

Management Proxy Circular

NOTICE OF 2026 ANNUAL
MEETING OF SHAREHOLDERS

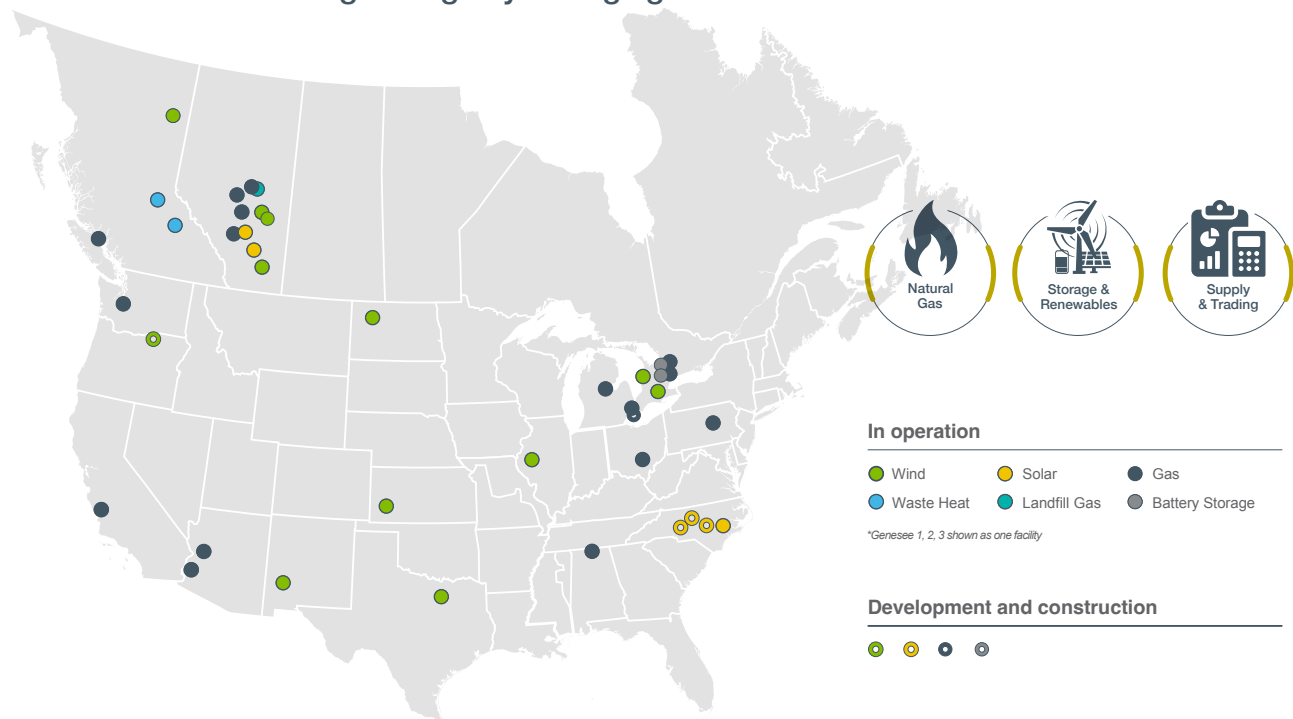
March 13, 2026



April 28
**20
26**

Powering Change by Changing Power™

Capital Power¹ (TSX: CPX) is one of North America's leading independent power producers, with approximately 12 GW of generation capacity across 35 facilities. Our portfolio includes natural gas, renewables and battery energy storage solutions. We deliver power generation at utility-scale through a flexible and resilient fleet built to meet growing electricity demand. Backed by deep expertise and an investment-grade credit rating, we provide safe, reliable power communities can depend on. We are Powering Change by Changing Power™.



Scale²

~\$16B

Enterprise value

~\$10B

Market capitalization

Investment Grade BBB-/BBB (low)³

Stability²

~90%

A-rated PPA Counterparties³

~75%

Long-Term Contracted Adj. EBITDA⁴

High Quality Cash Flows

Cumulative Growth and Capacity²

~\$8.5B

Invested (M&A)

12GW

~90% Natural Gas / ~60% U.S.

Diverse fleet across 5 key North American markets

1. The Company's power generation operations and assets are owned by Capital Power L.P. (CPLP), Capital Power L.P. Holdings Inc and Capital Power (US Holdings) Inc., all wholly owned subsidiaries of the Company. In this report, any reference to the Company or Capital Power, except where otherwise noted or the context otherwise indicated, means Capital Power Corporation together with its subsidiaries.
 2. As of December 31, 2025
 3. Investment Grade Credit Ratings – S&P (BBB-), DBRS (BBB low) and Fitch (BBB-)
 4. Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP Financial Measures and Ratios

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Letter to Shareholders

March 13, 2026

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 Capital Power Annual Meeting of Shareholders which will be held virtually at 1:00 p.m. Mountain Daylight Time (3:00 p.m. Eastern Daylight Time) on April 28, 2026.

In 2025, the Company delivered strong operational and financial performance marked by share price appreciation, realizing a 10-year annualized shareholder return of approximately 20%, and our 12th consecutive annual dividend increase.

Of particular strategic significance, we completed the largest acquisition in the Company's history, which expanded Capital Power's U.S. flexible generation footprint to the Pennsylvania, New Jersey and Maryland ("PJM") region and continued our diversification priority.

Further details on the Company's 2025 performance and strategic initiatives can be found in our 2025 Integrated Annual Report and 2025 Annual Information Form, which are available on our website at www.capitalpower.com and on SEDAR+ at www.sedarplus.ca.

Attached is the formal notice of the meeting and the management proxy circular, which describes the items of business that will be covered at the meeting and provides important information about the voting process and other matters to help you decide how to vote your shares. For more information on how to attend and vote at the meeting please refer to page 5.

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 2026 Annual Meeting of Shareholders

You're invited to attend the 2026 annual meeting of shareholders of Capital Power Corporation:

When: Tuesday, April 28, 2026
1:00 p.m. Mountain Daylight Time (3:00 p.m. Eastern Daylight Time)

Where: Virtual-only meeting via live video webcast at www.meetnow.global/MFGVCLS

We'll cover the following items of business:

- receive our consolidated financial statements for the year ended December 31, 2025 and the auditors' report;
- elect directors of the Corporation;
- 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; and
- transact any other business matters as may properly come before the meeting or any adjournment or postponement thereof.

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, or any adjournment or postponement thereof, if you owned common shares of Capital Power Corporation at the close of business on March 12, 2026. You can vote by proxy or online at the meeting.

We are holding the meeting via live audio webcast, which will provide all our shareholders with an equal opportunity to participate, regardless of their geographic location. Registered shareholders and duly appointed proxyholders will be able to attend the meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all requirements set out in the management proxy circular. Beneficial shareholders who have not duly appointed themselves as proxyholders will be able to attend the meeting as guests but will not be able to vote or communicate at the meeting.

The board of directors unanimously recommends that you vote **for** all of the director nominees and the other items of business at the meeting.

Please refer to the management proxy circular to learn more about the meeting. We encourage you to vote and we encourage you to visit our website (www.capitalpower.com) throughout the year for updated information and to find out more about our business.

By order of the Board,



Pauline McLean
Senior Vice President External Relations, Chief Legal Officer & Corporate Secretary
Capital Power Corporation
Edmonton, Alberta

March 13, 2026

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 12, 2026 (record date). As a shareholder of record, you're entitled to vote by proxy or to participate in our 2026 annual meeting and vote your shares by visiting www.meetnow.global/MFGVCLS. Please note, beneficial (non-registered) shareholders will only be able to vote virtually or ask questions through the live webcast if they are duly appointed and registered as proxyholders.

If you do not plan to attend the virtual meeting, you can mail your proxy or voting instruction form using the postage-paid, pre-addressed envelope provided.

Following the meeting, we will post a recording and transcript of the meeting on our website.

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

Capital Power has also retained The Laurel Hill Advisory Group Company ("Laurel Hill") to support proxy solicitation efforts in connection with the meeting. Under the terms of the engagement, Laurel Hill will assist with providing strategic shareholder advice, proxy solicitation services, and other related advisory services. The anticipated cost of these services is approximately \$50,000, plus reasonable out-of-pocket expenses, which will be borne by the Company.

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 24, 2026. Shareholders may access an electronic copy of the circular on our website on or about March 24, 2026.

Information in this circular is as of March 13, 2026, unless otherwise indicated.

All dollar amounts are in Canadian dollars unless otherwise indicated.

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

Our principal and head office is in Edmonton, Alberta:

Capital Power Corporation
Suite 1200– 10423 101 Street N.W.
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 will receive a form of proxy, and beneficial shareholders still receive a voting instruction form, which allows those shareholders to vote at the annual meeting of shareholders. 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+ (www.sedarplus.ca) and on 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+ (www.sedarplus.ca).

Requests for paper copies of the circular 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 must be received by April 17, 2026.

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 virtual shareholder meeting

We are holding the meeting virtually, conducted via live audio webcast. As such, shareholders will not be able to physically attend an in-person meeting; however, shareholders will have an equal opportunity to participate at the meeting regardless of their geographic location.

Attending the Meeting

To attend (shareholders and guests), access the meeting online at: www.meetnow.global/MFGVCLS.

If you attend the meeting online, it is important that you remain connected to the internet at all times during the meeting in order to vote when balloting begins. It is your responsibility to ensure connectivity for the duration of the meeting. You should allow ample time to check into the meeting online and complete the required procedures. Use the latest version of MS Edge, Firefox, Chrome and Safari as your web browser. Note: Internet Explorer is not a supported browser.

If you have difficulties accessing the virtual meeting, contact a Computershare representative at 1-888-724-2416, or if international, +1 781-575-2748.

Asking Questions at the Meeting

Shareholders and duly appointed proxyholders will have the opportunity to ask questions related to the business of the meeting. Following the formal portion of the meeting, we will hold a question and answer session for the President & Chief Executive Officer and certain members of the management team to answer any questions that relate to the business of the Company. The following attendees will be able to submit questions during the meeting:

- Registered shareholders;
- Non-registered (beneficial) shareholders who have appointed themselves proxyholder as outlined below; and
- Other duly appointed proxyholders.

Guests will be able to listen to the proceedings of the meeting, but will not be able to submit questions during the meeting.

To ask a question, please type your question into the question box under the Q&A icon tab.

We encourage you to submit your questions in advance of the meeting to investor relations by emailing

investor@capitalpower.com or mailing your questions to:

Capital Power Corporation
Suite 1200– 10423 101 Street N.W.
Edmonton, Alberta T5H 0E9

Attention: Corporate Secretary

Questions that relate to a specific motion must indicate which motion they relate to at the start of the question and must be submitted prior to voting on the motion so they can be addressed at the appropriate time during the meeting.

For any submission made but not addressed during the question and answer session following the end of the meeting, a member of Capital Power's management team will attempt to contact such shareholder to respond to the submission to the extent the shareholder has provided an email address with their submission.

All questions asked and answered during the meeting will be posted to our website following the meeting at www.capitalpower.com.

Who Can Vote at the Meeting




You are entitled to receive notice of and vote at the meeting if you held common shares of Capital Power at the close of business on the record date of March 12, 2026. As of the record date, we had 156,416,635 common shares issued and outstanding.

Computershare has a list of all registered shareholders as of the record date. You can check the list at their office during regular business hours. Each common share entitles the holder 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”).

You can find more information about the rights, privileges and restrictions of our different classes of shares in our 2025 Annual Information Form (AIF), on our website (www.capitalpower.com) or on SEDAR+ (www.sedarplus.ca).

How to Vote

	 Vote at the Meeting	 Vote by Mail	 Vote by Internet
Registered Shareholders	An online ballot will be available at the meeting. See further information below.	Complete, date and sign the proxy in accordance with the instructions included on the proxy, and return the completed proxy in the envelope provided to Computershare.	Access the website www.investorvote.com and follow the instructions; refer to the proxy sent to you for the 15 digit control number, located on the bottom of your proxy form, and convey your voting instructions electronically over the Internet.
<i>If your shares are registered directly in your own name.</i>	On the day of the meeting, <ul style="list-style-type: none"> Log in at www.meetnow.global/MFGVCLS Click “Login” and enter your 15-digit control number located on the bottom of your proxy form. Follow the instructions to vote when prompted. 		
Non-Registered (Beneficial) Shareholders	Must preregister as proxyholder before the meeting. See further information below.	Follow the instructions on the Voting Instruction Form provided by your intermediary.	Follow the instructions for internet voting on the Voting Instruction Form provided by your intermediary.
<i>If your shares are held in an account in the name of a nominee (such as a broker, bank, trust company or other institution).</i>			

If you do not wish to vote at the meeting, please refer to the meeting materials for information on how to vote by appointing a proxyholder, submitting a proxy or, in the case of a non-registered shareholder, through an intermediary.

Shareholders are encouraged to vote by proxy prior to the meeting by following the instructions on their proxy or voting instruction form. **Shareholders who have voted in advance of the meeting and do not wish to change their vote do not need to vote again during the meeting.**

In all cases, all proxies must be received and all proxyholders must be registered before **1:00 p.m. (Mountain Daylight Time) on April 24, 2026**, for your vote to be counted, or, in the case of an adjournment or postponement of the meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the adjourned or postponed meeting in order to participate and vote at the meeting. The chair of the meeting can waive or extend the time limit for depositing proxies at his or her discretion without notice.

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.

It is important to vote your common shares. Please submit your vote before the date indicated on your voting instruction form, or, if by proxy, by no later than 1:00 p.m. (Mountain Daylight Time) on April 24, 2026, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time any adjourned meeting is reconvened or any postponed meeting is convened.

Voting at the Meeting

The meeting will be held in a virtual-only format and can be accessed online at www.meetnow.global/MFGVCLS. We recommend you log in at least 5 minutes early.

Registered Shareholders

Registered shareholders and duly appointed proxyholders who attend the meeting online will be able to vote at the meeting by completing a ballot that will be made available online in real time during the meeting, provided you are connected to the internet.

If you are a registered Shareholder and wish to appoint a third-party proxyholder to vote on your behalf at the meeting, you must appoint such proxyholder by inserting their name in the space provided on the form of proxy sent to you and follow all instructions therein, within the prescribed time period. If your shares are registered in more than one name, everyone who is a registered shareholder 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. Please see *Appointing a Proxyholder* in this Circular for more information on how to appoint a proxyholder.

On the day of the meeting, at least 5 minutes before the meeting access the meeting online at www.meetnow.global/MFGVCLS

- Click "Login" and enter your 15-digit control number located on the form of proxy.
- Follow the instructions to access the meeting and vote when prompted. If you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cut off.

You must maintain an internet connection at all times in order to vote when solicited to do so. If you have difficulties accessing the virtual meeting, contact a Computershare representative at 1-888-724-2416, or if international, +1 781-575-27481.

If you duly appoint and register a third-party proxyholder, Computershare will provide such proxyholder with a control number by email after the proxy voting deadline has passed. Registration of third-party proxyholders as described below is an additional step that must be completed in order for proxyholders to attend and participate at the meeting. Without a control number, proxyholders will not be able to vote at the meeting.

Non-Registered (Beneficial) Shareholders

If you are a non-registered (beneficial) shareholder and wish to vote at the meeting, you must first appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you by your intermediary and following all applicable instructions, within the prescribed deadline and then registering yourself as proxyholder at <http://www.computershare.com/CapitalPower>. After you register, Computershare will provide you with a control number via email. Your voting instruction form MUST be mailed to Computershare by April 24, 2026 and you MUST register with Computershare by April 24, 2026 to ensure that the invite code is received to your email in time.

On the day of the meeting, at least 5 minutes before the meeting access the meeting online at www.meetnow.global/MFGVCLS

- Click "Login" and enter the invite code that you received from Computershare.
- Follow the instructions to access the meeting and vote when prompted.

You must maintain an internet connection at all times in order to vote when solicited. If you have difficulties accessing the virtual meeting, contact a Computershare representative at 1-888-724-2416, or if international, +1 781-575-27481.

Non-registered (Beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to vote or participate at the meeting. This is because Capital Power and its transfer agent do not have a record of the beneficial shareholders, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. Non-registered (beneficial) shareholders who have not duly appointed themselves as a proxyholder will however be able to attend the meeting as a guest, but will not be able to ask questions at the meeting.

Appointing a Proxyholder

Voting by proxy means you're giving someone else (your proxyholder) the authority to vote for you. Shareholders who wish to appoint a third-party proxyholder to attend and participate at the meeting as their proxyholder and vote their shares MUST submit their form of proxy or voting instruction form appointing that person as proxyholder AND register that proxyholder online, as described below.

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 participates virtually at the meeting and votes for you. To appoint a proxyholder, 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.

Failure to register the proxyholder online prior to April 24, 2026 will result in the proxyholder not receiving an invite code, which is required to participate in and vote at the meeting.

- 1. Appoint a proxyholder:** insert that person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such document. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you return your signed proxy and did not appoint anyone to be your proxyholder, management's appointees have agreed to act as your proxyholder to vote for or against, as applicable, your shares in accordance with your instructions.
- 2. Register your proxyholder:** shareholders must visit www.computershare.com/CapitalPower by no later than 1 p.m. (Mountain Daylight Time) on April 24, 2026 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder (including beneficial shareholders who have duly appointed themselves as proxyholders) with a code via email. Without this number, proxyholders will not be able to vote or ask questions at the meeting and will only be able to attend the meeting as a guest.

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 in favour of each of the meeting matters.

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.

If you are a non-registered (beneficial) shareholder and wish to attend, participate or vote at the meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as a proxyholder, as described above.

Changing your Vote

Registered Shareholders

You can change a vote you made by proxy provided such change is received by **1:00 p.m. MDT on April 27, 2026**, or in the case of an adjournment or postponement of the meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting by:

- Submitting another proxy form that is dated later than the proxy previously submitted and mailing it to
 - Computershare Trust Company of Canada
Attention: Proxy Department
320 Bay Street, 14th Floor
Toronto, Ontario M5H 4A6;
- Voting again by the internet; or
- Any other means permitted by applicable law.

Computershare must receive your revocation by **1:00 p.m. MDT on April 27, 2026** to revoke your previous proxy form. If the meeting is adjourned, Computershare must receive your revocation by no later than the last business day preceding the adjourned meeting date.

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
Suite 1200– 10423 101 Street N.W.
Edmonton, Alberta T5H 0E9

Our Corporate Secretary must receive your letter by **4:00 p.m. MDT on April 27, 2026**. If the meeting is adjourned, they must receive it by **4:00 p.m. MDT** on the last business day before the new meeting time.

If a registered shareholder votes during the meeting, that will revoke any proxy they have given.

Non-Registered (Beneficial) Shareholders

If you are a non-registered (beneficial) shareholder and you've already provided voting or proxyholder instructions, you must contact your intermediary, in sufficient time in advance of the meeting, for information about how to change your vote.

Business of the meeting

Receive the financial statements

Our consolidated financial statements for the year ended December 31, 2025 and the auditors' report will be tabled at the annual meeting and are included in our 2025 Integrated Annual Report. Copies are available on our website (www.capitalpower.com), on SEDAR+ (www.sedarplus.ca), or you can request a copy from our Corporate Secretary, Capital Power Corporation, Suite 1200– 10423 101 Street N.W., Edmonton, Alberta T5H 0E9.

Elect directors

As a holder of common shares, you will vote on electing 10 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 provide you detailed information about their skills and experience, their 2025 attendance record, share ownership, and membership on other public company boards.

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

Barry Perry	Kelly Huntington
Gary Bosgoed	Jane Peverett
Avik Dey	Neil H. Smith
Jill Gardiner	Keith Trent
Carolyn Graham	George Williams

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 to serve until the next annual meeting. KPMG has acted as our external auditors since 2009 (voting results in 2025: in favour: 59,431,767 (93.26%); withheld: 4,297,957 (6.74%)). 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 2025 annual 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 be retained as Capital Power's external auditors for 2026. The Board recommends that KPMG be re-appointed by shareholders as Capital Power's auditors at the April 28, 2026 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, 2025 and 2024.

(\$ millions)	2025	2024
Audit fees⁽¹⁾	\$3.1	\$2.1
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		
Audit-related fees	\$0.1	\$0.3
Includes assurance and related services that are not reported under audit fees; during 2025, the services provided in this category included French translation work performed in relation to securities filings engagements (2024 - the services provided in this category included sustainability assurance engagements and French translation work performed in relation to securities filing engagements)		
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	\$3.2	\$2.4

Note

⁽¹⁾ Increase in audit fees mainly due to incremental audit work over complex accounting matters (including those related to the PJM acquisition), certain non-recurring items related to standalone audits and year-end consolidated work.

Vote on our approach to executive compensation

You'll vote on our approach to executive compensation (see disclosure on 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 2026 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 (voting results in 2025: in favour: 61,629,407 (97.45%); against: 1,614,220 (2.55%)).

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.

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.

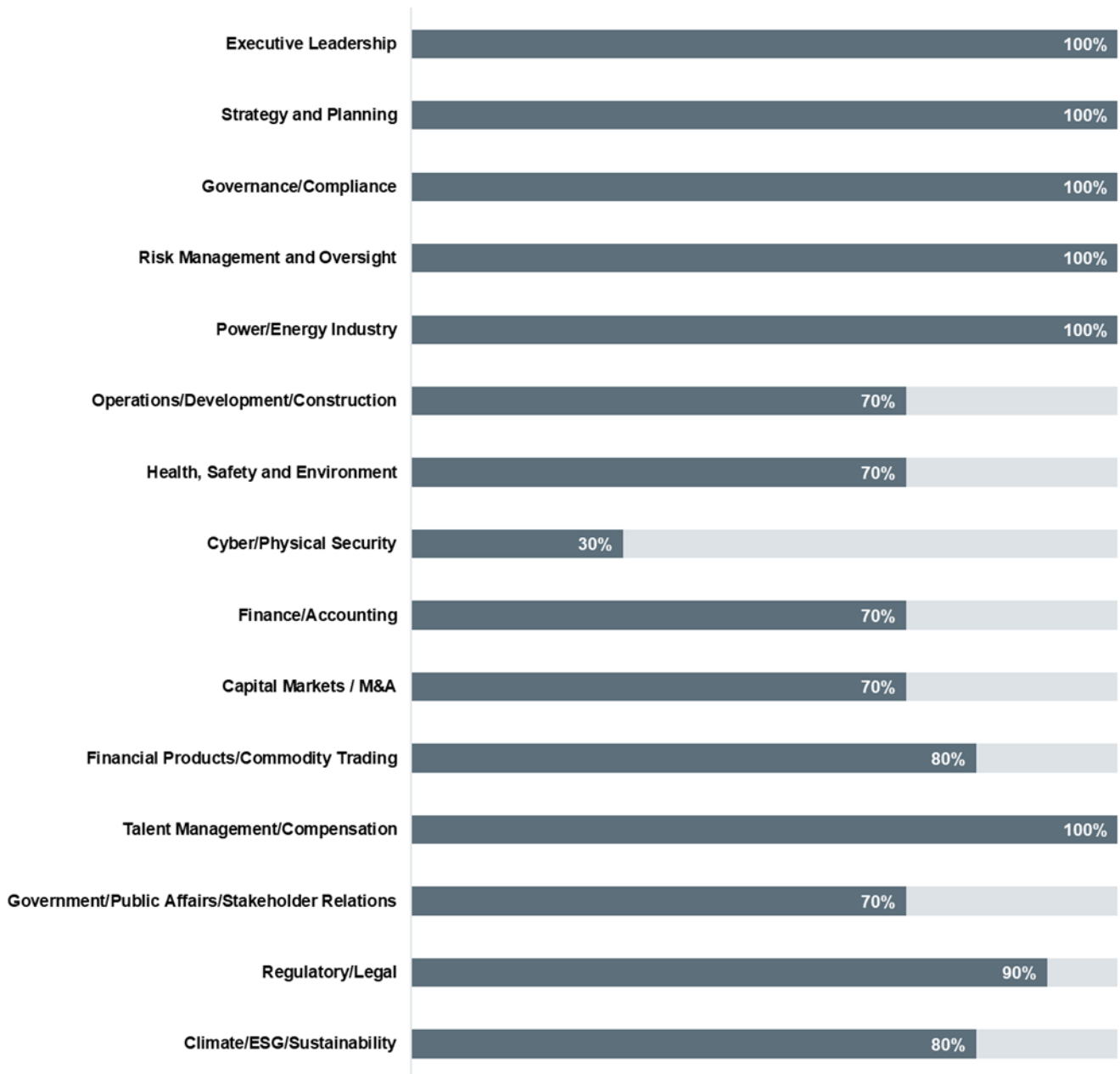
We report the voting results for each item of business within five days of the annual meeting and file the report on SEDAR+ (www.sedarplus.ca).

