vested benefit under the SRP may be forfeited at Capital Power's sole discretion.	Vested pension is paid as a commuted value or a deferred (if less than 55) or immediate benefit (if 55 or older).
DC RPP/SRP	Vested DC account balance as lump sum or annuity. No additional SRP accrual contributions made in year of termination if termination date is prior to Dec 31.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP benefits accrued.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP benefits accrued.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP benefits accrued.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP accrued. Vested pension may be forfeited at Capital Power's sole discretion.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP benefits accrued.
Severance* *(Avik Dey)*	Not applicable.			Severance is provided representing the Severance Payment for 24 months.	Not applicable.	Severance is provided representing the Severance Payment for 24 months.
Severance* *(Sandra Haskins)*	Not applicable			Severance is provided representing the Severance Payment for 12 months plus an additional one (1) month for each year worked with Capital Power to a maximum of 18 months.	Not applicable.	Severance is provided representing the Severance Payment for 12 months plus an additional one (1) month for each year worked with Capital Power to a maximum of 18 months.
Severance* (*Bryan DeNeve*)	Not applicable.			Severance is provided representing the Severance Payment for a total of 18.8 months plus one month for each year of service with Capital Power (from January 1, 2011) to a maximum of 24 months.	Not applicable.	Severance is provided representing the Severance Payment for 12 months plus 1 month of each year of service with EPCOR, plus one month for each year with Capital Power to a maximum of 24 months.
Severance* *(Jacquie Pylypiuk)*	Not applicable.			Severance is provided representing the Severance Payment for 12 months plus an additional one (1) month for each year worked with Capital Power to a maximum of 18 months.	Not applicable.	Severance is provided representing the Severance Payment for 12 months plus an additional one (1) month for each year worked with Capital Power to a maximum of 18 months.
Severance* *(Jason Comandante)*	Not applicable.			Severance is provided representing the Severance Payment for 12 months plus	Not applicable	Severance is provided representing the

	Resignation	Retirement/ Disability	Death	Termination without cause	Termination for cause	Double trigger change of control
				one (1) month for each year of service with Capital Power to a maximum of 18 months.		Severance Payment for 12 months plus one (1) month for each year of service with Capital Power to a maximum of 18 months.

Note

"Severance Payment" includes salary, STIP at target, annual Company benefits, pension and savings plan contributions (except for Bryan DeNeve whose severance is not to include the savings plan but does include the annual executive business allowance)

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