About the nominated directors

Our articles state that the Board must have between 3 and 12 directors. The Board has nominated 10 directors to be elected by holders of common shares.

The Board is composed of a diverse mix of people, who bring a deep level of expertise and experience to provide robust and appropriate guidance and support to the Company. Among other things, there is expertise and experience in 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.

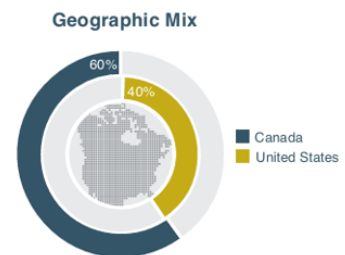
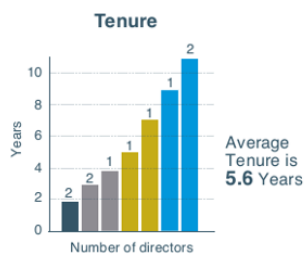
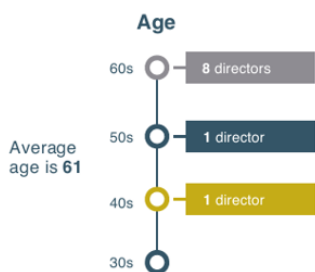
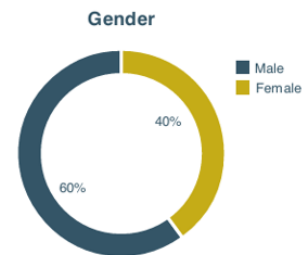
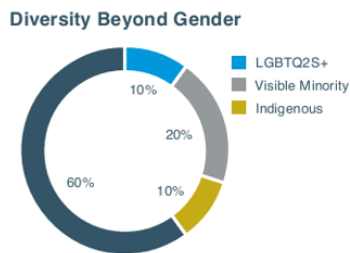
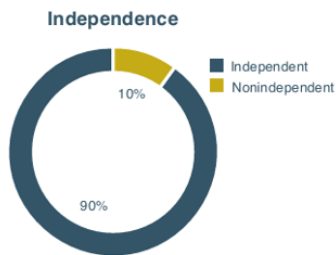
9 of the 10 nominated directors (90%) are independent as defined by Canadian securities laws, meaning they do not have a material relationship with Capital Power that might reasonably be expected to interfere with their ability to make an independent judgment. Avik Dey is not independent because he is 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 (information as of March 13, 2026).



	Gary Bosgoed	Avik Dey	Jill Gardiner	Carolyn Graham	Kelly Huntington	Barry Perry	Jane Peverett	Neil H. Smith	Keith Trent	George Williams
Board Tenure (in years)	3.8	2.8	10.8	2.6	10.8	5.0	7.0	1.8	8.9	1.8
Geographic Location	CDN	CDN	CDN	CDN	US	CDN	CDN	US	US	US
Independent Director	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Age	67	48	67	61	50	61	67	61	66	64
Board or Committee Chair	C		B		C	C				



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+ (www.sedarplus.ca). 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 notwithstanding 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 lists other public company boards of which they're members. We've also included, where applicable, their attendance for our 2025 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 13, 2026 and include reinvested dividends and dividend equivalents. The value of common shares and DSUs are based on the higher of \$61.75, the closing price of our common shares on the Toronto Stock Exchange (TSX) on March 13, 2026, 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 disclosure of 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 13, 2026 unless indicated otherwise.



Barry Perry (61) (Incoming Chair of the Board)

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

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 and audit committees, and chair of its human resources and compensation committee) 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 lower-carbon energy and the impact of disruptive technology.

Barry graduated from Memorial University of Newfoundland 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 shareholders vote **FOR** Barry's re-election to the Board.

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Power/energy industry
- Finance/accounting
- Capital markets/M&A

Geographic diversity

Eastern Canada

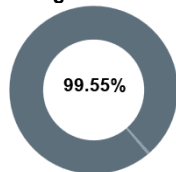
Other public directorships

RBC (1)

Public board interlocks

None

Voting Results 2025



In favour: 62,960,680; Against 282,947

Board and Committee membership	Meeting attendance
Board (Chair effective April 28, 2026 post-AGM)	12 of 12 (100%)
Audit Committee (Chair until March 16, 2026)	4 of 4 (100%)
PCG Committee	5 of 6 (83%)

Securities and DSUs held			
Common shares	26,000	Total common shares and DSUs	44,293
DSUs	18,293	Total market value common shares and DSUs	\$2,743,280
Percentage of ownership requirement	352%	Meets ownership requirement (see page 46)	Yes

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



Jill Gardiner (67) (Outgoing Chair of the Board)

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

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 has held various leadership positions, including serving 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 chair of the board of directors of Tiernan Gold (member of the audit and compensation, nomination and corporate governance committees) and a member of the board of directors of Hochschild Mining (member of audit and nomination committees and chair of remuneration committee). 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 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 extensive chair experience, governance experience, 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, numerous corporations with a focus on the power, pipeline, infrastructure, and certain commodity related industries are only some of the reasons we recommend that shareholders vote **FOR** Jill's re-election to the Board.

Top 5 areas of contribution

- Strategy and planning
- Power/energy industry
- Finance/accounting
- Capital markets/M&A
- Talent Management/compensation

Geographic diversity

Western Canada

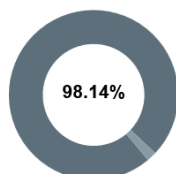
Other public directorships

Tiernan Gold Corp, Hochschild Mining (2)

Public board interlocks

None

Voting Results 2025



In favour: 62,068,657; Against 1,174,970

Board and Committee membership	Meeting attendance
Board (Chair until April 28, 2026 post-AGM)	12 of 12 (100%)
Audit Committee (ex-officio, non-voting)	4 of 4 (100%)
PCG Committee (ex-officio, non-voting)	6 of 6 (100%)
HSE Committee (ex-officio, non-voting)	3 of 3 (100%)

Securities and DSUs held			
Common shares	11,326	Total common shares and DSUs	69,722
DSUs	58,396	Total market value common shares and DSUs	\$4,313,586
Percentage of ownership requirement	334%	Meets ownership requirement	Yes
(see page 46)			

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. On June 6, 2025 the Supreme Court of British Columbia approved the full settlement of this matter without any admission of liability or finding of any wrongdoing on the part of Trevali or its directors or officers.



Gary Bosgoed (67)

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

Gary Bosgoed, P.Eng, is a seasoned, growth-driven and empowering business leader with experience in energy, 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 Ltd., a project management and management consulting company headquartered in Edmonton, and previously was Senior Vice President & General Manager of WorleyParsons (Edmonton location).

Gary is Vice-Chair of the Alberta Indigenous Opportunities Corporation. Previously, Gary served on the board of MEG Energy, the board of Westrade Strategic Solutions, the University of Regina Board of Governors, was Chair of the Alberta Capital Region United Way Campaign, served on the Alberta Electric System Operator 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 shareholders 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
- Health, safety and environment

Geographic diversity

Western Canada

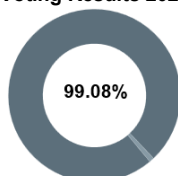
Other public directorships

None

Public board interlocks

None

Voting Results 2025



In favour: 62,664,894; Against 578,733

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
HSE Committee (Chair since July 30, 2025)	3 of 3 (100%)
PCG Committee	6 of 6 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	8,423
DSUs	8,423	Total market value common shares and DSUs	\$523,896
Percentage of ownership requirement	67%	Meets ownership requirement (see page 46)	In progress



Avik Dey, ICD.D (48)

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

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 Carlyle, NOVA Chemicals Corporation, and Canada Pension Plan Investment Board. He has invested over \$12 billion in equity to grow long-term value for energy, power & infrastructure assets.

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 presently serves on the board of directors for STARS, Business Council of Alberta, ATS Corporation (member of audit and finance and human resources committees), and Enactus Canada (a non-profit organization that aims to use business as a catalyst for positive social, environmental, and economic impact).

Avik's leadership and deep experience in energy and investment management are only some of the reasons we recommend that shareholders vote **FOR** Avik's re-election to the Board.

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Power/energy industry
- Finance/accounting
- Capital markets/M&A

Geographic diversity

Western Canada

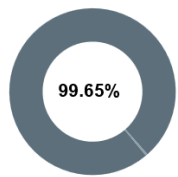
Other public directorships

ATS Corporation (1)

Public board interlocks

None

Voting Results 2025



In favour: 63,020,433; Against 223,194

Board and Committee membership*	Meeting attendance
Board	12 of 12 (100%)
Audit Committee	4 of 4 (100%)
PCG Committee	6 of 6 (100%)
HSE Committee	3 of 3 (100%)

Securities, DSUs and options held			
Common shares	4,104	Total common shares and DSUs	4,104
DSUs	0	Total market value common shares and DSUs	\$253,422
Percentage of ownership requirement**	53%	Meets ownership requirement**	In progress (see page 65)

As of March 13, 2026, Avik Dey holds 4,104 common shares, 108,778 performance and restricted share units and 241,146 stock options**.

*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, 2025 (see page 65).



Carolyn Graham, ICD.D (61)

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

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 a member of the board of Habitat for Humanity International and is an external member of the partnership board of Doane Grant Thornton LLP. She previously served as chair of the MacEwan University Board of Governors, director of the Edmonton Symphony and Concert Hall Foundation, and as a trustee and audit committee chair of Melcor REIT.

Carolyn holds the ICD.D designation from the Institute of Corporate Directors, Sustainability & Environmental, Social, and Governance (ESG) and Climate & Biodiversity Certificates from Competent Boards and is a Fellow of the Chartered Professional Accountants of Alberta. Carolyn received a Lifetime Achievement Award from CPA Alberta in 2025, 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 extensive financial expertise, deep experience in risk management, and strong commitment to sustainability, diversity, and inclusion are among the many reasons we recommend that shareholders vote FOR her re-election to the Board.

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Risk management and oversight
- Finance/accounting
- Capital markets/M&A

Geographic diversity

Western Canada

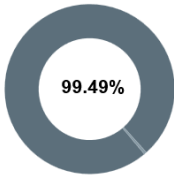
Other public directorships

None

Public board interlocks

None

Voting Results 2025



In favour: 62,917,942; Against 325,685

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
Audit Committee (Chair as of March 16, 2026)	4 of 4 (100%)
PCG Committee	6 of 6 (100%)

Securities and DSUs held			
Common shares	1,240	Total common shares and DSUs	12,646
DSUs	11,406	Total market value common shares and DSUs	\$788,581
Percentage of ownership requirement	101%	Meets ownership requirement	Yes

(see page 46)



Kelly Huntington, NACD.DC (50)

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 holds the NACD Directorship Certification (NACD.DC), the NACD CERT Certificate in Cybersecurity Oversight, and the Diligent Climate Leadership Certification.

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

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Power/energy industry
- Finance/accounting
- Talent management/compensation

Geographic diversity

USA

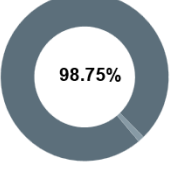
Other public directorships

None

Public board interlocks

None

Voting Results 2025



In favour: 62,451,093; Against 792,534

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
Audit Committee	4 of 4 (100%)
PCG Committee (Chair until March 16, 2026)	6 of 6 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	51,958
DSUs	51,958	Total market value common shares and DSUs	\$3,213,729
Percentage of ownership requirement	300%	Meets ownership requirement	Yes

(see page 46)



Jane Peverett, ICD.D (67)

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

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 CPKC Rail (member of its audit and finance committee (past chair) and 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 (past chair of its governance committee), 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. In 2024, Jane received the Wayne C. Fox Distinguished Alumni Award from the DeGroote School of Business and McMaster University.

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 shareholders vote **FOR** Jane's re-election to the Board.

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Governance/compliance
- Power/energy industry
- Finance/accounting

Geographic diversity

Western Canada

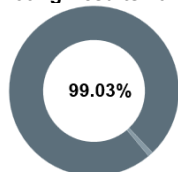
Other public directorships

NW Natural Gas, CPKC Rail, Suncor (3)

Public board interlocks

None

Voting Results 2025

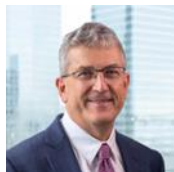


In favour: 62,631,364; Against 612,263

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
PCG Committee (member until April 29, 2025)	2 of 2 (100%)
HSE Committee	3 of 3 (100%)
Audit Committee (member as of April 29, 2025)	2 of 2 (100%)

Securities, DSUs and options held			
Common shares	2,000	Total common shares and DSUs	27,259
DSUs	25,259	Total market value common shares and DSUs	\$1,686,996
Percentage of ownership requirement	216%	Meets ownership requirement (see page 46)	Yes

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 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.



Neil H. Smith (61)

Independent | Director since May 15, 2024 | Indian River Shores FL, USA

Neil H. Smith has over 15 years of Chief Executive Officer experience in the independent power, renewables, and infrastructure sectors. Most recently, Neil served as the Chief Executive Officer of Vanguard Renewables, a leading North American recycler of organic waste into renewable natural gas and low carbon fertilizer. During his tenure at Vanguard Renewables, he successfully led the maturation, scaling and sale of the company to a large private equity firm. Prior to his role at Vanguard Renewables, Neil spent over 25 years as a founding member of the global Independent Power Producer InterGen, serving in various roles, including 11 years as Chief Executive Officer and 4 years as President and Chief Operating Officer. During this tenure, he helped transform InterGen from a 20-person start-up into a worldwide business with a presence on six continents and operations in more than 20 countries, overseeing the development, financing, construction, trading/supply and operation of over \$15 billion in greenfield projects, including more than 25 power plants (~20 gigawatts) and related infrastructure.

Neil is a senior advisor to OMERS, chair of the board of directors for Leeward Renewable Energy, and member of the board of directors of Waga Energy (member of its strategic and commitment committee). He previously served on the boards of PJM Interconnect and The Wood Group.

Neil holds a Bachelor of Arts degree from Emory University and an MBA from Harvard Business School.

Neil's deep expertise in the power industry, his experience with private and public capital, and his proven track record as a CEO for a thermal Independent Power Producer in the global power business with operating and trading/supply platforms, are only some of the reasons we recommend that shareholders vote **FOR** Neil's re-election to the Board.

Top 5 areas of contribution

- Executive leadership
- Strategy and planning
- Power/energy industry
- Operations/development/construction
- Talent management/compensation

Geographic diversity

USA

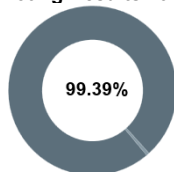
Other public directorships

Waga Energy (1)

Public board interlocks

None

Voting Results 2025



In favour: 62,857,658; Against: 385,969

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
Audit Committee (member until April 29, 2025)	2 of 2 (100%)
PCG Committee (member since April 29, 2025; Chair as of March 16, 2026)	4 of 4 (100%)
HSE Committee	3 of 3 (100%)

Securities and DSUs held			
Common shares	6,000	Total common shares and DSUs	12,680
DSUs	6,680	Total market value common shares and DSUs	\$788,267
Percentage of ownership requirement	74%	Meets ownership requirement (see page 46)	In progress



Keith Trent (66)

Independent | Director since April 3, 2017 | Lexington, KY, 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 board of directors of Edison International, Inc. (member of its compensation and executive personnel and safety and operations committees). He has previously served on the boards of TRC Companies Inc. (former member of its audit committee), 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 shareholders vote **FOR** Keith's re-election to the Board.

Top 5 areas of contribution

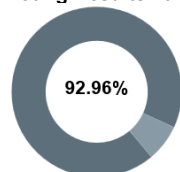
- Strategy and planning
- Power/energy industry
- Health safety and environment
- Government/public affairs/ stakeholder relations
- Regulatory/legal

Geographic diversity
USA

Other public directorships
Edison International, Inc. (1)

Public board interlocks
None

Voting Results 2025



In favour: 58,789,075; Against 4,454,552

Board and Committee membership	Meeting attendance
Board	12 of 12 (100%)
HSE Committee (Chair until July 30, 2025)	3 of 3 (100%)
Audit Committee	4 of 4 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	40,979
DSUs	40,979	Total market value common shares and DSUs	\$2,535,773
Percentage of ownership requirement	237%	Meets ownership requirement	Yes (see page 46)



George Williams (64)

Independent | Director since May 15, 2024 | Naperville, IL, USA

George Williams is the former chair and Chief Executive Officer of PMI Energy Solutions and a consultant to Power Contracting, LLC.. George has 40+ years in the utility industry and hands-on operations experience from executive and senior leadership roles at El Paso Electric Company, Exelon Corporation, Entergy Corporation, and Progress Energy. George brings nuclear energy experience from prior positions at PPL Corporation, Entergy, and PECO Energy Company.

George is currently chair of the Board of Trustees of Underwriters Laboratories (UL) Research Institutes, and former chair of its Governance and Compensation Committee. He also serves on the board of directors of UL Solutions Inc. (member of its nominating & governance committee and its human capital & compensation committee) and the board of directors of Badger Infrastructure Solutions Ltd. (member of its sustainability, health & safety committee and its human resources & compensation committee).

George graduated from Widener University with a Bachelor of Science Electrical Engineering degree and has an MBA from Saint Joseph's University.

George's extensive operational background and power generation experience, including leading the modernization of gas and nuclear plants and enhancing plant culture (including a focus on safety excellence), are only some of the reasons we recommend that shareholders vote **FOR** George's re-election to the Board.

Top 5 areas of contribution

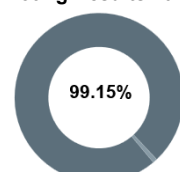
- Executive leadership
- Strategy and planning
- Governance/compliance
- Power/energy industry
- Operations/development/ construction

Geographic diversity
USA

Other public directorships
UL Solutions, Badger Infrastructure Solutions Ltd. (2)

Public board interlocks
None

Voting Results 2025



In favour: 62,704,121; Against: 539,506

Board and Committee membership	Meeting attendance
Board	10 of 12 (83%)
PCG Committee	6 of 6 (100%)
HSE Committee	3 of 3 (100%)

Securities and DSUs held			
Common shares	0	Total common shares and DSUs	5,597
DSUs	5,597	Total market value common shares and DSUs	\$350,927
Percentage of ownership requirement	33%	Meets ownership requirement	In progress (see page 46)

MEETING ATTENDANCE AND COMMITTEE MEMBERSHIPS

The following table shows the director nominees' attendance at Board and Committee meetings for the year ended December 31, 2025.

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) 12 of 12	100%	4 of 4	100%	6 of 6	100%	3 of 3	100%
Gary Bosgoed	12 of 12	100%			6 of 6	100%	(Chair) 3 of 3	100%
Avik Dey	12 of 12	100%	4 of 4	100%	6 of 6	100%	3 of 3	100%
Carolyn Graham	12 of 12	100%	4 of 4	100%	6 of 6	100%		
Kelly Huntington	12 of 12	100%	4 of 4	100%	(Chair) 6 of 6	100%		
Barry Perry	12 of 12	100%	(Chair) 4 of 4	100%	5 of 6	83%		
Jane Peverett	12 of 12	100%	2 of 2	100%	2 of 2	100%	3 of 3	100%
Neil H. Smith	12 of 12	100%	2 of 2	100%	4 of 4	100%	3 of 3	100%
Keith Trent	12 of 12	100%	4 of 4	100%			3 of 3	100%
George Williams	10 of 12	83%			6 of 6	100%	3 of 3	100%

Notes

- Avik Dey attends Committee meetings as a guest and in his capacity as President & CEO of Capital Power.
- The 12 Board meetings include the strategic planning session.
- Jane Peverett became a member of the Audit Committee as of April 29, 2025 and ceased being a member of the PCG Committee as of April 29, 2025.
- Neil H. Smith became a member of the PCG Committee as of April 29, 2025 and ceased being a member of the Audit Committee as of April 29, 2025.
- Gary Bosgoed became chair of the HSE Committee as of July 30, 2025.
- Audit Committee members as of March 13, 2026 are Barry Perry (Chair), Carolyn Graham, Kelly Huntington, Jane Peverett, and Keith Trent.
- PCG Committee members as of March 13, 2026 are Kelly Huntington (Chair), Carolyn Graham, Gary Bosgoed, Barry Perry, Neil H. Smith, and George Williams.
- HSE Committee members as of March 13, 2026 are Gary Bosgoed (Chair), Jane Peverett, Neil H. Smith, Keith Trent, and George Williams.
- The Board and Committees met in camera without management present (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 the potential director's capacity to serve and 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 2025. You can find more information about education and ongoing development of our directors on page 30.

Date	Speaker / Topic	Attendance
February 25	Capital Power Management / Tour of Corporation's Arlington and Harquahala Facilities	Carolyn Graham, George Williams, Avik Dey
April 29	External Advisor / Presentation on current power market dynamics and trends	All directors
May 20	Senator Manchin / Discussion on the future of energy and innovation across North America	Jill Gardiner, Gary Bosgoed, Kelly Huntington, Jane Peverett, Keith Trent, Carolyn Graham, Neil H. Smith, Avik Dey
October 24	Jason Comandante (SVP, Trading & Supply) / Ferio Pugliese (SVP, Chief Corporate Officer) / Trading & Origination Compensation	Jill Gardiner, Gary Bosgoed, Kelly Huntington, Keith Trent, Carolyn Graham, Barry Perry, Neil H. Smith, George Williams, Avik Dey
October 28	Jason Comandante (SVP, Trading & Supply) / Portfolio Trading Overview	Jill Gardiner, Gary Bosgoed, Kelly Huntington, Keith Trent, Carolyn Graham, Barry Perry, Jane Peverett, Neil H. Smith, George Williams, Avik Dey
November 28	Roy Arthur (VP, Strategy, Planning & Investor Relations) / Long-Term Plan and Guidance	Jill Gardiner, Gary Bosgoed, Kelly Huntington, Keith Trent, Carolyn Graham, Barry Perry, Jane Peverett, Neil H. Smith, George Williams, Avik Dey

In addition, all directors have access to seminars and materials through Diligent, our board portal provider. In 2025, the directors individually attended various external conferences, webinars and seminars, covering a range of topics including scenario planning, the risks and governance of artificial intelligence, CEO succession planning, the potential impacts of government's administration policies on boards, and strategies for adaptive governance. Several directors also participated in the 2025 ICD National Director Conference, an event for which the Company served as the lead sponsor. The Company also has a corporate membership with ICD which is available to all directors.

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 North Star—*Powering Change by Changing Power™*.

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, 2025.

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 provide independent advice, oversee management's decisions and actions, and effectively govern our affairs	(see page 25)
✓	The majority of our Board nominees (9 out of 10) are independent	(see page 25)
✓	The Chair of the Board is independent	(see page 25)
✓	Our Board has a formal, written mandate	(see page 89)
✓	The Board has developed mandates 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. Capital Power's senior executive officers must also meet share ownership requirements	(see pages 42 and 65)
✓	The Board and Committees meet without management present (in camera) at every meeting	(see pages 21 and 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 21)
✓	The Board has a written code of conduct, and monitors our compliance with it	(see page 25)
✓	The Board provides independent oversight of our business, management, strategic, direction, annual and long term planning, risk management (including climate change, artificial intelligence/cyber-security), Board and CEO succession planning, and shareholder engagement	(see page 25)
✓	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 66)
✓	We provide orientation and continuing education programs for our directors	(see page 30)
✓	The Board maintains a skills matrix that reflects our go forward strategy 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	(see page 32)
✓	Board, Committee, and Individual Director (peer to peer) assessments are conducted by a third party every three to five years	(see page 32)
✓	The Board has a board diversity policy	(see page 34)
✓	The Board has a director tenure & succession policy which establishes term limits and Board Chair succession	(see page 33)
✓	The Board has a shareholder engagement policy	(see page 36)
✓	The Chair of the Board, the Chair of the Audit Committee, and the Chair of the PCG Committee conduct periodic 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 annual 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;
- listening with open minds, considering equity, diversity and inclusion, 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

9 out of 10 director nominees (90%) 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
Barry Perry	✓		
Gary Bosgoed	✓		
Jill Gardiner	✓		
Carolyn Graham	✓		
Kelly Huntington	✓		
Jane Peverett	✓		
Neil H. Smith	✓		
Keith Trent	✓		
George Williams	✓		
Avik Dey		✓	President & CEO of the Company

An independent, non-executive director chairs our Board. The Board met 12 times in 2025. The directors met without management (including the President & CEO) at all of the meetings. You can find the Board's terms of reference in Appendix A of this circular.

Separate Chair and CEO positions

We maintain separate Chair and CEO positions, each with their own position descriptions. The Chair leads, manages and organizes the Board with a strategic focus, and presides over its meetings and facilitates active participation and commitment from all directors. The Chair also works with the CEO to provide guidance, 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 (based on our go forward strategy), 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).

Code of Conduct (Code)

Our Code applies to all employees, contractors, agents and the Board. We expect all subject individuals to conduct themselves in a manner that reflects the values forming the basis of our culture: trust, integrity, and respect. Employees and contingent workers must read, understand, complete related training and declare compliance with the Code annually. Contractors and agents must agree to abide by the Code as part of their contractual agreements. Executives must certify their compliance with the Code quarterly. Our Code is on our website (www.capitalpower.com), filed on SEDAR+ (www.sedarplus.ca), or you can ask our Corporate Secretary to send you a copy (see page 88).

The Code is reviewed at a minimum on an annual basis by the Chief Compliance Officer and by the Board at a minimum of every three years (the most recent Board approval was in October 2024). The Board has oversight and control over the Code, including governance over all material changes to its content.

All material changes are communicated to employees through a Company-wide communication shortly after Board approval, with a new version posted on both the Company intranet and its external website.

Board

The Board is responsible for overseeing our compliance with applicable laws. The Board receives regular reports on compliance, including reports of ethical breaches and investigations activities.

Senior officers

All senior officers must certify compliance with the Code quarterly, and the President & CEO and Senior Vice-President Finance & CFO certify our quarterly and annual financial statements and related management discussion and analysis (MD&A) information included within the Integrated Annual Report and the quarterly MD&A 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 up about suspected non-compliance with applicable legal, regulatory and policy obligations. Anyone can raise a concern anonymously through our Integrity Helpline, which is available 24 hours a day, seven days a week (call 1 (866) 363-8028, or individuals can submit a report online at <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 leader, People Services, our Chief Compliance Officer, any member of senior management, or the Audit Committee Chair.

Investigating complaints

We investigate complaints promptly and thoroughly in accordance with our Investigation Procedure.

Documentation is maintained for every investigation and is maintained on file for the applicable retention period. The Code outlines how to report a concern, our commitment to maintaining confidentiality and no retaliation, while the Investigation Procedure outlines roles, responsibilities and requirements for investigation participants.

Material interests, conflicts of interest and related-party transactions

As mandated by the Code, the Board's terms of reference, and applicable law, our directors must disclose to us in writing any apparent or actual conflict, 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 themselves 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 annually.

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. The Board has oversight and control over the policy, including governance over all material changes to its content. The policy is reviewed by the Board at a minimum of every two years (the most recent Board approval was in October 2025).

Our disclosure committee consists of senior managers and reports to, and is subject to, the supervision and oversight of our President & CEO with certain guidelines as mandated in the policy. 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.

Code training

All subject individuals participate in regular training and declare that they understand the material covered, including reporting avenues to disclose concerns, and their commitment to comply with the Code. Topics are geared towards the audience, with training covering elements of the Code, including, but not limited to, how to report a concern, conflict of interest, disclosure of confidential information and discrimination.

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, 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 via written policies and subject to specific limits. Examples include:

- contract execution and spending authority policy;
- financial exposure management policy; and
- investment policy.

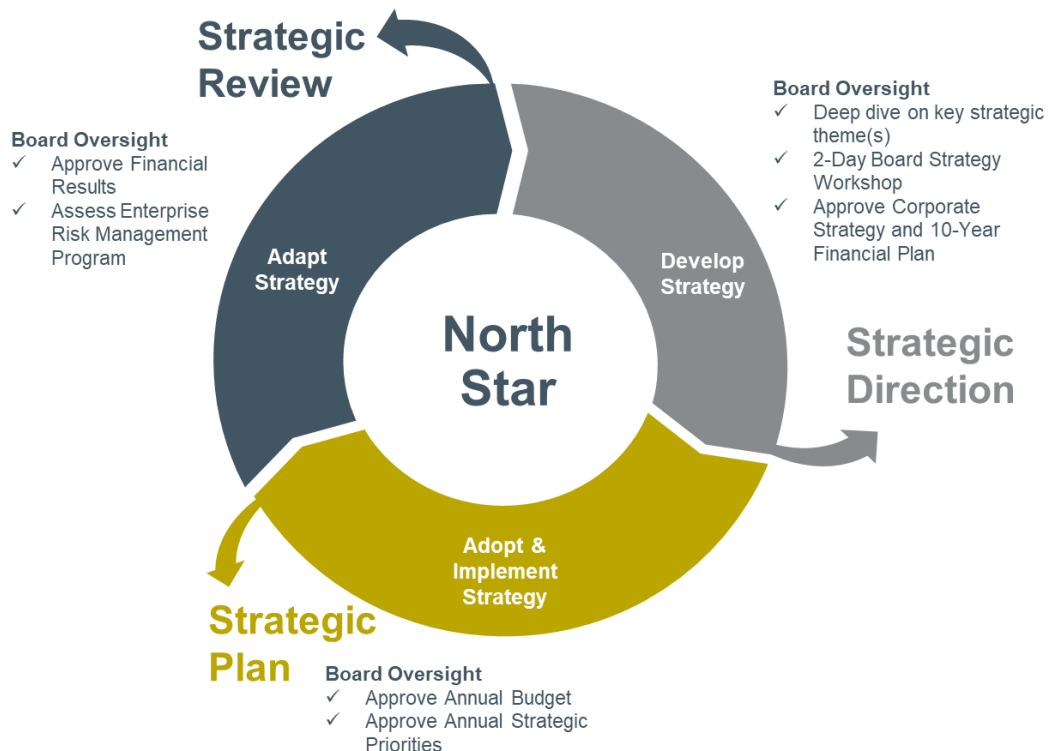
Strategic and corporate planning oversight

Avik Dey, President and CEO, is responsible for Capital Power's strategic direction and performance. Under the leadership of the CEO, the management team engages in ongoing and robust near- and long-term planning activities and routinely seeks feedback and guidance from the Board of Directors. Strategy is on the agenda for every quarterly board meeting and annually the Board and Management participate in a one and a half day session focused entirely on strategic planning. On an annual basis, management submits the following forward-looking plans to the Board of Directors for approval:

- annual budget
- 10-Year financial forecast
- corporate strategy

The Board of Directors provides both input to and oversight of management's planning activities to:

- ensure management operates in accordance with the Company's corporate purpose, values, and governance frameworks.
- maximize shareholder value while taking into account the interests of our other stakeholders in the context of approved strategic direction and priorities.
- assess the opportunities and risks that may affect the business.
- enable thoughtful and diligent business planning that considers the resilience and sustainability of the Company's business strategy.



We create balanced energy solutions for utilities, commercial, and industrial customers through our three business lines of flexible generation, storage and renewables, and supply and trading. Our portfolio is positioned to meet growing power demand, contribute to energy security, and support grid reliability. Our current strategy is to grow the value of our power generation portfolio in target markets through building, buying and optimizing assets. We also continue to invest in commercialized non-emitting solutions that support the transition to a lower-carbon grid. Our strategic priorities through to 2030 include:

- 1) Expanding our fleet of flexible generation assets
- 2) Growing our storage and renewables portfolio
- 3) Enhancing returns through our supply and trading business

In 2025, we completed construction of our Battery Energy Storage System projects and continued our partnership with Ontario Power Generation to evaluate the deployment of nuclear through small modular reactors (SMRs) in Alberta. We executed Memorandum of Understandings (MOUs) with two data-centre offtakers and re-contracted Midland Cogeneration Venture through 2040, significantly enhancing the facility’s value. We also completed our largest acquisition to date, adding two large PJM gas generation assets to our portfolio, diversifying our portfolio and positioning the Company for long-term growth.

In 2026, our priorities include recontracting U.S. assets, delivering the North Carolina solar projects, completing the East Windsor expansion in Ontario and maximizing the value of our Alberta portfolio. We will remain focused on U.S. growth, leveraging our new partnership with Apollo Funds to acquire power generation facilities in target markets.

Information on our sustainability efforts is provided in our 2025 Integrated Annual Report published on March 4, 2026 (www.capitalpower.com).

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. Enterprise Risk Management (ERM) is a process and a tool that facilitates the coordination of activities to manage risk, create value, improve performance, foster innovation, and achieve strategic goals. It goes beyond risk avoidance by identifying priorities and opportunities. An effective ERM program is integrated seamlessly across all facets of the organization, embedding risk-aware thinking into strategic planning, budgeting processes and key strategy committees.

Our ERM program is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) standard for risk management. It uses a systematic approach to identify, manage, report and monitor risk. It is updated quarterly, considering current and emerging risks for reporting to the Senior Leadership Team and the Board.

Open communication is a key part of the process. We coach and support 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	
<p>Board</p> <ul style="list-style-type: none"> • The Board oversees the ERM program and approves the Company’s risk appetite, risk tolerances and ERM Policy. • The Board receives regular updates on key risks to the Company. 	<p>Management and oversight</p> <ul style="list-style-type: none"> • The President and CEO has ultimate accountability for identifying and managing the Company’s risks and approving the ERM framework. • The Chief Risk Officer is responsible for the implementation and operation of the ERM program.

Internal Audit is a key stakeholder in the ERM process. The annual Internal Audit plan is informed by the ERM framework and management obtains insight into the effectiveness of risk mitigations from Internal Audit. The HSE and Audit Committees receive regular reports from, and conduct in-camera sessions with, the Head of Internal Audit. The Head of Internal Audit reports administratively to the CFO and has a direct reporting relationship with the Audit Committee to support independence.

Risk management process



Oversight and protocols around cybersecurity risk

The Audit Committee receives regular updates on cybersecurity risk management, including threat monitoring and prevention, incident response planning and testing, and third party risk management. These reports address risks related to both information technology systems and industrial control systems, ensuring comprehensive oversight of digital and operational assets across the Company. The Company provides cybersecurity awareness training to employees and conducts periodic exercises. The occurrence of any material cybersecurity incident is reported to the Audit Committee.

Oversight and protocols around artificial intelligence risk

The Board has oversight of AI risk as part of its broader risk management responsibilities. AI-related risks are reviewed alongside other enterprise, cybersecurity, data governance, technology and compliance risks. The Company has developed an overarching framework to provide oversight over AI; such framework is integrated within existing governance and risk management structures and reflects the interconnected nature of AI with broader cybersecurity, privacy, operational, and compliance risks. The Company also maintains corporate-wide training and awareness initiatives designed to promote responsible use of AI technologies and reduce associated risks. This approach supports responsible innovation while maintaining appropriate and proportionate oversight of AI-related risks.

Oversight and protocols around climate risk

The Board retains oversight over climate risk and sustainability related matters, while the Audit Committee has oversight of climate risk and emissions from a public disclosure perspective.

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 crafts 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 the 2024 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 date, our current hiring practices indicate growth in representation at the leadership level.

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.

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 tours of one or more of Capital Power's facilities as well as our trading and origination operations.

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.

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 education events and presentations our directors received in 2025 on page 22.

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	N. H. Smith	K. Trent	G. Williams	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 / M&A ⁹		✓	✓	✓		✓	✓		✓	✓
Financial Products/Commodity Trading ¹⁰			✓	✓	✓	✓	✓	✓	✓	✓
Talent Management/Compensation ¹¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Government/Public Affairs/Stakeholder Relations ¹²	✓			✓	✓	✓	✓	✓	✓	
Regulatory/Legal	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Climate/ESG/Sustainability ¹³	✓	✓	✓	✓		✓	✓		✓	✓
	✓ 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, as well as relevant certification.
- (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/M&A – experience as an investment banker or with transactions to raise capital (including public and private equity and debt offerings), understanding of relationships between issuers, underwriters and market participants, and experience in major transactions involving private and/or public companies, such as mergers, acquisitions, divestitures and unsolicited takeover defence.
- (10) 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 .
- (11) 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.

- (12) 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 U.S., in the context of the power industry or other highly-regulated industries.
- (13) Climate/ESG/Sustainability – understanding of climate (including climate change and global warming), environment (including greenhouse gases and carbon), 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. An independent third party is retained every three to five years to conduct a peer-to-peer assessment for each director, which may include, but does not necessarily always involve, a review of the Board and Committees processes. In 2025, the PCG Committee engaged Watson Advisors Inc. to conduct director peer-to-peer assessments, the results of which were then provided to each respective director and discussed with the Board Chair. 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 such as improving corporate governance, furthering progress on our strategic plan, enhancing shareholder value, and increasing Board/Committee knowledge in a key area of opportunity or risk. 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 first quarterly meeting of the year.

2025 Assessment

What	Process	Key Topics
Board/Committee Effectiveness Surveys	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> strategy, growth in shareholder value, stakeholder considerations capital allocation process and priorities risk oversight including AI and cybersecurity safety and sustainability focus and metrics board composition meeting agendas, processes, materials ethics, integrity, tone from the top, board culture overall board performance including against 2025 focus areas 2026 focus areas
Third Party Individual Director/Chair Assessments (conducted by Watson Inc.)	<p>Watson Inc:</p> <ul style="list-style-type: none"> prepared guide and conducted interviews with each director for verbal feedback on themselves and fellow directors prepared a survey for directors to provide written feedback on themselves and fellow directors compiled the results and created a detailed report for each director (qualitative key themes, development opportunities, and quantitative feedback) <p>Board and PCG Chair</p> <ul style="list-style-type: none"> reviewed all reports Board chair reviewed reports with each director 	<ul style="list-style-type: none"> understanding of business and how value is created areas of significant contribution and expertise in context of relevance to CPX long term success style, preparedness, contribution to board dynamics, leadership, and relationships with executive team ability to provide constructive and forward-looking feedback at board (not operational) level willingness to raise tough issues in a probative manner financial acumen, continuous improvement mindset, versatility, agility, curiosity
One-on-one interviews	<ul style="list-style-type: none"> conducted in Q1 2026 by the Chair of the Board with each director and members of the executive team 	<p>Directors:</p> <ul style="list-style-type: none"> 2025 board performance and succession individual director effectiveness (self & peers), continued tenure, and personal development (reviewed Watson report) CEO performance, talent development innovation, technology, AI, cybersecurity, and project management 2026 strategic planning considerations and focus areas <p>Executive Team:</p> <ul style="list-style-type: none"> board skill set and quality of guidance to management board focus board tone from the top 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), a succession plan, and Committee rotation plan. We have not adopted a retirement age policy because we believe that term limits are a better way to ensure effective Board renewal.

Age Limit	Director Term Limits		Other Mechanisms for Board Renewal
		Tenure Limit	
No	Yes – 12 years		<ul style="list-style-type: none"> ➤ Succession planning measures as described below. ➤ Periodic third-party assessments ➤ Annual one-on-one interviews with the Board Chair

In July 2025, the Board approved the following amendments to the tenure policy:

- all non-management directors elected or appointed to the Board will have a maximum tenure of 12 years (previously 10 years for those appointed after 2016); and
- the Board may extend the Board Chair's tenure for up to an additional three years if needed to optimize chair succession.

Our tenure policy also provides that:

- our primary tools for determining who to nominate to the Board are our director skills matrix (reflecting our go forward strategy), 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;
- the Board may also extend the term of any other non-management 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 both in the context of board work as well as 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 (based in part on annual individual assessments of each director through discussions with the Chair and/or third party assessments) 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 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. We strive to create an inclusive employee experience, where we work collaboratively to meet the challenges and capture the opportunities of our business.

Capital Power maintains a written board diversity policy as part of its commitment to diversity at the Board and executive team levels. The policy, which can be found on our external website at www.capitalpower.com/who-we-are/corporate-governance, establishes goals of:

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

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;
- give extra weight to women candidates and candidates that represent different diversity groups beyond gender that meet the skills and experience criteria, 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.

Current diversity status as of March 13, 2026

	Women		Additional designated groups – Indigenous people, members of visible minorities, persons with disabilities and LGBTQ2S+	
	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 including LGBTQ2S+ ⁽¹⁾	Achieved
Executive team (members of senior management)	Women representing 30% of our executive team	28%	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 or LGBTQ2S+.

Year-over-Year Comparison

The next table depicts the diversity of our board of directors and members of senior management as of March 13, 2026, and compares it to the diversity achieved as of March 10, 2025.

2026	Total ⁽²⁾	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
		Number	Percentage	Number	Percentage	Number	Percentage	
Board of directors	10	4	40% ⁽³⁾	3 ⁽⁴⁾	30%	1	10%	1
Members of senior management ⁽¹⁾	7	2	28%	3 ⁽⁵⁾	43%	0	0%	2
2025								
Board of directors	10	4	40%	3	30%	1	10%	1
Members of senior management ⁽¹⁾	7	4	57%	4	57%	0	0%	2

Notes

- (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.
(3) Women represent 40% of the directors on the board and represent 44% of the independent directors on the board.
(4) One of our directors has self-identified as an Indigenous Person and two of our directors have self-identified as a member of a visible minority.
(5) Three members of senior management have self-identified as a member of a visible minority.

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. 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 Employee Resource Groups who support the organization.

Organization-wide diversity targets linked to compensation

	Gender diversity	
	Targets	Time Frame
Entire organization	10% growth in the representation of women at the leadership level	2023 LTIP grants ⁽¹⁾
	Improve the representation of women at the leadership level to 34%	2024 LTIP grant ⁽²⁾

Notes

- (1) Measurement period for the 2023 grant is from January 1, 2023 to December 31, 2025.
(2) Measurement period for the 2024 grant is from January 1, 2024 to December 31, 2026.

SHAREHOLDER ENGAGEMENT

Maintaining an open dialogue with our shareholders is very important to Capital Power. A copy of our shareholder 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 Board shareholder 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 shareholder engagement policy also provides information for shareholders about contacting management.

The Chair of the Board, the Chair of the Audit Committee, and the Chair of the PCG Committee conduct periodic shareholder engagement meetings; however, shareholders who are interested in directly engaging with the Board regarding those topics specified in the shareholder engagement policy are encouraged to contact the Board at:

Board Office
Capital Power Corporation
Suite 1200– 10423 101 Street N.W.
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 2027 annual meeting of shareholders, we must receive it by January 29, 2027, as required under the CBCA, the corporate statute that governs Capital Power. We expect our 2027 annual meeting of shareholders to be held on or about April 27, 2027. Please send your proposal to the attention of the Corporate Secretary, Capital Power Corporation, Suite 1200– 10423 101 Street N.W., 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. Jill Gardiner is an ex-officio, non-voting member of all committees.

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 (as of March 13, 2026)

	Barry Perry (Chair)	Carolyn Graham	Kelly Huntington	Jane Peverett	Keith Trent
Members					
Financially Literate ¹	✓	✓	✓	✓	✓
Financial Expert ²	✓	✓	✓	✓	✓
Independent	✓	✓	✓	✓	✓
¹ Financially literate as defined in National Instrument 52-110 ² Audit financial expert as defined by major proxy advisory services (i.e., experience in one or more of the following: (i) a chartered professional accountant; (ii) a certified public accountant; (iii) a former or current CFO of a public company or corporate controller of similar experience; (iv) a current or former partner of an audit company; or (v) having similar demonstrably meaningful audit experience.)					

Notes

- The composition of the Audit Committee as of March 16, 2026 will be Carolyn Graham (Chair), Kelly Huntington, Barry Perry, Jane Peverett, and Keith Trent.
- The composition of the Audit Committee as of April 29, 2026 will be Carolyn Graham (Chair), Jill Gardiner, Kelly Huntington, Jane Peverett, and Keith Trent.

Qualifications

See the “Audit Committee” section of the 2025 annual information form for the qualifications of each Committee member.

Key responsibilities

The Committee assists the Board in fulfilling its oversight responsibility to shareholders of the Company, 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

- 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 2025

Financial Reporting

- recommended annual public disclosure documents for the year ended December 31, 2024
- recommended quarterly financial statements, MD&As, and press releases
- reviewed quarterly forecasts
- 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
- regularly reviewed climate/ESG evolving disclosure requirements and best practices, including those related to climate change, global warming, greenhouse gases, and carbon

Finance and Treasury

- recommended all debt and equity financings
- recommended credit facility extensions
- reviewed our financial exposure management, including investment, banking and treasury risk, credit ratings, corporate liquidity, and interest rate and foreign exchange risks
- recommended a dividend increase
- received credit reports regarding major credit risk exposures and counterparties
- received credit ratings reports

Risk Management, Regulatory Compliance, and Corporate Governance

- 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, 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 our cybersecurity policy
- received an annual cybersecurity 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
- reviewed post-implementation reviews of acquisitions and major projects in accordance with the investment policy
- recommended amendments to our disclosure and insider trading policy
- reviewed management's progress regarding digital transformation of the Capital Power Finance function
- reviewed the Committee's terms of reference
- reviewed the Committee's effectiveness
- identified focus areas for the Committee and discussed progress with respect to these focus areas in camera at every meeting

External Auditors

- 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 an annual assessment of the external auditors
- approved non-audit services of the external auditors

Internal Audit

- oversaw the independence and performance of the internal auditors (approved the risk-based audit plan and budget, reviewed the quarterly and annual audit status reports, and reviewed annual performance)

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.

In 2025, the Committee pre-approved non-audit related services in an amount not to exceed \$300,000, in relation to a high-level review of the Company's internal controls framework.

The Committee met four times in 2025 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 (as of March 13, 2026)

	Kelly Huntington (Chair)	Gary Bosgoed	Carolyn Graham	Barry Perry	Neil H. Smith	George Williams
Members						
Independent	✓	✓	✓	✓	✓	✓

Notes

- The composition of the PCG Committee as of March 16, 2026 will be Neil H. Smith (Chair), Gary Bosgoed, Carolyn Graham, Kelly Huntington, Barry Perry, and George Williams.
- The composition of the PCG Committee as of April 29, 2026 will be Neil H. Smith (Chair), Gary Bosgoed, Jill Gardiner, Carolyn Graham, Kelly Huntington, and George Williams.

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 CEO and executive compensation
- 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 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 2025*Board composition, development and compensation*

- reviewed our director skills matrix and Committee structure and membership
- reviewed the board succession plan
- recommended our director nominees for our 2025 annual meeting of shareholders
- recommended Committee appointments
- recommended new director candidates to the Board
- recommended amendments to director compensation

*Corporate governance***Key activities and priorities in 2025 continued**

- recommended our governance and compensation disclosure in the AIF for the year ended December 31, 2024, the Integrated Annual Report, and the circular in connection with our 2025 annual meeting of shareholders
- recommended the record and annual meeting dates for our 2026 annual meeting of shareholders
- recommended the continuation of the amended and restated shareholder rights plan for approval at the 2025 annual meeting of shareholders
- recommended amendments to the PCG and HSE Committee's terms of reference
- recommended appointment of our Corporate Secretary
- 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
- recommended CEO's application to serve on an external board (ATS Corporation)
- recommended amendments to our disclosure and insider trading policy

People, compensation and benefits

- assessed performance for the 2024 annual incentive plan
 - recommended the 2026 Capital Power annual objectives (including for the CEO)
 - reviewed CEO and executive succession and development planning
 - recommended appointments to the executive team
 - recommended the CEO's and executives' base salaries, target short-term incentive awards, and long-term incentive grants
 - 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 and recommended amendments where appropriate
 - reviewed regular updates on performance for the 2025 annual incentive plan
 - recommended an amendment to the 2025 long-term incentive plan PSU measures
 - reviewed the 2026 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
 - 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 2026 compensation review
 - recommended the performance peer group for performance share units as part of the long-term incentive plan
 - recommended the replenishment of a discretionary off-cycle RSU pool and continued delegation of granting authority to the CEO
 - 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
 - recommended appointments to the Corporation's Pension and Savings Plan Committee
 - approved union mandates
 - reviewed the Company's Trading & Supply compensation program benchmarking and recommended changes
 - reviewed executive share ownership guidelines
 - reviewed the Company's employee savings plan
 - reviewed the settlement mechanism for long-term incentive grants
-

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. Meridian Compensation Partners confirms to the Committee annually that they meet the six tests to be considered an independent advisor. See page 52 for details about their services and fees.

Management retains its own compensation consultant to provide consulting advice and administrative support on compensation, pensions and benefit matters. WTW was management's compensation consultant for most of 2025 after which management retained Southlea Group. See pages 51 and 52 for details about WTW and Southlea Group's services and fees.

The Committee met six times in 2025 and met without management present at every meeting.

HEALTH, SAFETY AND ENVIRONMENT (HSE) COMMITTEE (as of March 13, 2026)

	Gary Bosgoed (Chair)	Jane Peverett	Neil H. Smith	Keith Trent	George Williams
Members					
Independent	✓	✓	✓	✓	✓

Key responsibilities

The Committee reviews and oversees matters relating to the impact of our operations on the environment and on the workplace health and safety of employees and the contractors who conduct work for or on behalf of the Corporation at its worksites, including:

- our strategies, goals and policies for the three areas
- monitoring our performance in these areas
- operational short and long term key performance metrics
- material operational events and trends
- major construction projects
- oversight of physical security

The Committee's terms of reference are available on our website (www.capitalpower.com).

Key activities and priorities in 2025

Health, Safety, Security and Environment

- reviewed our Health, Safety, Security, and Environment (HSSE) policy
- reviewed our overall performance in HSSE, including our training, compliance and trends
- monitored our progress with implementing a world class safety program
- reviewed 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

Operations and Construction

- received updates regarding our plant operations
- received updates regarding our construction activities

Risk Management, Environmental Regulatory Compliance, and Corporate Governance

- reviewed risk management and audit activities related to this area
- reviewed our annual disclosure on HSSE, which was recommended to the Board for approval
- monitored current, pending or threatened material, HSSE related legal/regulatory actions by or against Capital Power
- monitored changes and proposed changes to environmental laws and regulations
- recommended amendments to the Committee's terms of reference
- identified focus areas for the Committee and discussed progress with respect to these focus areas in camera at every meeting

Internal Audit

- monitored the internal auditors (reviewed and approved the risk-based Integrated Site Assurance Team (ISAT) Audit plan, and monitored ISAT audit results and corrective actions)

The Committee met three times in 2025 and met without management present at every meeting. The Committee also met with the internal auditor 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 (equivalent to more than six times the value of their cash retainer and excluding committee and chair retainers) 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 13, 2026, 6 of the 9 independent directors met the requirements (see page 46). The independent directors who have yet to meet our share ownership requirement are on track to meet the requirement 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 2025, 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 55.

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 long-term equity ownership and align the interests of directors and shareholders.

The table below shows our director fee schedule for 2025.

Compensation element	Payee	Amount
Annual cash retainer	Board Chair	\$185,000/yr
	All other independent directors	\$100,000/yr
Annual equity retainer	Board Chair	\$195,000/yr
	All other independent directors	\$110,000/yr
Annual Committee Chair retainer	Audit	\$25,000/yr
	PCG	\$20,000/yr
	HSE	\$15,000/yr
Annual Committee member retainer	Audit	\$10,000/yr
	PCG	\$6,000/yr
	HSE	\$4,000/yr
Travel allowance	Independent directors, as applicable	\$500

Notes

- 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).
- All directors are subject to share ownership guidelines of 3x the total value of their annual 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.
- The Board reserves the right to consider meeting or retainer fees for any ad hoc special committees established.

- 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.
- 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.
- US resident directors are paid the amounts listed above in US dollars (for example, US resident directors receive an annual retainer of US \$100,000 per year and an annual equity retainer of US \$110,000 per year) to provide consistent compensation to US resident directors in their home country currency, regardless of the Canadian and US dollar exchange rate.
- 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 2025 and to align director compensation with market median resolved to increase:

- the annual cash retainers for the Board Chair and all other independent directors from \$185,000/yr to \$205,000/yr and from \$100,000/yr to \$120,000/yr respectively;
- the annual equity retainers for the Board Chair and all other independent directors from \$195,000/yr to \$225,000/yr and from \$110,000/yr to \$140,000/yr respectively;
- the annual PCG Committee Chair cash retainer from \$20,000/yr to \$25,000/yr;
- the annual HSE Committee Chair cash retainer from \$15,000/yr to \$20,000/yr;
- the annual PCG Committee Member cash retainer from \$6,000/yr to \$10,000/yr; and
- the annual HSE Committee Member cash retainer from \$4,000/yr to \$6,000/yr

These changes took effect as of January 1, 2026.

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.

2025 details

DIRECTOR COMPENSATION TABLE

The table below shows the type of compensation directors earned in 2025.

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.

Kelly Huntington, Neil H. Smith, Keith Trent, and George Williams (each of whom is a resident of the United States) received their compensation in US dollars, however their amounts stated in the table below are in Canadian dollars.

Name	Fees earned (\$)	Share-based awards (\$)	All other compensation (\$)	Total compensation (\$)
Gary Bosgoed	114,583	110,000	1,500	226,083
Jill Gardiner	185,000	195,000	2,000	382,000
Carolyn Graham	116,000	110,000	1,500	227,500
Kelly Huntington	181,025	153,175	2,785	336,985
Barry Perry	131,000	110,000	2,000	243,000
Jane Peverett	112,667	110,000	1,500	224,167
Robert Phillips	38,000	36,667	500	75,167
Neil H. Smith	155,061	153,175	2,785	223,333
Keith Trent	167,720	153,175	2,785	323,680
George Williams	153,175	153,175	2,100	221,500

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. For conversion purposes, the following exchange rates were used (1 US dollar to Canadian dollar): Q1 – 1.43, Q2 – 1.37, Q3 – 1.39, and Q4 – 1.38.
 - Kelly Huntington earned fees totalling US\$130,000, share-based awards totalling US\$110,000, and other compensation totalling US\$2,000.
 - Neil H. Smith earned fees totalling US\$111,333, share-based awards totalling US\$110,000, and other compensation totalling US\$2,000.
 - Keith Trent earned fees totalling US\$120,417, share-based awards totalling US\$110,000, and other compensation totalling US\$2,000.
 - George Williams earned fees totalling US\$110,000, share-based awards totalling US\$110,000, and other compensation totalling US\$1,500.
- Robert Phillips did not stand for election at the 2025 AGM and as such his compensation is pro-rated to that date.

BREAKDOWN OF FEES EARNED

The table below shows the breakdown of fees earned by independent directors in 2025.

Kelly Huntington, Neil H. Smith, Keith Trent, and George Williams 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
Gary Bosgoed	114,583	100,000	6,250	8,333	100%	0%
Jill Gardiner	185,000	185,000	–	–	75%	25%
Carolyn Graham	116,000	100,000	–	16,000	0%	100%
Kelly Huntington	181,025	139,250	27,850	13,925	100%	0%
Barry Perry	131,000	100,000	25,000	6,000	0%	100%
Jane Peverett	112,667	100,000	–	12,667	100%	0%
Robert Phillips	38,000	33,333	–	4,667	0%	100%
Neil H. Smith	155,061	139,250	–	15,811	100%	0%
Keith Trent	167,720	139,250	12,238	16,232	100%	0%
George Williams	153,175	139,250	–	13,925	100%	0%

Notes

- Committee chair retainers: Audit \$25,000/yr; PCG \$20,000/yr; HSE \$15,000/yr.
- Committee member retainers: Audit \$10,000/yr; PCG \$6,000/yr; HSE \$4,000/yr.
- Robert Phillips did not stand for election at the 2025 AGM and as such his compensation is pro-rated to that date.
- Gary Bosgoed became HSE Committee Chair as of July 30, 2025 and as such his chair retainer and committee retainers have been pro-rated to that date.
- Keith Trent became a member of the HSE Committee as of July 30, 2025 (previously was chair of the HSE Committee) and as such his chair retainer and committee retainers have been pro-rated to that date.
- Jane Peverett became a member of the Audit Committee and rotated off of the PCG Committee as of April 29, 2025 and as such her committee retainers have been pro-rated to that date.
- Neil H. Smith became a member of the PCG Committee and rotated off of the Audit Committee as of April 29, 2025 and as such his committee retainers have been pro-rated to that date.
- As of March 13, 2026 the Audit Committee members are Barry Perry (Chair), Carolyn Graham, Kelly Huntington, Jane Peverett, and Keith Trent. The PCG Committee members are Kelly Huntington (Chair), Gary Bosgoed, Carolyn Graham, Barry Perry, Neil H. Smith, and George Williams. The HSE Committee members are Gary Bosgoed (Chair), Jane Peverett, Neil H. Smith, Keith Trent, and George Williams.
- 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. For conversion purposes, the following exchange rates were used (1 US dollar to Canadian dollar): Q1 – 1.43, Q2 – 1.37, Q3 – 1.39, and Q4 – 1.38:
 - Kelly Huntington earned fees totalling US\$130,000, comprised of US\$100,000 (annual director retainer), US\$20,000 (annual Committee Chair retainer), and US\$10,000 (Audit Committee member retainer).
 - Neil H. Smith earned fees totalling US\$111,333, comprised of US\$100,000 (annual director retainer) and US\$11,333 (Audit, PCG and HSE Committee member retainers).
 - Keith Trent earned fees totalling US\$120,417, comprised of US\$100,000 (annual director retainer), US\$8,750 (annual Committee Chair retainer), and US\$11,667 (Audit Committee member retainer).
 - George Williams earned fees totalling US\$110,000, comprised of US\$100,000 (annual director retainer) and US\$10,000 (PCG and HSE Committee member retainers).

SHARE OWNERSHIP

The following table shows the common shares and DSUs each independent director nominee held as at March 13, 2026, 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 13, 2026

Name	Ownership requirement (\$)	Total common shares and DSUs (#)	Value (\$)	As a % of ownership requirement (%)	Meets ownership requirement	Deadline to meet ownership requirement
Gary Bosgoed	780,000	8,423	523,896	67%	In progress	January 1, 2031
Jill Gardiner	1,290,000	69,722	4,313,586	334%	yes	January 1, 2031
Carolyn Graham	780,000	12,646	788,581	101%	yes	January 1, 2031
Kelly Huntington	1,069,848	51,958	3,213,729	300%	yes	January 1, 2031
Barry Perry	780,000	44,293	2,743,280	352%	yes	January 1, 2031
Jane Peverett	780,000	27,259	1,686,996	216%	yes	January 1, 2031
Neil H. Smith	1,069,848	12,680	788,267	74%	In progress	January 1, 2031
Keith Trent	1,069,848	40,979	2,535,773	237%	yes	January 1, 2031
George Williams	1,069,848	5,597	350,927	33%	In progress	January 1, 2031

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 \$61.75.
- 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, 2026, the annual cash retainers were increased by \$20,000, and the annual equity retainers were increased by \$30,000 for the Chair and all other independent directors 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, 2025 and can be found on page 65.

Share-based awards

The following table sets out information regarding DSUs outstanding as at December 31, 2025:

Name	Share-based awards (DSUs)			
	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	8,423	493,191
Jill Gardiner	0	0	58,396	3,419,113
Carolyn Graham	0	0	11,406	667,808
Kelly Huntington	0	0	51,958	3,042,167
Barry Perry	0	0	18,293	1,071,028
Jane Peverett	0	0	25,259	1,478,918
Neil H. Smith	0	0	6,680	391,097
Keith Trent	0	0	40,979	2,399,344
George Williams	0	0	5,597	327,721

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 \$58.55 the closing price of our common shares on the TSX on December 31, 2025.

Executive compensation

Letter to shareholders

March 13, 2026

Dear shareholders,

On behalf of the Board and the People, Culture and Governance Committee (the “Committee”), we are pleased to present Capital Power's Compensation Discussion and Analysis for the year ended December 31, 2025.

The Committee's mandate is to oversee executive compensation in a manner that supports the Company's long-term strategy, aligns pay outcomes with performance and shareholder experience, and reflects sound governance and risk management practices. Our executive compensation framework is designed to attract, retain and motivate experienced leaders while maintaining a strong pay-for-performance orientation and alignment with shareholder interests.

Pay-for-Performance and Governance Oversight

A significant portion of executive compensation is variable and performance-based. Short-term incentives are tied to annual financial, operational and environmental, social, and governance (“ESG”) objectives that reflect the Company's strategic priorities, while long-term incentives are primarily equity-based and linked to share price performance, relative total shareholder return and long-term ESG outcomes. The Committee believes that this structure reinforces accountability for sustained value creation and alignment with shareholders over time.

The Committee exercises independent oversight over compensation design and outcomes, supported by independent external advisors and informed by shareholder feedback, including the annual advisory say-on-pay vote. In 2025, shareholders again demonstrated strong support for Capital Power's executive compensation approach, with 97.45% of votes cast in favour of the say-on-pay resolution, consistent with strong historical support.

Business Evolution and 2026 Compensation Review

During 2025, Capital Power completed a significant U.S. acquisition that materially expanded the Company's scale, geographic footprint and operational complexity. In response, the Committee undertook a comprehensive review of the executive compensation framework to ensure it continues to reflect the scope of executive responsibilities and the competitive markets in which the Company now operates.

As part of this review, the Committee assessed the Company's comparator group used for executive compensation benchmarking and approved refinements to be implemented for the 2026 compensation year, as described in this Compensation Discussion and Analysis. The changes support appropriate market alignment and the Committee has preserved the Company's long-standing emphasis on performance-based compensation and disciplined governance by ensuring that realized compensation outcomes remain directly tied to performance.

As a result of the changes, the Committee approved adjustments to 2026 target executive compensation that are larger than typical annual changes. We note that more than 80% of the increase in target compensation is delivered through long-term incentives that are at risk and aligned with future Company performance and shareholder value creation. In addition, the Committee approved enhancements to the Company's share ownership requirements to further strengthen alignment between executives and shareholders. Effective in 2026, the minimum share ownership requirement will increase from two times to three times base salary for Senior Vice Presidents and from five times to six times for the President and Chief Executive Officer. Effective for the long-term incentives granted in 2026, the Company expects to settle the payment of the grants in shares rather than cash and executives will be required to retain 50% of vested shares until share ownership guidelines are met. We believe these changes will enable us to attract and retain talent to drive future performance, while also promoting a culture of ownership.

Commitment to Shareholders

The Committee remains committed to transparent, principled and performance-aligned executive compensation practices. We believe the compensation outcomes and program design described in this Compensation Discussion & Analysis appropriately reflect Company performance, support long-term shareholder value creation and position Capital Power for continued success.

We thank our shareholders for their ongoing engagement and support.



Sincerely,

A handwritten signature in black ink that reads "Kelly M. Huntington". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

Compensation Discussion and Analysis

OVERVIEW OF EXECUTIVE COMPENSATION

This Compensation Discussion and Analysis (“CD&A”) describes the executive compensation program of Capital Power and the compensation decisions made in respect of the Company’s Named Executive Officers (“NEOs”) for the applicable fiscal year. The CD&A has been reviewed and approved by the People, Culture and Governance Committee (the “Committee”) of the Board and should be read together with the compensation tables and related notes included elsewhere in this Management Proxy Circular, which apply consistent valuation methodologies and assumptions, including with respect to the grant-date fair value of equity awards.

Capital Power’s executive compensation program is designed to support the Company’s strategy of delivering strong long-term shareholder returns through disciplined operational execution, portfolio optimization and growth, while maintaining a strong safety culture and advancing the Company’s ESG commitments. The program emphasizes pay-for-performance, with a significant portion of total compensation delivered through short- and long-term incentives that are contingent on performance outcomes.

The Committee oversees the design and administration of the executive compensation program and makes recommendations to the Board regarding executive compensation matters. In doing so, the Committee seeks to ensure that compensation outcomes appropriately reflect corporate and individual performance, align with shareholder interests and remain competitive within the market for executive talent.

Named Executive Officers

The Company’s NEOs for the applicable fiscal year are:

- Avik Dey, President and Chief Executive Officer
- Sandra Haskins, Senior Vice President, Finance and Chief Financial Officer
- Steven Wollin, Senior Vice President, Chief Operating Officer
- Pauline McLean, Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary
- Jason Comandante, Senior Vice President, Supply & Trading

Officer Transition

Sandra Haskins retired from her role as Senior Vice President, Finance and Chief Financial Officer effective December 31, 2025, following more than 23 years of service with Capital Power. She served as a NEO during the 2025 fiscal year and is therefore included in this Management Proxy Circular in accordance with National Instrument 51-102F6 – *Statement of Executive Compensation*. Following her retirement, the Company appointed its Chief Accounting Officer and Treasurer as Interim Senior Vice President, Finance and Chief Financial Officer. On February 19, 2026, Capital Power announced the appointment of Kevin MacIntosh as Chief Financial Officer of the Company, effective March 16, 2026.

APPROACH TO EXECUTIVE COMPENSATION

Compensation Philosophy and Objectives

Capital Power’s executive compensation philosophy is grounded in the principle of pay-for-performance. The Company seeks to deliver total compensation that is competitive with relevant market peers, appropriately reflects the scope and complexity of executive roles, and aligns executive decision-making with the long-term interests of shareholders.

The executive compensation program is designed to achieve the following core objectives:

- **Attract and retain high-performing executives** with the experience and expertise required to lead the Company in a dynamic and evolving industry;
- **Align compensation with business strategy and performance**, including financial, operational and ESG objectives that support long-term value creation; and
- **Align executive and shareholder interests** by emphasizing short- and long-term compensation that is directly linked to performance outcomes and share price performance.
- **Promote responsible risk-taking and sustainable performance** through disciplined decision making.

To support these objectives, a significant portion of executive compensation is delivered through short-term and long-term incentive programs that are contingent on achieving pre-established performance targets. Long-term incentives further reinforce alignment with shareholders by linking realized compensation value to relative TSR, progress against key ESG objectives and Capital Power’s share price performance over multi-year periods.

The Committee regularly reviews Capital Power’s executive compensation practices to ensure they continue to support the Company’s strategy, reinforce a strong pay-for-performance culture, and align with shareholder interests and market best practices. The following table summarizes key features of the Company’s executive compensation program and governance framework.

What We Do	What We Don’t Do
Design executive compensation with a strong pay-for-performance orientation, with a majority of compensation delivered through variable and at-risk incentives	Re-price stock options or grant options at a discount to market value
Link a significant portion of variable compensation to long-term performance through multi-year equity-based incentives	Guarantee minimum payouts under any incentive program, including performance share units
Align compensation programs with business strategy, shareholder returns, and ESG commitments	Encourage excessive or imprudent risk-taking through compensation design
Use a balanced mix of compensation elements, including base salary, short-term incentives and long-term equity incentives	Benchmark compensation against unreasonable or aspirational peer companies
Cap incentive payouts under both short-term and long-term incentive programs	Provide single-trigger change-of-control benefits
Include financial and health, safety and environment circuit breakers in the short-term incentive program, eliminating payouts if minimum performance thresholds are not achieved	Permit hedging or derivative transactions that reduce executives’ economic exposure to Capital Power securities
Cap CEO severance at 24 months	Provide severance arrangements that exceed reasonable market norms
Use multi-year vesting for long-term incentives, including three-year cliff vesting for share units, to support sustainable decision-making	Permit pledging or encumbering of securities used to satisfy share ownership requirements
Include relative and absolute performance measures, including relative TSR, to reinforce alignment with shareholder outcomes	
Apply a minimum valuation floor when granting stock options to moderate leverage and manage risk	
Maintain meaningful share ownership requirements for executives, including a post-retirement hold requirement for the CEO	
Permit executives to defer all or a portion of their annual incentive into Deferred Share Units to increase long-term alignment	
Provide a defined contribution supplemental retirement plan for new executive hires	
Maintain clawback provisions that apply to current and former executives and employees in the event of certain restatements or executive misconduct	
Use Committee discretion, where appropriate, to ensure compensation outcomes fairly reflect performance and risk undertaken	
Use double-trigger provisions for change-of-control treatment of incentives (change of control plus qualifying termination)	
Conduct regular reviews of compensation risk, including periodic formal risk assessments	
Review historical CEO pay outcomes relative to Company performance to assess pay-for-performance alignment	
Maintain an independent and qualified Committee, supported by an independent compensation advisor	
Provide shareholders with an annual advisory “say-on-pay” vote	
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	

GOVERNANCE, OVERSIGHT AND DECISION-MAKING

The governance practices summarized above are supported by a structured oversight and decision-making framework designed to promote independent judgment, effective risk management and alignment with shareholder interests. The Board and its People, Culture and Governance Committee play central roles in overseeing executive compensation, supported by independent external advisors and informed by shareholder feedback. Together, these governance processes ensure that executive compensation decisions are made in a disciplined, transparent and accountable manner, consistent with Capital Power's compensation philosophy and long-term strategic objectives.

Role of the People, Culture and Governance Committee

The People, Culture and Governance Committee of the Board is responsible for overseeing Capital Power's executive compensation philosophy, program design and compensation outcomes. The Committee's mandate includes reviewing and recommending to the Board the compensation of the President and Chief Executive Officer and other executive officers, the design and operation of the Company's short-term and long-term incentive programs, and related compensation and governance policies and practices.

In fulfilling its mandate, the Committee considers a range of factors, including corporate and individual performance, alignment with the Company's strategy and long-term objectives, shareholder interests, and market practices. The Committee also reviews compensation risk to ensure that incentive programs promote appropriate risk-taking and support sustainable value creation.

The Committee also oversees the Company's approach to talent management and succession planning for executive and senior leadership roles. This includes a regular review of the succession planning process for the President and Chief Executive Officer and other key executives, assessment of leadership depth and readiness, and oversight of development initiatives designed to support the long-term sustainability of the Company's leadership pipeline. The Committee works with management to ensure that succession planning is integrated with the Company's strategy and evolving business needs, and that executive compensation and leadership development programs support the attraction, retention and development of high-performing talent over the long term.

The Committee is composed entirely of independent directors and meets regularly throughout the year. It has full authority to engage independent external advisors and to access any information required to fulfill its responsibilities.

Executive Compensation Decision-Making Process

Executive compensation decisions are made through a structured, multi-step process that integrates compensation planning with Capital Power's annual business planning, budgeting and long-term strategic planning processes.

Management develops proposed performance objectives and compensation recommendations based on the Company's strategic priorities, operating plans, financial and non-financial performance results and market benchmarking data. Management's analysis is informed by input from its external advisors on human capital matters and is designed to ensure that compensation recommendations are aligned with business objectives and performance outcomes.

The Committee reviews management's recommendations, evaluates performance results against pre-established objectives and assesses the appropriateness of proposed compensation outcomes in light of market data, governance considerations and shareholder interests. In addition, the Committee reviews the President and Chief Executive Officer's performance and the President and Chief Executive Officer's assessment of the performance of other executive officers.

Following its review, the Committee makes recommendations to the Board regarding executive compensation matters. The Board reviews the Committee's recommendations and approves all final decisions relating to executive compensation.

Use of Independent Advice

To support its oversight responsibilities and promote objective and informed decision-making, the Committee retains independent external compensation advisors with no relationship to management. The Committee recognizes the importance of receiving advice from subject-matter experts who are independent of management to ensure that compensation decisions and recommendations are appropriate, well-informed and aligned with market practices and shareholder interests.

Meridian Compensation Partners has served as the Committee's independent executive compensation advisor since October 2018 and has continued to provide independent advice to the Committee throughout the fiscal year. Meridian Compensation Partners supports the Committee on matters including executive compensation program design, market trends and practices, benchmarking, performance frameworks, incentive plan design and compensation-related governance considerations.

WTW was retained from Capital Power's inception to December 2025 to provide survey and proxy data as well as assist in peer group adjustments. In addition, in October 2025, Management engaged Southlea Group to support a targeted review of the executive compensation comparator group, compensation levels and program design. This work formed part of the Committee's broader review of executive compensation in light of the Company's continued growth, increasing scale and expanding geographic footprint. The Committee reviewed Southlea Group's findings and recommendations with the support of Meridian Compensation Partners, the Committee's independent compensation advisor. As of 2026, Southlea Group is now the Company's consultant for executive compensation matters.

The independent compensation advisor, Meridian Compensation Partners, reports directly to the Committee, is required to maintain confidentiality and must disclose any potential conflicts of interest. The Board has a policy governing the engagement of the independent advisor, including limits on the nature of services that may be provided to management and requirements for Committee pre-approval of work plans undertaken with management. To date, the Committee's independent advisor has not undertaken executive compensation work for management. Meridian Compensation Partners confirms to the Committee annually that they meet the six tests to be considered an independent advisor.

Management separately retains its own advisor for broader human capital matters.

The table below summarizes fees paid to the Committee's independent consultant for the last two fiscal years.

	2025	2024
Executive Compensation-Related Fees ⁽¹⁾	\$76,103	\$43,454
All Other Fees ⁽²⁾	\$25,921	\$10,487
Total	\$102,024	\$53,941

Notes:

(1) Executive compensation-related fees for 2025 reflect additional work that was completed due to the Company's comprehensive review of the executive compensation framework

(2) All other fees include director compensation benchmarking (\$23,082) and various other expenses

Board Approval and Shareholder Feedback

The Board retains ultimate responsibility for approving all executive compensation decisions, based on the recommendations of the Committee.

Capital Power also seeks and considers shareholder feedback through an annual advisory say-on-pay vote and ongoing shareholder engagement. The Committee and the Board review the results of this vote and consider shareholder perspectives when evaluating executive compensation practices and making future compensation decisions.

At the Company's 2025 annual meeting of shareholders, approximately 97.45% of votes cast were in favour of Capital Power's approach to executive compensation. This result is consistent with the strong level of shareholder support Capital Power has received historically. The Committee views this continued support as an important indicator that the Company's executive compensation programs are aligned with shareholder expectations, while remaining attentive to evolving governance and market practices.

Compensation Risk Oversight

The Committee considers compensation risk as part of its ongoing oversight of executive compensation design and outcomes and completed its most recent formal review in March 2026. This review included an assessment of plan features intended to discourage excessive risk-taking, such as payout caps, performance thresholds, financial and non-financial circuit breakers, multi-year vesting and share ownership requirements.

Capital Power conducts formal compensation risk assessments every three to five years to evaluate whether its compensation programs are reasonably likely to have a material adverse effect on the Company. These assessments are conducted internally or with the support of external advisors, as appropriate, with findings reported to the Committee and the Board. In interim years, the Committee continues to monitor compensation-related risk as part of its regular oversight activities.

COMPENSATION PHILOSOPHY AND OBJECTIVES

Application of the Compensation Philosophy

Capital Power's executive compensation philosophy is grounded in a **pay-for-performance** approach that emphasizes long-term value creation, responsible risk management and alignment with shareholder interests.

The Company seeks to provide total compensation that is:

- **market competitive**, to attract and retain experienced executives in a competitive labour market;
- **performance-based**, with a significant portion of compensation delivered through variable, at-risk incentives that promote responsible risk-taking, tied to the achievement of corporate and individual objectives; and
- **aligned with shareholders**, through equity-based compensation, share ownership requirements and multi-year vesting and performance periods.

The Committee believes that executive compensation should be closely aligned with Capital Power's business strategy, financial performance, operational priorities and ESG commitments. Performance measures and compensation outcomes are selected to reinforce the Company's short-, medium- and long-term objectives and to support sustainable value creation.

Compensation Objectives

Capital Power's executive compensation programs are designed to achieve the following objectives:

- **Attract, retain and motivate high-performing executives**
Compensation levels and program design reflect the scope of responsibility, experience and leadership required to execute the Company's strategy and support long-term success.
- **Link compensation to strategy and performance**
A substantial portion of executive compensation is variable and contingent on achieving performance objectives that support Capital Power's short-, medium- and long-term business priorities, including financial, operational and selected ESG objectives.
- **Align executive interests with those of shareholders**
Equity-based compensation, share ownership guidelines and long-term incentive programs are designed to align executive interests with shareholder outcomes and to encourage executives to think and act like owners.
- **Promote responsible risk-taking and sustainable performance**
Compensation programs incorporate safeguards to discourage excessive risk-taking and support sustainable value creation, including payout caps, performance thresholds, circuit-breakers, multi-year vesting and the Committee's ability to apply discretion where appropriate.

Role of benchmarking

Market benchmarking supports, but does not dictate, compensation decisions. The Committee assesses compensation levels and incentive opportunities relative to a comparator group of companies used for executive compensation purposes that reflects the market in which Capital Power competes for executive talent.

The Committee targets total direct compensation at approximately the median of the comparator group. Actual compensation outcomes may be above or below median depending on Company and individual performance, reinforcing the Company's pay-for-performance philosophy.

Further details regarding the comparator group used for executive compensation purposes are provided in the section titled "Market Benchmarking & Comparator Group."

Alignment with ESG and Corporate Culture

Capital Power believes that strong financial performance and long-term value creation are supported by responsible business practices and a strong corporate culture. The executive compensation framework reflects this belief by incorporating selected ESG-related objectives into incentive programs, where appropriate, and by reinforcing expectations related to health, safety, environmental stewardship, diversity and inclusion.

The Committee periodically reviews the role of ESG-related measures in executive compensation to ensure they remain aligned with the Company's strategy, risk profile and stakeholder expectations.

MARKET BENCHMARKING & COMPARATOR GROUP

Capital Power benchmarks executive compensation against a single comparator group of companies to assess the competitiveness of executive base salary, short-term incentive opportunities and long-term incentive opportunities, as well as overall total direct compensation. The comparator group used to establish executive compensation for the current

compensation year was approved by the Committee in November 2024 and is reviewed periodically to ensure it remains appropriate.

In establishing the comparator group, the Committee considered companies with comparable size, complexity and business characteristics, using financial criteria such as revenue, total enterprise value and asset base, as well as industry relevance and geographic considerations. The comparator group reflects:

- utility and related companies operating in Canada, which align with Capital Power’s core industry;
- publicly traded companies headquartered in Alberta, reflecting a key executive talent market; and
- U.S.-based independent power producers, renewable energy companies and electric utilities, recognizing Capital Power’s expanding operational footprint and competition for executive talent in the United States.

The Committee believes this comparator group appropriately reflects the competitive market for executive talent and provides a relevant reference point for compensation benchmarking purposes. The group is intended to represent companies with broadly comparable operational scope, capital intensity, regulatory complexity and leadership requirements, and is not intended to be aspirational.

Market compensation data is obtained from publicly available proxy circulars and third-party compensation surveys. The Committee considers this data in conjunction with its own judgment, the Company’s strategic direction and organizational needs, and an assessment of shareholder interests when making compensation decisions.

The companies included in the 2025 executive compensation comparator group were as follows:

Canadian Utilities and Related Companies	Publicly traded in Alberta	U.S.-Based Independent Power Producers, Renewables and Utilities
<ul style="list-style-type: none"> • Algonquin Power & Utilities Corp. • AltaGas Ltd. • ATCO Ltd. • Boralex Inc. • ENMAX Corp. • Emera Incorporated • EPCOR Utilities Inc. • Fortis Inc. • Innergex Renewable Energy Inc. • Keyera Corp. • Northland Power Inc. • Superior Plus Corp. • TransAlta Corporation 	<ul style="list-style-type: none"> • Stantec Inc. • Veren Inc. • Whitecap Resources Inc. 	<ul style="list-style-type: none"> • Clearway Energy Inc. • OGE Energy Corp. • Portland General Electric Company • TXNM Energy Inc.

Capital Power Positioning Within the Comparator Group

To further assess the appropriateness of the executive compensation comparator group, the Committee reviews Capital Power’s relative positioning within the group based on key financial metrics, including total revenue and total enterprise value. This analysis provides additional context regarding the Company’s size and scale relative to comparator companies and supports the Committee’s assessment of the relevance of the comparator group.

The table below summarizes Capital Power’s positioning relative to the 2025 executive compensation comparator group based on publicly available financial information.

Market	Total Revenue ⁽¹⁾	Total Enterprise Value ⁽¹⁾
25th Percentile	\$2,343	\$8,133
Median	\$3,292	\$12,858
75th Percentile	\$4,985	\$18,074
Capital Power	\$4,068	\$14,457
	64th percentile	68th percentile

(1) Data as of December 31, 2024.

Considering Capital Power's continued growth, increasing scale and expanding geographic footprint, including its growing presence in the United States, the Committee undertook a comprehensive review of the executive compensation framework. As part of this review, the Committee assessed the Company's comparator group used to establish executive compensation and approved refinements to be implemented for the 2026 compensation year.

The companies included in the 2026 executive compensation comparator group are as follows:

Canadian Utilities and Related Companies	U.S.-Based Independent Power Producers, Renewables and Utilities
<ul style="list-style-type: none"> • Algonquin Power & Utilities Corp. • AltaGas Ltd. • ATCO Ltd. • Boralex Inc. • Emera Incorporated • Fortis Inc. • Keyera Corp. • Northland Power Inc. • Pembina Pipeline Corporation • South Bow Corporation • Superior Plus Corp. • TransAlta Corporation 	<ul style="list-style-type: none"> • Clearway Energy Inc. • IDACORP Inc. • OGE Energy Corp. • Portland General Electric Company • Talen Energy Corporation • TXNM Energy Inc.

The table below summarizes Capital Power's positioning relative to the 2026 executive compensation comparator group based on publicly available financial information.

Market	Total Revenue ⁽¹⁾	Total Enterprise Value ⁽¹⁾
25th Percentile	\$2,156	\$11,530
Median	\$2,478	\$15,091
75th Percentile	\$6,607	\$21,391
Capital Power	\$3,373	\$17,401
	61st percentile	66th percentile

(1) Data as of November 30, 2025.

Use of Benchmarking Data

The Committee uses market benchmarking data as one of several inputs when evaluating executive compensation levels and incentive opportunities. Benchmarking data is intended to provide context regarding competitive market practices and relative positioning, but it does not dictate compensation outcomes.

In applying benchmarking data, the Committee considers:

- base salary levels, short-term incentive targets and long-term incentive targets for executive roles with comparable scope and responsibility;

- overall total direct compensation opportunities relative to the comparator group; and
- prevailing market practices related to compensation structure, incentive mix and performance-based pay.

Benchmarking data is reviewed in conjunction with qualitative factors, including the complexity of executive roles, the appropriate mix of both Canadian and US data, the Company's strategic priorities, internal equity considerations, succession planning objectives and shareholder interests. As a result, compensation decisions reflect the Committee's informed judgment rather than a purely mechanical application of market data.

The Committee's independent advisors support the use of benchmarking data by providing market insights, peer group analysis and advice on evolving compensation practices. The Committee considers this information alongside management's recommendations and retains discretion in making final compensation decisions.

ELEMENTS OF COMPENSATION

Capital Power's executive compensation program is comprised of fixed and variable compensation elements designed to align executive interests with the achievement of the Company's strategic objectives and long-term shareholder value creation. The program emphasizes on **at-risk and performance-based** compensation, with a significant portion of total direct compensation delivered through short-term and long-term incentives that are contingent on performance outcomes.

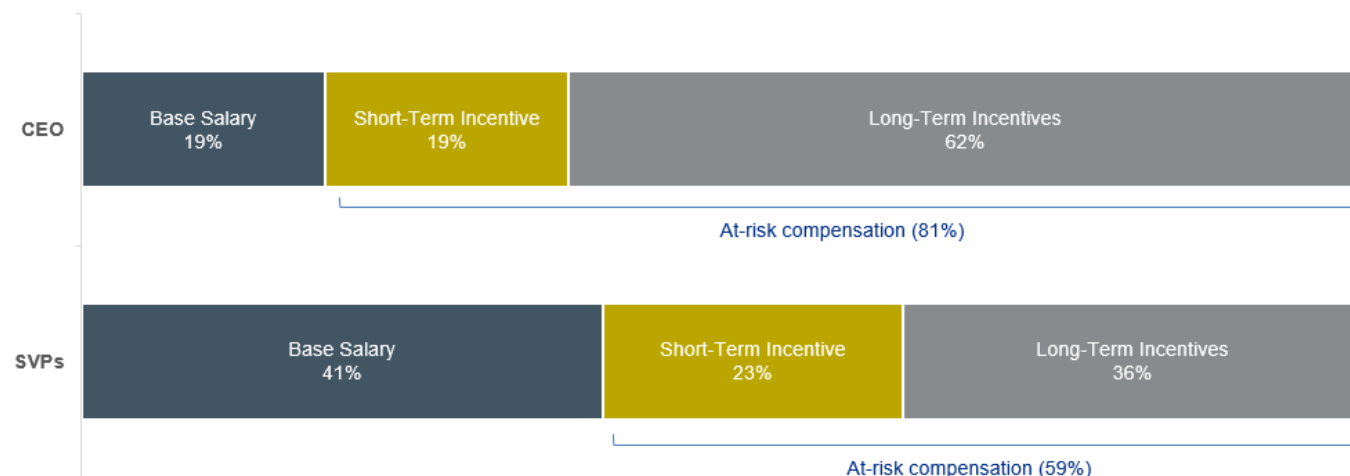
Total direct compensation includes base salary and participation in the Short-Term Incentive Program ("STIP") and Long-Term Incentive Program ("LTIP"). The mix of compensation elements varies by role and level of responsibility, reflecting the executive's ability to influence corporate performance and the need to attract and retain executive talent in a competitive market.

The Committee reviews the overall compensation mix periodically to ensure that:

- a meaningful portion of executive compensation is at risk and linked to performance;
- incentive programs support both near-term execution and long-term value creation; and
- compensation outcomes remain aligned with shareholder interests and market practices.

As executive responsibility increases, a greater proportion of total compensation is delivered through variable and long-term incentives, reinforcing alignment with Company performance and shareholder outcomes. Actual compensation outcomes may vary from target based on Company and individual performance.

While long-term incentive awards may be settled in cash or, in shares issued from treasury in lieu of cash, as provided under the LTIP. The Committee believes that the executive compensation program remains strongly aligned with shareholder interests through the predominant use of performance-based equity, the incorporation of relative TSR measures, meaningful executive share ownership requirements and the availability of deferred share units that promote sustained equity ownership over time.



Base Salary

Base salary provides a stable level of fixed compensation and is intended to reflect the executive's role, experience, leadership capabilities and sustained performance. Base salaries are reviewed annually by the Committee and the Board and may be adjusted based on factors including changes in role scope, individual performance, internal equity and market benchmarking data.

Base salaries are generally targeted within a competitive range around the median of the executive compensation comparator group. Adjustments to base salary are not automatic and are made at the discretion of the Committee based on its assessment of the factors noted above.

Short-term Incentive

The STIP is designed to motivate and reward executives for the achievement of annual corporate and individual performance objectives that support Capital Power's strategic priorities. STIP awards are variable and at risk, with payout levels dependent on performance results achieved during the applicable fiscal year.

Target STIP opportunities are expressed as a percentage of base salary and are reviewed periodically by the Committee with reference to market benchmarking data and the scope of executive responsibilities. Actual STIP payouts are contingent on performance and subject to thresholds, caps and other risk management features and may range from zero to a capped maximum, depending on performance outcomes.

STIP performance measures include a balanced set of financial, operational and ESG objectives, as well as individual performance objectives, where applicable. Performance targets are established at the beginning of each year and are intended to balance financial performance with operational excellence, safety and progress against strategic initiatives.

The STIP is comprised of the following components:

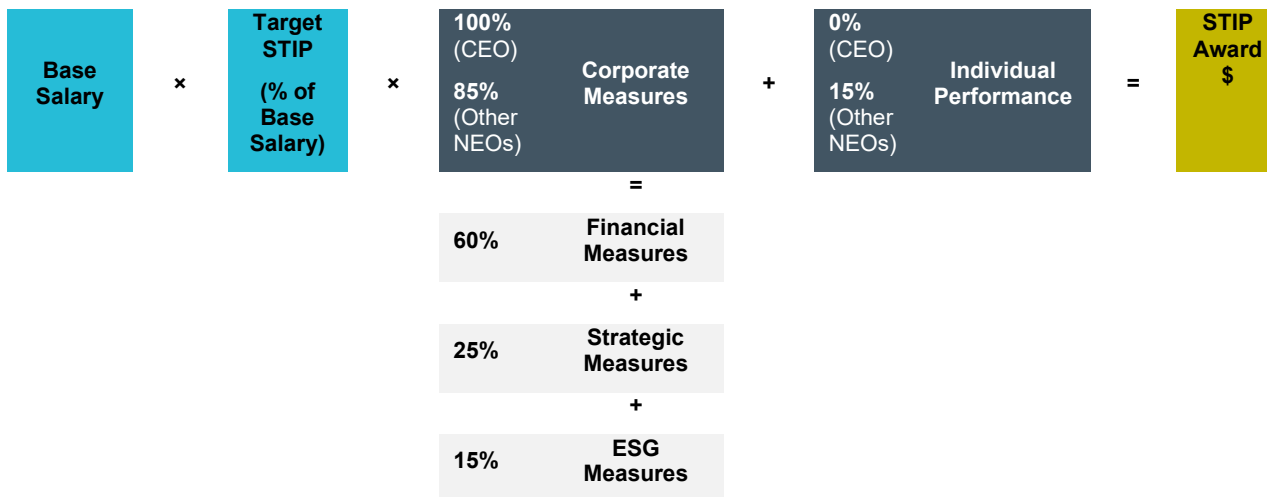
Components	STIP Weight	Description
Corporate Measures Scorecard		
Financial Measures	60%	Performance measure against Adjusted EBITDA and Adjusted Funds From Operations per Share ⁽¹⁾
Strategic Measures	25%	Focusing on deliverables that support near-term business priorities [growth emphasis]
ESG Measures	15%	Focuses a Health, Safety and Environment Index utilizing five leading indicators
TOTAL	100%	
Individual Performance Scorecard		
Individual Measures	100%	Measures individual performance on key financial, operational and/or strategic goals for the Company.

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure and AFFO/share is a non-GAAP ratio. See "Non-GAAP Financial Measures and Ratios".

⁽²⁾ Note that the CEO is weighted 100% on the Corporate scorecard and the other executives are weighted 85% corporate scorecard and 15% individual performance scorecard.

Payout Formula

Performance is assessed against each measure and its weighting (base salary x target STIP x weighted performance achievement). Results of the two performance categories are added together to determine the final STIP award:



Circuit Breaker and Health, Safety and Environmental Safeguards

In addition to threshold minimums expected for each performance metric of the STIP, the plan includes a financial performance “circuit breaker” tied to Adjusted EBITDA, which is set below the threshold performance level. If Adjusted EBITDA does not meet the minimum circuit breaker level (i.e.: 70% of target), no STIP payout is triggered and earned for any performance measure, except for the portion of the award related to health, safety and environment (“HSE”) performance.

Measurement of the HSE Index incorporates additional safeguards designed to reinforce the Company's commitment to safe and responsible operations. Specifically, the HSE component of the STIP includes conditions that may limit or eliminate payout for certain measures if significant safety or environmental incidents occur. If a fatality or permanent disabling injury occurs during the performance year, total recordable incident frequency will not achieve threshold performance and will not contribute to the STIP payout. Similarly, if a major or critical environmental incident occurs, the environmental incident measure will not achieve threshold performance and will not contribute to the STIP payout.

The Committee retains discretion to apply informed judgement and recommend adjustments to STIP outcomes to reflect unusual or unforeseen circumstances and to avoid outcomes that would result in inappropriate overpayment or underpayment relative to performance. No adjustments are made unless the Committee determines that such action is warranted and consistent with the Company's compensation philosophy and governance practices.

For the most recently completed fiscal year, no adjustments to results were recommended, as the compensation outcomes produced by the STIP were aligned with Company and individual performance.

Long-term Incentive

The LTIP is designed to align executive compensation with long-term shareholder value creation and to support the retention of executive talent. LTIP awards are granted annually and are delivered through a mix of equity-based instruments that link realized compensation value to Capital Power's share price performance and, in the case of Performance Share Units ("PSUs"), relative performance and ESG outcomes over multi-year periods.

The Committee oversees the design and operation of the LTIP, including the approval of performance measures, weightings and peer groups at the time of grant. The Committee reviews performance results at the end of each performance period and recommends LTIP payouts to the Board for approval.

LTIP target opportunities are expressed as a percentage of base salary and are reviewed periodically by the Committee with reference to market benchmarking data, role scope and performance considerations. The Committee and the Board approve all LTIP awards.

The LTIP is comprised of the following components:

Components	LTIP Weight	Description
Performance Share Units	60%	80% of PSUs vest based on relative TSR and the remaining 20% vest based on the achievement of ESG objectives over a multi-year performance period. ⁽¹⁾
Restricted Share Units	20%	Vest based on continued service over a multi-year period.
Stock Options	20%	Provide value only if the Company's share price increases over time.

⁽¹⁾ Beginning with the 2026 PSU grant, the scorecard will comprise of 70% weighted to relative TSR and 30% weighted to an internal financial metric: 3-year average AFFO/share.

The Committee believes that a significant weighting toward PSUs (60%) is appropriate given the capital-intensive, long-term nature of the Company's business and the importance of sustained financial and operational performance in creating long-term shareholder value. PSUs represent the primary long-term incentive vehicle as they directly link realized compensation to multi-year performance outcomes, with a substantial portion of vesting contingent on relative TSR and progress against key ESG objectives. This design reinforces accountability for long-term value creation, aligns executive decision-making with shareholder experience over time, and mitigates the risk of short-term decision-making that may not support durable performances

Performance Share Units (PSUs)

PSUs are the primary performance-based component of the LTIP and are intended to align executive compensation with long-term Company performance and shareholder outcomes. PSUs reinforce accountability for sustained value creation by linking realized compensation to Capital Power's relative TSR, progress against key ESG objectives and share price performance over a multi-year period.

PSUs are granted as notional share units and cliff-vest following the completion of a three-year performance period and may be settled in cash based on the Company's share price at that time or, in shares issued from treasury in lieu of cash. Dividend equivalents accrue during the performance period and are reinvested in additional notional units, which are subject to the same vesting and performance conditions as the underlying PSUs.

PSU payouts are contingent on the achievement of pre-established performance objectives over the performance period and are subject to threshold and maximum payout levels.

PSU Performance Measures and Weightings

PSU performance for grant years 2023 to 2025 is measured based on a combination of:

- Relative TSR, weighted at 80%; and
- A basket of ESG objectives, weighted at 20%.

Relative TSR measures Capital Power's TSR performance over the applicable performance period compared to a defined performance peer group. The ESG performance component assesses progress against pre-established environmental and social objectives over the same performance period. Performance against each ESG component is measured relative to defined threshold, target and stretch goalposts, and results are combined to determine the overall ESG performance outcome. Beginning with the 2026 PSU grant, the scorecard will comprise of 70% weighted to relative TSR and 30% weighted to an internal financial metric: 3-year average AFFO/share.

PSU Relative TSR Performance Peer Groups

Capital Power's performance peer group is used exclusively for purposes of measuring relative TSR under the Company's PSU program. Performance peers are selected to reflect companies with similar business characteristics that compete with Capital Power for investment capital and are subject to comparable operational, regulatory and macroeconomic influences. The peer group is established at the time of grant and remains fixed for the duration of the applicable performance period.

For earlier PSU grant cycles of 2023 and 2024, the performance peer group consisted of Canadian power producers and utilities with total enterprise values greater than \$1 billion, subject to a cap to avoid the inclusion of significantly larger organizations. In addition to size and industry classification, companies were selected based on characteristics such as dividend-paying profiles and lower relative share price volatility. This peer group was designed to reflect Canadian companies with similar risk profiles and investment characteristics over the applicable performance periods.

For the 2025 PSU grants, the Committee approved a recalibration of the performance peer group to reflect Capital Power's continued growth, increasing scale and expanding capital exposure in the United States. As a result, the performance peer group for the 2025 PSU grant was expanded to include U.S.-based independent power producers, renewable energy companies and electric utilities, in addition to Canadian peers. The Committee believes this expanded peer group more appropriately reflects the investment landscape against which Capital Power's long-term TSR performance should be measured going forward.

The Committee considers that the performance peer groups provide an appropriate benchmark for assessing Capital Power's relative TSR performance over multi-year periods. The Committee reviews the performance peer group selection criteria periodically, with the assistance of its independent advisors, to ensure continued relevance and appropriateness.

The following table presents the peer group composition to measure relative TSR by PSU grant year:

PSU Grant Years	Performance Peer Group Composition
2022–2024 PSU Grants (Canadian peer group)	<ul style="list-style-type: none"> • Algonquin Power & Utilities Corp. • AltaGas Ltd. • Boralex Inc. • Brookfield Renewable Partners L.P. • Canadian Utilities Limited • Emera Incorporated • Fortis Inc. • Hydro One Ltd. • Innergex Renewable Energy Inc. • Northland Power Inc. • TransAlta Corporation
2025 PSU Grant (Expanded Canadian / U.S. peer group)	<p>Canadian Peers</p> <ul style="list-style-type: none"> • Algonquin Power & Utilities Corp. • AltaGas Ltd. • Boralex Inc. • Brookfield Renewable Partners L.P. • Canadian Utilities Limited • Emera Incorporated • Fortis Inc. • Hydro One Ltd. • Innergex Renewable Energy Inc.

	<ul style="list-style-type: none"> • Northland Power Inc. • TransAlta Corporation <p>U.S. Peers</p> <ul style="list-style-type: none"> • Clearway Energy Inc. • OGE Energy Corp. • Portland General Electric Company
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PSU Relative TSR Payout Curve

As previously indicated, relative TSR is calculated by comparing Capital Power's TSR over the performance period to the TSR of the companies in the performance peer group. TSR reflects changes in share price and the reinvestment of dividends over the measurement period. Dividends paid during the performance period are notionally reinvested in additional shares on the applicable dividend payment date.

Capital Power's relative TSR ranking within the performance peer group is converted into a performance multiplier based on the following predefined payout curve.

Capital Power's TSR Ranking Relative to the Peer Group	Performance Multiplier
75th Percentile or Higher	200%
Median	100%
25th Percentile	50%
Below the 25th Percentile	0%

Performance results that fall between percentile thresholds are interpolated on a straight-line basis.

PSU ESG Payout Curve

The ESG component of PSU performance is assessed using a basket of internal ESG objectives aligned with Capital Power's strategy and long-term priorities. These objectives may include measures related to environmental performance, workforce diversity and women in leadership level roles.

Each ESG objective is assessed against pre-established performance goalposts and converted into a performance multiplier. The weighted results of the ESG objectives are combined to determine the overall ESG performance multiplier indicated in the following table.

ESG Performance Level Achieved	Performance Multiplier
Stretch	200%
Target	100%
Threshold	50%
Below Threshold	0%

Similar to the relative TSR payout curve, ESG performance results that fall between goalposts are interpolated on a straight-line basis.

Determination of PSU payout

PSU payouts are determined based on the combined performance results for relative TSR and the ESG performance basket. Each component is subject to a defined payout curve, with performance multipliers applied based on percentile rankings or performance outcomes relative to goalposts.

The final PSU payout is calculated by applying the combined performance multiplier to the number of PSUs granted, together with accumulated dividend equivalents, and multiplying the result by the Company's share price, calculated using the 30-day volume-weighted average trading price immediately preceding the vesting date.

The Committee reviews PSU performance results at the end of each performance period and recommends PSU payouts to the Board for approval. The Committee retains discretion to recommend adjustments to PSU outcomes where appropriate, consistent with the Company's compensation philosophy and governance practices.

For the most recently completed PSU cycle, no adjustments were recommended, as the compensation outcomes were aligned with Company performance.

Payout formula



Restricted Share Units

Restricted Share Units (“RSUs”) are a time-based component of the LTIP and are intended primarily to support executive retention and alignment with shareholder interests. RSUs complement the performance-based elements of the LTIP by providing executives with a direct interest in the Company’s share price over the vesting period.

RSUs are granted as notional share units and vest following a three-year cliff-vesting period, subject to continued employment. RSUs may be settled in cash based on the Company’s share price at vesting, using the 30-day volume-weighted average trading price immediately preceding the vesting date, or in shares issued from treasury in lieu of cash. Dividend equivalents accrue during the vesting period and are reinvested in additional notional units, which vest on the same schedule as the underlying RSUs.

Because the realized value of RSUs is directly tied to Capital Power’s share price at vesting, RSUs reinforce alignment between executive compensation outcomes and shareholder value creation.

Where share units are settled in shares rather than cash, the Company may impose restrictions on the re-sale of shares acquired under the share unit program, as determined by the Company at the time of grant.

Stock options

Stock options are a component of the LTIP designed to promote long-term alignment with shareholders by linking realized compensation value directly to increases in the Company’s share price.

Stock options provide the right to purchase common shares of Capital Power at an exercise price equal to the fair market value of the shares on the grant date. Options vest in equal installments over three years, beginning on the first anniversary of the grant date, and have a maximum term of seven years.

Executives realize value from stock options only if the Company’s share price increases above the exercise price. This ensures that executives realize value only through the creation of shareholder value following the grant date. The Committee and the Board believe that stock options encourage a long-term ownership mindset and support executive retention by rewarding sustained share price appreciation.

To moderate leverage and support responsible risk-taking, stock options are valued for grant purposes using an accounting fair value methodology that incorporates a minimum valuation floor of 15% of the share price. For the 2025 stock option grant, a value ratio of 15% was used. This approach is intended to balance the incentive effect of stock options with appropriate governance safeguards.

The Committee and the Board believe that stock options remain an important component of a competitive long-term incentive program. When combined with performance-based and retention-focused equity awards, stock options encourage executives to execute Capital Power’s long-term strategy and drive sustainable shareholder value creation.

Summary of LTIP and Termination Provisions

The following table outlines the material terms of the Company’s long-term incentive awards and the applicable treatment of PSUs, RSUs and stock options under various employment termination scenarios.

Feature	PSUs	RSUs	Stock Options
Form of Award	Notional share-based awards that may be settled in cash or, in shares.	Notional share-based awards that may be settled in cash or, in shares.	Right to purchase common shares at a fixed exercise price.
Who Participates	Executives and senior management.	Executives and senior management.	Executives and senior management.

Dividends	Dividend equivalents accrue during the performance period, are reinvested in additional units, and are subject to the same performance conditions as the underlying PSUs.	Dividend equivalents accrue during the vesting period, are reinvested in additional units, and vest on the same schedule as the underlying RSUs	Not applicable.
Vesting	Cliff vest at the end of a three-year performance period subject to performance conditions.	Cliff vest at the end of a three-year vesting period.	Vest one-third annually beginning on the first anniversary of the grant date (unless otherwise specified at grant).
Performance Conditions	Relative TSR performance against a performance peer group (80%) and achievement of ESG objectives (20%).	None (time-based vesting only).	None (value realized only if share price exceeds exercise price).
Payout / Realization	Cash settlement subject to satisfaction of performance conditions, based on the Company's share price calculated using a 30-day volume-weighted average trading price immediately preceding the vesting date, or settlement in shares issued from treasury in lieu of cash.	Cash settlement based on the Company's share price calculated using a 30-day volume-weighted average trading price immediately preceding the vesting date, or settlement in shares issued from treasury in lieu of cash.	Value realized upon exercise, based on the excess of the market price over the exercise price.
Term	Three-year performance and vesting period.	Three-year vesting period.	Seven-year term (subject to blackout extension provisions).
Assignment	Generally non-transferable except for estate planning purposes; outstanding awards are for the benefit of, and binding on, the beneficiary.	Generally non-transferable except for estate planning purposes; outstanding awards are for the benefit of, and binding on, the beneficiary.	Generally non-transferable except for estate planning purposes or judicial order.
Resignation or Termination for Cause	Unvested PSUs are forfeited.	Unvested RSUs are forfeited.	Resignation: unvested options are forfeited; vested options expire on the earlier of the original expiry date or 30 days following termination. Termination for cause: vested and unvested options are forfeited.
Termination Without Cause	Vesting based on actual performance to the end of the quarter preceding termination (where available; otherwise target performance is used), pro-rated to the termination date.	Vesting pro-rated to the termination date.	All options continue to vest and expire on the earlier of the original expiry date or 30 days following termination.
Retirement⁽¹⁾ or Disability	Continue to vest to the end of the three-year term based on actual performance.	Continue to vest to the end of the three-year term.	Beginning with the 2023 grant, all stock options continue to vest and remain exercisable until the earlier of the option's original seven-year expiry date or 36 months following retirement or disability. For grants made prior to 2023, unvested options continued to vest during a 12-month post-retirement or disability period and expired at the end of that period.
Death	Fully vest immediately based on target performance	Fully vest immediately	Beginning with the 2023 grant, all unvested stock options vest immediately and remain exercisable until the earlier of the option's original seven-year expiry

			date or 12 months following the date of death. For grants made prior to 2023, unvested options continued to vest during a 12-month post-death period and expired at the end of that period.
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⁽¹⁾ Retirement is defined as:

- Age 65 OR age 55+ with at least 10 years of service with the Company, Subsidiary, or a Designated Affiliated Entity AND
 - Employee must provide 6 months of written notice to retire; and
 - The retiree is subject to a non-compete, which begins upon acceptance of the applicable grant agreement.

Amending and Terminating of the LTIP

The LTIP includes provisions governing amendments to ensure appropriate oversight and shareholder protection. Certain amendments require shareholder approval, while others may be made by the Board, subject to applicable stock exchange rules.

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

Type of Amendment	Approval Required
Increase the maximum number of common shares that may be issued under the LTIP	Shareholder approval
Reduce the exercise price of any award below the market price on the grant date	Shareholder approval
Cancel and re-issue awards under different terms that have the effect of reducing the exercise price	Shareholder approval
Increase the limits on the number of common shares reserved for issuance to insiders or to any one participant	Shareholder approval
Extend the term of any outstanding award beyond its original expiry date	Shareholder approval
Extend the maximum term of awards beyond the plan limit	Shareholder approval
Permit the assignment or transfer of awards other than as currently permitted under the LTIP	Shareholder approval
Change the definition of eligible participants under the LTIP	Shareholder approval
Make administrative, clerical or “housekeeping” amendments that do not adversely affect participants	Board approval
Amend the LTIP to comply with applicable laws, regulations or stock exchange requirements	Board approval
Suspend or terminate the LTIP	Board approval (subject to regulatory requirements)

The Board retains the authority to terminate the LTIP at any time, provided that such termination does not adversely affect rights that participants have already accrued under outstanding awards.

Share Reserve and Dilution Control

Capital Power manages the issuance of equity under the LTIP and all other security-based compensation arrangements with a view to balancing the effectiveness of equity-based incentives with appropriate shareholder interests and controls on dilution.

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

- the number of common shares reserved for issuance to insiders may not exceed 10% of the total issued and outstanding common shares; and
- the number of common shares issued to insiders within any one-year period is also limited to 10% of the total issued and outstanding common shares.

As of December 31, 2025, the number of common shares reserved for issuance in respect of stock options granted to insiders was within all applicable limits described above. At that date, a total of 11,194,506 common shares had been reserved for issuance under the LTIP, of which 2,118,729 common shares remained available for future grants.

The Committee and the Board closely monitor share reserve usage on an ongoing basis to ensure continued compliance with plan limits, regulatory requirements and shareholder expectations. The Board may amend or terminate the LTIP, subject to applicable regulatory and stock exchange requirements. Certain amendments, including changes that would increase share reserve limits or reduce exercise prices, require shareholder approval. In that context, the Board approved an amendment to the Omnibus LTIP to support treasury settlement of PSUs and RSUs as an electable option rather than cash-only settlement as previously allowed. The amendment serves to engage an ownership mindset aligned with long-term strategic execution among the senior executive leadership and support them in obtaining and maintaining compliance with share ownership guidelines.

Capital Power projects that the current share reserve is sufficient to accommodate this change in LTIP settlement and will not be seeking to increase the share reserve at this time.

For additional discussion of our equity compensation plan, please see page 82.

Compensation Risk Oversight and Mitigation

The Board establishes acceptable levels of risk for the Company, which guide business decisions, risk management practices and the design of executive compensation programs. The Committee considers compensation-related risk as part of every compensation decision to ensure that compensation structures, performance measures and outcomes encourage appropriate risk-taking that supports long-term value creation and discourages excessive or imprudent risk-taking.

Management conducts a comprehensive assessment of compensation program risk every three to five years, supported by third-party advisors as appropriate, to evaluate whether compensation practices and programs are reasonably likely to have a material adverse effect on the Company. In the most recent assessment conducted in February 2026, it was determined that none of the Company's compensation practices were reasonably likely to have a material adverse effect on the Company.

The following features of the Company's compensation programs mitigate compensation-related risk:

Area	Risk-Mitigating Features
Compensation Governance	<ul style="list-style-type: none"> Risk management is integrated into the Company's business planning and performance review processes. Overlapping membership among Board committees enhances information sharing and provides broader context when assessing risk-related matters.
Pay Philosophy and Structure	<ul style="list-style-type: none"> Executive compensation is balanced between fixed and variable pay, short- and long-term incentives, and absolute and relative performance measures, encouraging appropriate risk-taking that supports long-term value creation while discouraging excessive short-term risk-taking. Retention risk in a change-of-control scenario is mitigated through double-trigger vesting provisions for long-term incentives. Severance arrangements are capped at reasonable levels to discourage inappropriate risk-taking.
Pay Plan Design	<ul style="list-style-type: none"> Incentive programs include a balanced mix of financial, operational, safety and ESG performance measures to provide a broad and holistic assessment of performance. The STIP financial metrics of EBITDA and Adjusted Funds from Operations encourage successful operational and commercial performance of our existing assets and the acquisition and development of assets that make strong and sustainable contributions to the Company's results. The Committee retains discretion to recommend adjustments to STIP payouts, whether at the program or individual level, to address unintentional or anomalous outcomes. Performance under the STIP is subject to threshold requirements and a financial circuit breaker tied to Adjusted EBITDA.⁽¹⁾ Performance multipliers under both the STIP and the PSU component of the LTIP are capped at two times the target award opportunity. PSUs, RSUs and stock options are granted annually with overlapping vesting and performance periods, supporting sustained performance and discouraging short-term decision-making. Executives are subject to meaningful share ownership guidelines, including a post-retirement holding requirement for the CEO, exposing executives to the long-term risks and outcomes of their decisions. The Company's claw-back policy⁽²⁾ requires reimbursement of incentive compensation in the event of a material restatement of results or misconduct resulting in a material adverse impact on the Company. The Company's anti-hedging policy⁽²⁾ prohibits insiders from engaging in transactions that would allow them to benefit from a decline in the value of the Company's securities and restricts the pledging or encumbrance of shares used to satisfy ownership requirements.
<p>⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measures and Ratios."</p>	
<p>⁽²⁾ These policies and provisions are contained in the Company's corporate governance policies, which are available on the Company's website (www.capitalpower.com).</p>	

Share Ownership, Anti-Hedging and Clawback Policies

Share Ownership Requirements

Capital Power requires executives to maintain a meaningful equity ownership position in the Company to align their interests with those of shareholders and reinforce a long-term ownership mindset. Minimum share ownership requirements increase by level of executive responsibility, and executives are expected to meet the applicable guideline within five years of appointment to their position or from the date a revised guideline comes into effect. The President & CEO is also subject to a one-year post-retirement equity holding requirement.

The following share ownership guidelines apply, as of December 31, 2025:

Level of Executive	As a Multiple of Base Salary
President & CEO ⁽¹⁾	5 ×
All Senior Vice-Presidents ⁽¹⁾	2 ×

⁽¹⁾ Note: Increasing to 6X for the CEO and 3X for SVPs in 2026.

For purposes of determining compliance with the share ownership guidelines, equity ownership includes common shares, unvested RSUs and vested executive Deferred Share Units (“DSUs”). Stock options and PSUs are excluded from the ownership calculation, as their value is contingent on future performance or exercise.

The Executive DSU Plan allows executives to voluntarily defer all or a portion of their annual short-term incentive award into DSUs, facilitating share ownership on a pre-tax basis. Participation in the voluntary DSU deferral program is capped at the level required to satisfy the executive’s ownership guideline. DSUs vest immediately but may not be redeemed until the executive leaves the Company, consistent with the treatment of DSUs held by directors.

The table below presents the common shares and share units held by each NEO as at December 31, 2025. The value of equity reflects the higher of the cost of acquisition or \$58.55, the closing price of the Company’s common shares on the Toronto Stock Exchange on December 31, 2025. The estimated value of restricted share units includes dividend equivalents and represents the after-tax payout value, calculated using a marginal tax rate of 48%.

	Avik Dey	Sandra Haskins	Steven Wollin	Pauline McLean	Jason Comandante
Base Salary	\$970,000	\$585,000	\$425,000	\$390,000	\$390,000
Current Equity Ownership					
Value of common shares	\$235,605	\$669,461	\$112,123	\$27,771	\$619,617
Value of DSUs & after-tax RSUs⁽¹⁾	\$2,327,069	\$1,101,458	\$433,834	\$454,450	\$384,932
Total ownership value	\$2,562,675	\$1,770,919	\$545,957	\$482,221	\$1,004,549
Compliance Assessment					
Meets ownership requirement?	In Progress	Yes	In Progress	In Progress	Yes
Compliance date	May 8, 2028	July 30, 2025	August 29, 2028	September 11, 2028	August 29, 2028

⁽¹⁾ Going forward, the estimated value of the RSUs will be on a pre-tax basis.

Anti-Hedging Policy

Capital Power maintains a robust anti-hedging policy that prohibits insiders from engaging in transactions that would allow them to benefit, directly or indirectly, from a decline in the value of the Company’s securities. This includes transactions that hedge or offset exposure to changes in the Company’s share price.

In addition, all directors and employees subject to minimum share ownership requirements are prohibited from pledging, encumbering or otherwise using equity interests that are relied upon to satisfy those ownership requirements. These restrictions are intended to ensure that executives and directors remain fully exposed to the risks and rewards associated with share ownership.

Clawback Provisions

The Company maintains a claw-back policy that applies to both current and former executives and employees. Under this policy, individuals may be required to reimburse the Company for short-term or long-term incentive compensation awarded based on financial or other results that are subsequently materially restated or corrected, within a three-year period following the event.

In addition, the claw-back policy includes a misconduct trigger. Reimbursement may be required where an individual engaged in intentional, willful or grossly negligent conduct or omission that resulted in a material negative impact on the Company’s business, reputation or financial condition.

2025 EXECUTIVE COMPENSATION

The Board, upon recommendation of the Committee and following its annual review of executive compensation, approved compensation decisions for 2025 that reflect Company performance, individual performance, market considerations and the Company's compensation philosophy.

In making these decisions, the Committee considered:

- achievement against pre-established corporate performance objectives;
- individual performance results assessed through the Company's performance management framework;
- alignment between compensation outcomes and shareholder experience;
- competitive market positioning relative to the comparator group; and
- the scope, complexity and evolving responsibilities of executive roles.

2025 Base Salary

Base salaries are reviewed annually and are intended to reflect an executive's role, scope of responsibility, experience, sustained performance and market positioning. The Committee generally targets base salaries within a competitive range around the median of the comparator group, while recognizing that individual positioning may vary based on performance and role evolution.

For 2025, the Committee approved base salary adjustments for certain executives to reflect changes in role scope, market alignment and sustained performance. Base salary adjustments are intended to maintain competitive positioning over time and are not automatically granted.

The increase to the base salary of the Senior Vice President, Finance and Chief Financial Officer in 2025 reflected the outcome of the Committee's review of executive compensation market positioning, including refinements to the comparator group approved in November 2024. As part of this review, the Committee assessed the competitiveness of base salary levels relative to the updated comparator group and considered the executive's sustained individual performance and the scope and accountability of the role. The adjustment was intended to restore appropriate market alignment and resulted in base salary remaining within the competitive range of the revised comparator group.

	2024	2025	% Increase
Avik Dey President & CEO	\$885,000	\$970,000	9.6%
Sandra Haskins Senior Vice-President & CFO	\$470,000	\$585,000	24.5%
Steven Wollin Senior Vice President, Chief Operating Officer	\$350,000	\$425,000	21.4%
Pauline McLean Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	\$375,000	\$390,000	4.0%
Jason Comandante Senior Vice President, Supply & Trading	\$370,000	\$390,000	5.4%

2025 Short-Term Incentive Plan (STIP)

STIP awards are determined based on the achievement of pre-established corporate and individual performance objectives. Corporate performance measures promote shared accountability among executives, while individual objectives enable differentiation based on role-specific contributions. For 2025, STIP performance measures consisted of financial, strategic, ESG, and individual performance components (excluding the CEO, who is not measured on individual performance).

The table below shows the target incentive for each named executive officer in 2025.

Name	STIP as a Percentage of Base Salary		
	Minimum	Target	Maximum
Avik Dey President & CEO	0%	100%	200%
Sandra Haskins Senior Vice-President & CFO	0%	70%	140%
Steven Wollin	0%	70%	140%

Senior Vice President, Chief Operating Officer

Pauline McLean

Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	0%	50%	100%
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Jason Comandante

Senior Vice President, Supply & Trading	0%	60%	120%
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2025 STIP Outcomes

Following the end of the performance year, the Committee reviewed the Company’s performance results against each STIP measure and assessed individual performance ratings. Based on this review, the Committee determined that overall corporate performance was 141.4% relative to target and that individual performance assessments were appropriately differentiated.

In determining STIP payouts, the Committee considered the operation of program safeguards, including payout caps and the financial circuit breaker, and exercised judgment to ensure that compensation outcomes appropriately reflected performance and risk.

Consistent with prior practice, the Committee reviewed STIP outcomes to ensure that payouts appropriately reflected performance and were aligned with shareholder interests. The Board adjusted the previously approved 2025 STIP metrics to include the impact of the PJM acquisition based on the final investment decision factor. The new target incorporated the business case EBITDA attributable to the acquisition. No other discretionary adjustments were made to STIP outcomes, as the Committee concluded that the formula-driven results were aligned with performance.

Corporate Measures	Weight	Threshold	Target	Maximum	Result	Applicable Performance Percentage	Corporate Performance
	A	B	C	D	E	F	G = A × F
Financial Measures							
AFFO/share ⁽¹⁾	45%	\$5.66	\$6.66	\$7.66	\$7.08	142.0%	63.9%
Adjusted EBITDA ⁽¹⁾	15%	\$1,313	\$1,545	\$1,777	\$1,580	115.1%	17.26%
Strategic Measures							
Contracted Data Center Load	12.5%	0.5	1.0	2.0	2.0	200%	25.0%
Growth in US Renewables Platform	12.5%	0.5	1.0	2.0	0.5	50%	6.25%
ESG Measures							
HSE Index	15%	0.85	1.0	1.15	1.14	193.3%	29.0%
Total Corporate Measures	85%						141.4%

⁽¹⁾ AFFO/share is a non-GAAP ratio and Adjusted EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures and Ratios”.

The table below summarizes individual performance assessments for each executive, based on the Company’s five-point performance rating scale, which were applied to the individual performance component of the STIP calculation to determine final award outcomes.

Named executive	Business objectives rating	Comments
Avik Dey President and CEO	n/a	n/a
Sandra Haskins Senior Vice President Finance & CFO	Fully Successful	Ms. Haskins achieved Fully Successful on her 2025 Individual Measures. Measures associated with her areas of responsibility, tax, and timing of quarter end closings, met expectations. The closing of our financings, acquisitions and continued expansion of investor outreach program was consistent with our strong performance from the previous year.
Steve Wollin Senior Vice President, Chief Operating Officer	Frequently Exceeds Expectations	Mr. Wollin achieved Frequently Exceeds Expectations on his 2025 Individual Measures. Steve oversees the safe operation of our operating fleet across North America, including Capital Power’s operations, supply chain and health, safety, security, and environment functions. He is responsible for reliability and plant efficiency programs that provide industry-leading plant availability and emission reductions. He restructured the team, stood up a comprehensive project management

Named executive	Business objectives rating	Comments
		function, established a strong pipeline of leaders within the operating organization and integrated new assets into the organization in a safe, efficient and effective manner.
Pauline McLean Senior Vice President, External Relation, Chief Legal Officer & Corporate Secretary	Frequently Exceeds Expectations	Ms. McLean achieved Frequently Exceeds Expectations on her 2025 Individual Measures. Ms. McLean's leadership of our government relations and regulatory teams was exemplary throughout the year. Her navigation of complex issues on behalf of the Company and stewardship of key stakeholder relationships has played a key role in our success. Further, her leadership and judgement as Chief Legal Officer was critical to the successful closing of the PJM acquisition.
Jason Comandante Senior Vice President, Supply & Trading	Outstanding	Mr. Comandante achieved Outstanding on his 2025 performance. Mr. Comandante led the Trading & Origination team and rebuilt the team during 2025 while also delivering strong financial results that outperformed budget. In addition, he led a multi-disciplined team that developed a comprehensive strategy for the creation of the Supply & Trading team that will enhance the Company's asset optimization efforts.

Based on the achievement of the pre-established corporate and individual performance objectives for 2025, the following STIP awards were approved for eligible participants.

	Base Salary		Target incentive		Corporate performance results ⁽¹⁾	+	Individual performance results	=	2025 STIP Award
Avik Dey	\$970,000	x	100%	x (	141.4%	+	n/a	) =	\$1,371,677
Sandra Haskins	\$585,000	x	70%	x (	120.2%	+	15%	) =	\$553,638
Steven Wollin	\$425,000	x	70%	x (	120.2%	+	22.5%	) =	\$424,528
Pauline McLean	\$390,000	x	50%	x (	120.2%	+	22.5%	) =	\$278,262
Jason Comandante	\$390,000	x	60%	x (	120.2%	+	30%	) =	\$351,464

⁽¹⁾ CEO weighting is 100% corporate performance, while for other executives, weighting is 85%.

Non-GAAP Financial Measures and Ratios

Capital Power uses the following specified performance measures for the STIP: (i) AFFO per share, which is a non-GAAP ratio determined by applying AFFO to the weighted average number of common shares used in the calculation of basic and diluted earnings per share, and (ii) earnings before income tax expense, depreciation and amortization, net finance expense, foreign exchange gains or losses, gains or losses on disposals and other transactions, unrealized changes in fair value of commodity derivatives and emission credits, other expenses from our joint venture interests, acquisition and integration costs, and other items that are not reflective of the Company's facility operating performance (Adjusted EBITDA). Capital Power also uses AFFO as specified financial measures. Adjusted EBITDA and AFFO are both non-GAAP financial measures.

These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to shareholders of Capital Power, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of our results of operations from management's perspective.

Long-Term Incentive Plan Grants, Vesting and Payout Results

2025 LTIP Grants

LTIP awards for 2025 were approved by the Board following a review of target award levels, performance alignment and market competitiveness. Awards were delivered through a combination of PSUs, RSUs and stock options, consistent with the Company's long-term incentive design.

In determining LTIP award levels, the Committee considered:

- the executive's role and ability to influence long-term performance;

- sustained individual performance;
- succession planning and retention considerations; and
- market competitiveness relative to the comparator group.

The awards were granted on May 7, 2025 and were delivered through a combination of Performance Share Units (60%), Restricted Share Units (20%) and stock options (20%), consistent with the Company’s established long-term incentive design.

The applicable LTIP target award levels for executives are presented in the following table.

Name	As a % of Base Salary
Avik Dey President & CEO	325%
Sandra Haskins Senior Vice-President & CFO	150%
Steven Wollin Senior Vice President, Chief Operating Officer	110%
Pauline McLean Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	80%
Jason Comandante Senior Vice President, Supply & Trading	80%

PSUs and RSUs granted in 2025 will vest on January 1, 2028, subject to continued employment and, in the case of PSUs, the achievement of applicable performance conditions. The realized value of PSUs and RSUs will be based on the 30-day volume-weighted average closing price of the Company’s common shares on the Toronto Stock Exchange immediately preceding the vesting date.

For PSUs, vesting outcomes will also reflect performance against pre-established measures, consisting of relative TSR compared to the performance peer group (80% weighting of PSUs) and an ESG objective (20% weighting of PSUs) measured as an advancement in commercializing low-carbon capacity to advance clean power.

The realized value of stock options granted in 2025 will depend on the Company’s share price performance over time and the timing of option exercise by the participant. Stock options vest in equal installments, beginning on the first anniversary of the grant date, and have a maximum term of seven years.

2023 PSUs Vesting and Payout Results

Vesting of the Relative TSR 2023 PSUs

The relative TSR component of PSU vesting reflects Capital Power’s TSR performance over the applicable performance period compared to the performance peer group and represented 80% of the total PSU performance weighting. TSR for the 2023 PSU grant was measured over the three-year performance period ending December 31, 2025.

TSR was calculated based on the change in the Company’s share price over the measurement period, assuming the notional reinvestment of dividends on the applicable dividend payment dates. Capital Power’s TSR performance was then compared against the TSR of the companies included in the applicable performance peer group.

Based on the Company’s TSR ranking at the end of the performance period, the applicable performance multiplier was determined in accordance with the pre-established payout curve and applied to the TSR-weighted portion of the PSU awards. Based on the Company’s TSR ranking at the end of the period, a performance multiplier of 153.6% was determined in accordance with the pre-established payout curve and applied to the TSR-weighted portion of the PSU awards.

Market	TSR Result
25th Percentile	-1.1%
Median	33.5%
75th Percentile	54.8%
Capital Power	52.9%

Performance Factor	192%
PSU TSR Weight	80%
Weighted TSR Performance Factor	153.6%

Vesting of the ESG 2023 PSUs

The ESG component of the 2023 PSU awards represented 20% of the total PSU performance weighting and was assessed over the three-year performance period from January 1, 2023 to December 31, 2025. Performance was measured against a basket of pre-established ESG objectives designed to support Capital Power's long-term sustainability priorities and value creation strategy.

Performance against each ESG metric was assessed relative to defined performance goalposts. The weighted results of the ESG measures were aggregated to determine the overall ESG performance multiplier, which was applied to the ESG-weighted portion of PSU awards.

Performance Measure	Weight	Target	Result	Performance Result	Weighted Performance Factor
Environment	10%	30%	20%	0%	0%
Diversity	5%	9%	7%	50%	2.50%
Women in Leadership	5%	10%	8.1%	68%	3.42%
Weighted ESG Performance Factor					5.92%

The values shown in the table below reflect the vesting of Performance Share Units granted in 2023, based on the performance results described above. The payout value of vested PSUs was calculated using the 30-day volume-weighted average closing price of the Company's common shares on the Toronto Stock Exchange immediately preceding the vesting date. PSUs granted in 2023 vested on January 1, 2026.

	Weighted TSR Performance Factor	Weighted ESG Performance Factor	Total PSU Performance Multiplier	Accumulated PSUs	Release Price	Payout
	A	B	C = A + B	D	E	F = C × D × E
Avik Dey President & CEO	153.60%	5.92%	159.52%	37,651	\$60.98	3,662,548
Sandra Haskins Senior Vice-President & CFO	153.60%	5.92%	159.52%	9,904	\$60.98	963,375
Steven Wollin Senior Vice President, Chief Operating Officer	153.60%	5.92%	159.52%	714	\$60.98	69,449
Pauline McLean Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	153.60%	5.92%	159.52%	n/a	\$60.98	n/a
Jason Comandante Senior Vice President, Supply & Trading	153.60%	5.92%	159.52%	1,044	\$60.98	101,546

The Committee reviewed LTIP vesting outcomes in detail and confirmed that the resulting payouts were aligned with the Company's long-term performance, relative shareholder returns and the objectives of the LTIP. No discretionary adjustments were made to LTIP payouts, as outcomes were consistent with the plan design and performance results.

2023 RSUs Vesting and Payouts

RSU awards are equity-based compensation with value that fluctuates with share price and are intended to support executive retention and alignment with shareholder value creation. Based on continued service over the applicable vesting period, the 2023 RSU awards vested on January 1, 2026.

The values shown in the table below are calculated using the 30-day volume-weighted average closing price of the Company's common shares on the Toronto Stock Exchange immediately preceding the vesting date and include the impact of dividend equivalents credited during the vesting period.

	Accumulated RSUs	Release Price	Payout
	A	B	C = A × B
Avik Dey President & CEO	12,550	\$60.98	\$765,327
Sandra Haskins Senior Vice-President & CFO	3,301	\$60.98	\$201,283
Steven Wollin Senior Vice President, Chief Operating Officer	1,191	\$60.98	\$72,608
Pauline McLean Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	n/a	\$60.98	n/a
Jason Comandante Senior Vice President, Supply & Trading	1,740	\$60.98	\$106,119

CHANGES TO EXECUTIVE COMPENSATION FOR 2026

Overview of the 2025 Compensation Review

In 2025, the Committee undertook a comprehensive review of Capital Power's executive compensation framework considering the Company's continued growth, increasing scale and expanding North American footprint, including the completion of a significant U.S. acquisition. This review was intended to ensure that executive compensation reflects the scope, complexity and leadership demands of the business and remains aligned with the competitive markets in which the Company competes for executive talent.

As part of this review, the Committee updated the executive compensation comparator group used for benchmarking purposes. The revised comparator group places greater emphasis on U.S.-based companies, increasing U.S. representation to approximately one-third of the group (from approximately 22% previously), while maintaining appropriate Canadian representation. The mix between Canadian and U.S. companies reflects the Company's portfolio of operations across North America and the broader executive talent market in which we compete. The Committee also removed certain smaller companies that were no longer considered reflective of Capital Power's current size and complexity. Overall, Capital Power remains well aligned with the revised comparator group, with most key financial and size metrics positioned at or around the median.

Looking forward - Rationale for 2026 Target Compensation Adjustments

The Committee reviews and adjusts executive compensation on a regular basis as part of its annual oversight process. For 2026, the Committee implemented updates to target compensation because of a comprehensive review of the executive compensation comparator group and overall market positioning. This review concluded that, while the Company's compensation programs and pay mix remained well designed and performance-oriented, target compensation levels had not kept pace with the Company's evolving scale, geographic footprint and competitive market for executive talent. Implementing these changes for 2026 allows the Committee to address this market positioning on a forward-looking basis, while maintaining continuity in program design and ensuring that realized compensation remains substantially contingent upon performance.

Based on this analysis, the Committee approved adjustments to target executive compensation for 2026. While these adjustments are larger than typical annual changes, the Committee determined that they are appropriate in bringing compensation to market levels based on the updated comparator group, changes to the executive team, continued strong performance and the Company's sustained growth in scale over recent years. Importantly, the resulting target compensation levels remain competitive and at or slightly below the median of the comparator group in line with the Company's compensation philosophy.

Emphasis on Performance-Based and Long-Term Compensation

Consistent with the Company's pay-for-performance philosophy, more than 80% of the increase in target compensation is delivered through long-term incentives that are at risk and aligned with future Company performance and shareholder value creation. The long-term incentive program continues to emphasize performance-based compensation, with a balanced mix of awards comprising PSUs (60%), stock options (20%) and RSUs (20%). This mix supports a range of performance objectives, including relative performance compared to peers, absolute share price appreciation and sustained financial outcomes.

In addition, the Committee approved enhancements to the Company's share ownership requirements to further strengthen alignment between executives and shareholders. Effective in 2026, the minimum share ownership requirement for Senior Vice Presidents will increase from two times to three times base salary. The share ownership requirement for the President and Chief Executive Officer will be increased from five times to six times base salary, including the post-retirement holding requirement. In addition, a new requirement will be introduced for all executives to retain a portion of vested shares until share ownership guidelines are met. Effective for the long-term incentives granted in 2026, executives will be required to retain 50% of vested shares until share ownership guidelines are met.

The Committee carefully considered shareholder perspectives, market practices and proxy advisor frameworks in approving these changes. While target compensation opportunities for 2026 reflect the Company's evolving business profile, realized compensation outcomes remain contingent on Company and individual performance, share price performance and long-term value creation. The Committee believes that the 2026 executive compensation framework appropriately balances market alignment, performance discipline and sound governance.

A summary of changes to target compensation levels for 2026 is provided in the table below.

	2025				2026				% Increase
	Base Salary	Target STIP	Target LTIP	Total Target Direct Compensation	Base Salary	Target STIP	Target LTIP	Total Target Direct Compensation	
Avik Dey President & CEO	\$970,000	100%	325%	\$5,092,500	\$1,150,000	110%	425%	\$7,302,500	43%
Steven Wollin Senior Vice President, Chief Operating Officer	\$425,000	70%	110%	\$1,190,000	\$475,000	70%	160%	\$1,567,500	32%
Pauline McLean Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	\$390,000	50%	80%	\$897,000	\$445,000	70%	160%	\$1,468,500	64%
Jason Comandante Senior Vice President, Supply & Trading	\$390,000	60%	80%	\$936,000	\$445,000	70%	175%	\$1,535,250	64%

PAY-FOR-PERFORMANCE ANALYSIS

Capital Power's executive compensation framework is designed to align compensation outcomes with the Company's performance and shareholder experience over time. A significant portion of executive compensation is variable and at risk, with long-term incentives comprising the largest component of total compensation for senior executives. As a result, realized compensation outcomes are directly influenced by financial performance, strategic and operational execution, progress against ESG priorities and share price performance.

Executive compensation includes both short-term and long-term components, with time horizons ranging from one year for base salary and the short-term incentive plan to multiple years for long-term incentive awards. Long-term incentives are

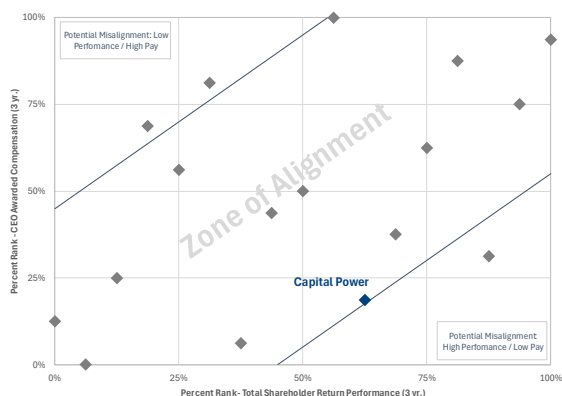
particularly sensitive to share price performance, as the value realized from PSUs, RSUs and stock options depends on Capital Power's share price over time and, for PSUs, relative TSR performance compared to the performance peer group.

This structure reinforces alignment between executive decision-making and the creation of long-term shareholder value. Strong Company performance and positive shareholder returns can result in above-target compensation outcomes, while weaker performance results in reduced compensation through lower incentive payouts and lower realizable equity value.

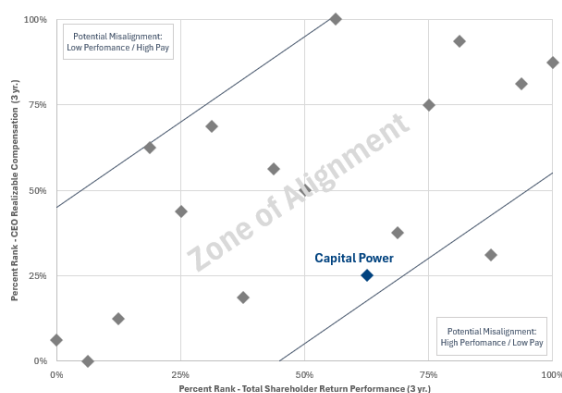
Zone of Alignment

The charts below illustrate the alignment between the President and Chief Executive Officer's compensation and Company performance over the period from 2023 to 2025, using two complementary perspectives: pay opportunity and realizable pay. These perspectives are assessed relative to Capital Power's TSR performance and compared to the executive compensation comparator group. Compensation outcomes are evaluated within a "zone of alignment" framework, which compares the percentile ranking of compensation to the percentile ranking of TSR performance.

Pay Opportunity



Realizable pay



Measure	Pay opportunity	Realizable pay
Definition of CEO pay	Pay opportunity is defined as the sum of annual base salary, actual short-term incentive awarded for the year and the grant-date fair value of long-term incentive awards.	Realizable pay is defined as the sum of annual base salary, actual short-term incentive awarded for the year and the in-the-money value of long-term incentive awards, based on share price performance.
Company performance measure	TSR, representing the annualized rate of return to shareholders, including share price appreciation and reinvested dividends.	TSR, representing the annualized rate of return to shareholders, including share price appreciation and reinvested dividends.
Relative positioning	The CEO's pay opportunity is positioned within the zone of alignment at the 19th percentile while Capital Power's TSR performance is at the 63rd percentile.	The CEO's realizable pay is positioned within the zone of alignment at the 25th percentile while Capital Power's TSR performance is at the 63rd percentile.
Alignment assessment	Pay opportunity is positioned within the zone of alignment, reflecting conservative compensation outcomes relative to strong Company performance, meaning lower compensation for higher performance.	Realizable pay demonstrates improved alignment with shareholder experience, reflecting the sensitivity of long-term incentives to share price performance. Realizable pay is still low for higher performance, but alignment is improved, which suggests that compensation programs are generally working as intended.

CEO Look-Back Analysis

To further assess pay-for-performance alignment over time, the Committee reviews a look-back analysis comparing compensation awarded to the President and Chief Executive Officer with the shareholder experience over multiple years. This analysis provides additional context regarding the relationship between executive compensation outcomes and long-term shareholder value creation.

The look-back analysis compares:

- the targeted compensation approved by the Committee;
- the compensation awarded based on performance during each year; and
- the actual compensation value realized and realizable, measured as of the most recent fiscal year-end.

These compensation measures are compared against the cumulative value of a shareholder investment over the same periods.

Definitions Used in the Look-Back Analysis

For purposes of this analysis:

- Targeted compensation includes base salary, target short-term incentive and the grant-date fair value of long-term incentive awards approved for the year.
- Awarded compensation includes actual base salary earned, actual short-term incentive awarded based on performance for the year, and the grant-date fair value of long-term incentive awards.
- Actual compensation value reflects realized and realizable compensation, including actual base salary earned, actual short-term incentive awarded based on performance for the year vested share units, exercised stock options and the in-the-money value of outstanding equity awards, which are valued using the Company's share price at the end of the most recent fiscal year.

The shareholder return comparison reflects the cumulative value of a hypothetical \$100 investment in the Company's common shares over the same period, assuming reinvestment of dividends.

Look-Back Results

The look-back analysis demonstrates that, over the periods reviewed, realized CEO compensation has increased in alignment with shareholder value creation. On a weighted-average basis, the growth in realized CEO compensation has tracked appropriately with the growth in shareholder value, reinforcing the effectiveness of the Company's performance-based compensation framework.

Year	CEO	Targeted compensation ⁽¹⁾	Awarded compensation ⁽²⁾	Actual compensation value as of December 31, 2025 ⁽³⁾	Value of \$100		
					Period	CEO ⁽⁴⁾	Shareholder ⁽⁵⁾
2018	B. Vaasjo	\$2,676,254	\$3,036,978	\$5,949,785	2018JAN01 to 2025DEC31	\$196	\$414
2019	B. Vaasjo	\$2,692,107	\$3,040,325	\$5,812,056	2019JAN01 to 2025DEC31	\$191	\$357
2020	B. Vaasjo	\$3,032,329	\$3,339,988	\$8,538,110	2020JAN01 to 2025DEC31	\$256	\$260
2021	B. Vaasjo	\$3,579,719	\$3,984,199	\$9,931,555	2021JAN01 to 2025DEC31	\$249	\$240
2022	B. Vaasjo	\$3,611,090	\$4,105,410	\$11,194,232	2022JAN01 to 2025DEC31	\$273	\$202
2023	A. Dey	\$4,176,919	\$3,912,545	\$6,909,411	2023JAN01 to 2025DEC31	\$177	\$163
2024	A. Dey	\$4,279,554	\$4,736,807	\$9,757,615	2024JAN01 to 2025DEC31	\$223	\$189
2025	A. Dey	\$4,279,554	\$5,247,619	\$4,103,536	2025JAN01 to 2025DEC31	\$78	\$106
Weighted average⁽⁶⁾						\$200	\$226

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 31, 2025 of \$58.55 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.

Committee Assessment

The Committee considers the look-back analysis an important tool in evaluating the long-term alignment between executive compensation and shareholder outcomes. Based on its review, the Committee is satisfied that the compensation awarded to the CEO over the periods reviewed reflects sustained Company performance and aligns with the shareholder experience.

The Committee continues to use this analysis, together with other pay-for-performance assessments, to inform future compensation decisions and ensure alignment with shareholder interests.

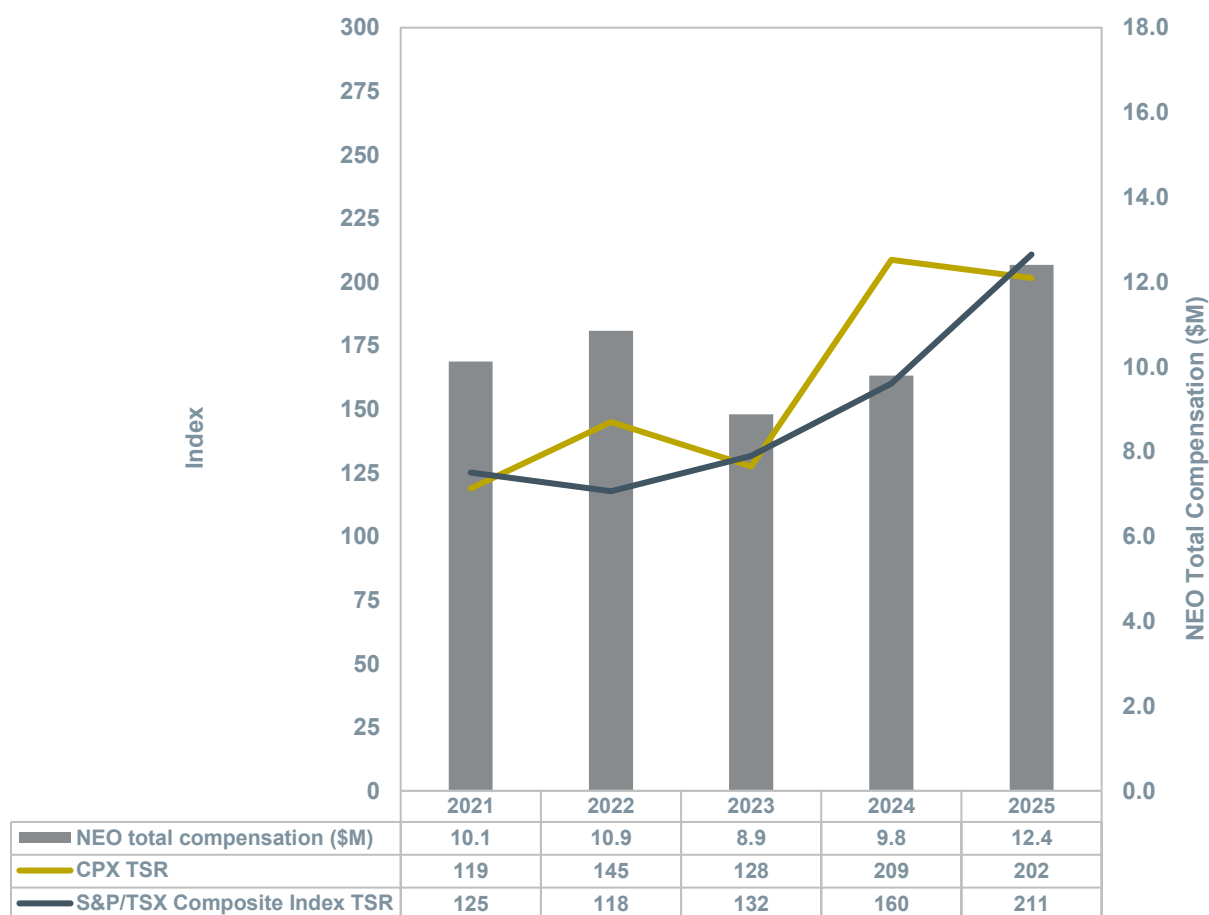
SHARE PRICE PERFORMANCE

The following graph compares the cumulative TSR on Capital Power's common shares with the cumulative total return of the S&P/TSX Composite Index over the applicable period. TSR reflects changes in share price and the reinvestment of dividends and is calculated on the basis of a hypothetical \$100 investment at the beginning of the period.

Total named executive officer compensation, for executives in the role as of December 31, 2025, consists of base salary, short-term incentive awards, the grant-date fair value of long-term incentive awards, pension benefits and all other compensation.

A significant portion of executive compensation is equity-based, reinforcing alignment with shareholders by linking compensation outcomes to share price performance over the long term. While the grant-date fair value of equity awards does not vary with share price or Company performance, the actual value ultimately realized by executives is directly influenced by share price performance and, in the case of performance share units, by relative performance and ESG outcomes.

This relationship is illustrated in the pay-for-performance and look-back analyses, which demonstrate alignment between compensation outcomes and shareholder returns over time.

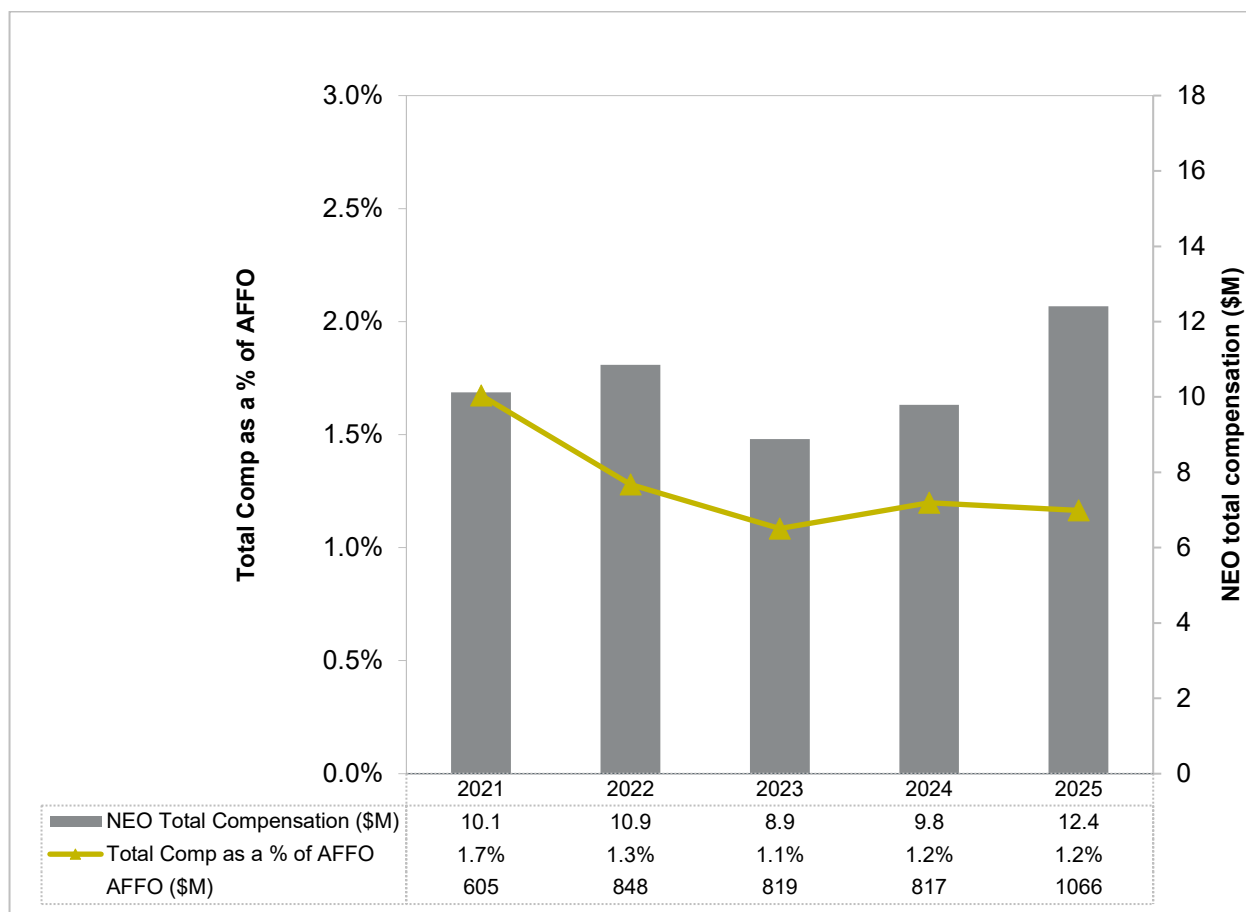


Cost of Management Ratio

To provide additional perspective on executive compensation relative to the Company's financial performance, the following graph presents the relationship between total named executive officer compensation and Adjusted Funds From Operations ("AFFO") over the applicable period.

The cost of management ratio is intended to illustrate how executive compensation has evolved relative to the Company's financial results, recognizing that executive compensation is designed to support the achievement of sustainable operating performance and long-term value creation.

The Committee considers this analysis as part of its broader assessment of compensation affordability, alignment and effectiveness. Variations in the ratio from year to year may reflect changes in Company performance, the timing and vesting of equity-based compensation, and changes in executive roles or responsibilities.



Note

- AFFO is reported for the year ended December 31 and is a Non-GAAP financial measure. See Non-GAAP Financial Measures and Ratios starting on page 27 in the Company's Integrated Annual Report for the year ended December 31, 2025.

2025 details

SUMMARY COMPENSATION TABLE

The table below shows the compensation each named executive officer received for the fiscal years ended December 31, 2025, 2024, and 2023.

Name and principal position	Year	Salary (\$)	Option-based awards (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Non-Equity		All other compensation (\$)	Total compensation (\$)
					incentive plans (Annual) (\$)	Pension value (\$)		
Avik Dey ^{(3),(4)} President & CEO	2025	952,116	622,861	2,300,965	1,371,677	16,905	123,558	5,388,081
	2024	871,539	505,546	2,004,008	995,714	16,245	167,863	4,560,914
	2023 ⁽³⁾	513,846	502,941	2,003,978	891,780	25,692	280,336	4,218,573
Sandra Haskins Senior Vice President, Finance & CFO	2025	554,039	152,666	564,026	553,638	535,706	72,186	2,432,261
	2024	467,308	129,968	515,175	394,833	188,320	67,861	1,763,465
	2023	454,616	116,410	475,214	343,896	257,518	57,318	1,704,972
Steven Wollin ⁽⁵⁾ Senior Vice President, Chief Operating Officer	2025	427,308	101,236	374,014	424,528	603,944	59,249	1,990,279
	2024	336,539	48,435	191,996	236,271	554,835	51,157	1,419,233
	2023 ⁽⁴⁾	265,473	16,796	68,546	148,950	740,521	26,924	1,267,210
Pauline McLean ⁽⁶⁾ Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary	2025	385,962	64,963	240,015	278,262	16,905	70,469	1,056,576
	2024	370,962	58,122	230,403	196,894	16,245	66,307	938,932
	2023 ⁽⁵⁾	96,923	n/a	99,996	54,846	4,846	82,898	782,798
Jason Comandante ⁽⁷⁾ Senior Vice President, Supply & Trading	2025	384,615	44,066	255,305	351,464	442,007	64,524	1,541,982
	2024	370,000	33,604	225,682	208,144	(10,707)	64,802	891,525
	2023 ⁽⁶⁾	366,121	24,548	192,184	183,705	(519,185)	40,588	287,961

Notes

(1) The dollar amount excludes share appreciation rights (SARs), as no SARs were granted during the year ended December 31, 2025.

(2) Share based awards values represent accounting fair value.

(3) Avik Dey does not receive compensation as a director of Capital Power.

(4) Appointed to the position of President & CEO on May 8, 2023.

(5) Appointed to the position of Senior Vice President, Chief Operating Officer on August 29, 2023; held non-executive positions prior to this date.

(6) Appointed to the position of Senior Vice President, External Relations & Chief Legal Officer on September 11, 2023.

(7) Appointed to the position of Senior Vice President, Supply & Trading on August 29, 2023; held non-executive positions prior to this date.

Salary

Based on management's executive compensation review, base salaries for the following named executive officers will be increased in 2026:

- Avik Dey, President & CEO, increased from \$970,000 to \$1,150,000
- Steve Wollin, Senior Vice President, Chief Operating Officer, increased from \$425,000 to \$475,000
- Pauline McLean, Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary, increased from \$390,000 to \$445,000
- Jason Comandante, Senior Vice President, Supply & Trading, increased from \$390,000 to \$445,000

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.

	2025	2024	2023 ⁽¹⁾⁽²⁾
PSUs and RSUs	\$48.08	\$37.47	\$42.26

Notes

(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 Avik 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 2023, 2024 and 2025: the actual fair values were less than the minimum; therefore, the minimum was adopted for all three grants.

	2025	2024	2023
	Accounting	Accounting	Accounting
Volatility	20.8%	17.4%	18.4%
Dividend yield	5.01%	6.51%	5.60%
Expected life	4.5 years	4.5 years	4.5 years
Risk-free rate	2.92%	3.12%	3.36%
Vesting discount	0%	0%	0%
Fair value ⁽¹⁾	\$6.57	\$3.32	\$4.38

Note

(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 Avik 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.
- 2025 pension value represents compensatory changes from January 1, 2025 to December 31, 2025. The 2025 pension value reflects changes in the obligation due to actual salary experience during 2025 and includes service cost based on a 3% increase in pensionable earnings for 2025 and thereafter.
- 2024 pension value represents compensatory changes from January 1, 2024 to December 31, 2024. The 2024 pension value reflects changes in the obligation due to actual salary experience during 2024 and includes service cost based on a 3% increase in pensionable earnings for 2024 and thereafter.
- 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.

All other compensation

The 2025 amounts include:

- an executive benefit allowance of \$14,000 and an executive business allowance of \$25,000 for Avik Dey.
- an executive benefit allowance of \$14,000 and an executive business allowance of \$15,000 for all other executives.

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, 2025:

Name	Grant date	Option-based awards				Share-based awards		
		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 18/30	877,066	50,202	4,252,456	
	March 15/24	89,138	\$37.81	March 15/31	1,848,722	59,260	5,551,460	
	May 7/25	79,762	\$52.06	May 07/32	517,655	49,518	1,159,702	
Sandra Haskins	March 07/18	-	\$24.47	March 07/25	-			
	March 07/19	4,885	\$30.78	March 07/26	135,656			
	April 01/20	3,874	\$27.15	April 01/27	121,644			
	March 09/21	18,719	\$34.23	March 09/28	455,246			
	March 03/22	-	-	-	-			297,772
	March 11/22	18,736	\$40.48	March 11/29	338,560			
	March 08/23	-	-	-	-			209,763
	March 17/23	18,741	\$41.41	March 17/30	321,221	13,204	1,118,518	
	March 15/24	22,916	\$37.81	March 15/31	475,278	15,234	1,427,143	
May 07/25	19,550	\$52.06	May 07/32	126,880	12,138	284,288		
Steven Wollin	March 07/19	1,535	\$30.78	March 07/26	42,627			
	April 01/20	2,435	\$27.15	April 01/27	76,459			
	March 09/21	3,031	\$34.23	March 09/28	73,714			
	March 11/22	2,810	\$40.48	March 11/29	50,777			
	March 17/23	2,704	\$41.41	March 17/30	46,347	1,905	136,416	
	March 15/24	8,540	\$37.81	March 15/31	177,120	5,677	531,865	
May 7/25	12,964	\$52.06	May 07/32	84,136	10,836	351,703	163,183	
Pauline McLean	Sept. 11/23					2,832	165,809	
	March 15/24	10,248	\$37.81	March 15/31	212,544	6,813	638,272	
	May 7/25	8,319	\$52.06	May 07/32	53,990	7,101	234,293	113,322
Jason Comandante	March 07/18	-	\$24.47	March 07/25	-			
	March 07/19	7,283	\$30.78	March 07/26	202,249			
	April 01/20	5,776	\$27.15	April 01/27	181,366			
	March 09/21	4,631	\$34.23	March 09/28	112,626			
	March 11/22	4,240	\$40.48	March 11/29	76,617			
	March 17/23	3,952	\$41.41	March 17/30	67,737	2,784	199,419	
	March 15/24	5,925	\$37.81	March 15/31	122,885	3,939	368,992	
May 07/25	5,643	\$52.06	May 07/32	36,623	6,477	256,144	57,555	

Notes

- All dollar amounts reflect the closing price of our common shares on the TSX as of December 31, 2025 of \$58.55 (the "market price").
- Value of unexercised in-the-money options — the greater of zero dollars or the difference between the market price and the option exercise price, times the number of outstanding vested and unvested stock options.
- Share-based awards number and market payout value includes PSUs and RSUs.
- 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, 2025 no PSUs or RSUs had vested. See Compensation Decisions for 2026 – Payment of 2023 PSU Awards starting on page 70. The named executives realized 244% to 270% of the grant value of the 2023 PSU awards (and 153% to 169% for RSUs) when they vested on January 1, 2026. For other share units, the stated value is based on the market price 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 represents the market price multiplied by the number of DSUs held as of December 31, 2025.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾
Avik Dey	460,830	n/a	1,371,677
Sandra Haskins	148,944	1,324,515	553,638
Steven Wollin	37,803	161,394	424,528
Pauline McLean	31,496	n/a	278,262
Jason Comandante	35,363	243,550	351,464

Notes

- (1) 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.
- (2) Values shown are 2022 PSU and RSU (where applicable) awards that vested on January 1, 2025 and were paid to the named executives on February 18, 2025. For Jason Comandante, the value also includes the payout of Restricted Share Units granted on March 15, 2024 as a transition package when appointed to an executive position, and paid out on March 15, 2025.
- (3) Values shown are STIP awards. 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, 2025:

Name	Grant date	Number exercised (#)	Exercise Price (\$)	Market Price (\$)	Value Realized (\$)
Sandra Haskins	March 7, 2018	5,710	\$24.47	\$53.00	\$162,906
Jason Comandante	March 7, 2018	2,725	\$24.47	\$52.99	\$77,743
		2,000	\$24.47	\$53.45	\$57,960
		2,000	\$24.47	\$52.95	\$56,960
		2,000	\$24.47	\$53.95	\$58,960
	Total	8,725			\$251,623

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 11,194,506, representing 7.2% of the common shares outstanding as at December 31, 2025.

Of the total number of common shares that can be issued under the LTIP, 299,079 options were issued under the LTIP in 2025.

The table below provides details about the equity compensation plans as at December 31, 2025:

Plan category	Number of securities to be issued upon exercise of outstanding stock options		Weighted average exercise price of outstanding stock options (b)	Number of securities remaining available for future issue (excluding securities reflected in column (a))		Total stock options outstanding and available for grant	
	#	% 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	1,198,254	0.8%	\$41.92	2,118,729	1.4%	3,316,983	2.2%
Total	1,198,254	0.8%	\$41.92	2,118,729	1.4%	3,316,983	2.2%

Note

Stock options were granted for 2,183,100 common shares under the 2009 plan, and 11,439,415 common shares under the current LTIP for a total of 13,622,515 options. Of the total granted under the two plans, stock options for 4,546,738 common shares have been cancelled or expired, and stock options for 7,877,523 common shares have been exercised.

The table below shows the stock option overhang, dilution and run rate. See Stock options on page 62 for details.

Rate	Description	2025	2024	2023
Overhang	<ul style="list-style-type: none"> 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 	2.25%	2.80%	2.06%
Dilution	<ul style="list-style-type: none"> the current dilution from stock options the total number of stock options outstanding divided by the number of common shares outstanding 	0.81%	0.95%	1.48%
Run rate	<ul style="list-style-type: none"> 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 	0.20%	0.30%	0.34%

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)
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%
2024	384,021	0.30%
2025	299,079	0.20%

Copies of the plan documents are available on SEDAR+ (www.sedarplus.ca). See also Stock options on page 62.

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 (SRP) 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 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.

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. Sandra Haskins and Steven Wollin participate in the plan.

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 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 2025, members were required to contribute 7.45% up to the YMPE plus 10.65% of pensionable earnings above the YMPE, and employers contributed 8.45% up to the YMPE and 11.65% 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.

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 4% of eligible compensation, which vests immediately, and provides a non-elective contribution of 4% which cliff-vests on the 3rd anniversary.

None of the named executives participate in the 401(k) plan.

Supplemental retirement plan

All Canadian named executives participate in the SRP, which is unfunded and non-contributory. The SRP includes either a Defined Benefit (DB) arrangement (for hires before July 2009) and a Defined Contribution (DC) arrangement (for hires from July 2009 and forward), 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 and has an underlying defined contribution pension). The SRP provides pension benefits in excess of the maximum limits prescribed by the Income Tax Act (Canada) and is therefore a non-registered plan.

- The DB 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 the underlying defined benefit plan.
- The DC SRP provides benefits that exceed the contribution limits of the Income Tax Act and are on a defined contribution basis.

If a named executive officer was a member of the EPCOR DB supplemental pension plan (SPP) before our inception in July 2009 they are eligible to participate in the Capital Power DB SRP regardless of the underlying registered plan. Service under the EPCOR SPP is recognized under the DB SRP plan.

Pension Obligations

The table below shows the reconciliation of the accrued 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.

DB SRP participants

Name	Number of years of credited service (#) ⁽¹⁾	Annual benefits payable		Opening present value of defined benefit obligation (\$) ⁽⁴⁾	2025 Compensatory changes (\$) ^(4, 5)	2025 Non-compensatory changes (\$)	Closing present value of defined benefit obligation (\$) ⁽⁴⁾
		At year end (\$) ⁽²⁾	At age 65 or on retirement (\$) ⁽³⁾				
Sandra Haskins ⁽⁸⁾	23.9	348,814	348,814	3,924,515	535,706	162,747	4,600,875
Steven Wollin	24.0	206,783	254,246	2,108,011	603,944	31,614	2,721,476
Jason Comandante	24.6	152,221	216,794	1,619,854	421,195	(60,887)	1,980,162

Notes

- (1) Sandra Haskins — the amount reflects credited service under the LAPP and DB SRP; Steven Wollin — the amount reflects credited service under the LAPP and DB SRP; Jason Comandante—the amount reflects credited service under DB SRP only;
- (2) At year end — Accrued Defined Benefit pension under the LAPP (if applicable) and SRP as at December 31, 2025 and payable at normal retirement age of 65 based on highest average earnings, average YMPE and pensionable service as at December 31, 2024. An unreduced pension is payable at the earliest of age 65 or 85 points.
- (3) 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, 2025. For individuals over age 65, benefits payable at year end are shown. The amounts do not include 2027 LAPP enhancements.
- (4) 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, the opening present value plus compensatory and non-compensatory changes do not sum up to the closing present value.
- (5) Includes LAPP employer contributions where applicable.

DC SRP participants

Name	Accumulated Value at December 31, 2024 (\$)	2025 Compensatory Changes (\$)	Accumulated Value at December 31, 2025 (\$)
Avik Dey ⁽¹⁾	78,495	94,712	126,443
Jason Comandante ⁽²⁾	1,171,886	20,812	1,411,716
Pauline McLean ⁽¹⁾	48,325	28,947	91,202

Notes

- (1) The portion of compensatory changes attributable to the DC SRP for Avik Dey and Pauline McLean are paid out on an annual basis and not reflected in the accumulated value at year end; and
- (2) No DC SRP contributions were made for Jason Comandante

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. The CEO 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 permanent 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 officer if their employment is terminated.

The table below shows the estimated incremental amounts that would be paid if the named executive officer had been terminated on December 31, 2025 because of a termination without cause or a double trigger change of control (which requires both a change of control to occur and termination either without cause or by the executive for a "good reason"). No incremental amounts are triggered by the other termination scenarios.

Name	Length of service for calculating the severance payment	Estimated severance (\$)	For Termination without Cause			For Double Trigger Change of Control		
			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	4,018,424	0	8,338,968	12,357,392	2,042,492	10,962,590	17,023,506
Sandra Haskins	18 months	1,570,862	0	2,164,439	3,735,301	550,805	2,829,679	4,951,346
Steven Wollin	18 months	1,153,460	0	553,813	1,707,273	217,665	856,781	2,227,906
Jason Comandante	18 months	1,002,762	0	569,831	1,572,593	141,125	766,971	1,910,858
Pauline McLean	14 months	725,815	0	537,996	1,263,811	195,686	925,052	1,846,553

Notes

- The information in the table is provided for example purposes only using the current terms of the executives' employment 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.

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.

Estimated value of vested stock options

The difference between \$58.55 the closing price of our common shares on the TSX on December 31, 2025, 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 31, 2025 of \$58.55 per share. The PSUs component is also multiplied by the performance multiplier calculated as of December 31, 2025. DSUs are fully vested at grant and are not included in the above table.

4. Forward-Looking Information

Forward-looking information or statements (collectively, forward-looking information) included in this notice of meeting and management proxy circular for our 2025 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", "may", and "expect" or similar words suggesting future outcomes.

Material forward-looking information in this document includes, among other things, information related to:

- power requirements and demand in Capital Power's target markets;
- future growth and emerging opportunities in Capital Power's target markets including the focus on certain technologies and data centres;
- the role and continued viability of natural gas in the energy transition;
- our priorities and long-term strategies (including our 2030 strategic priorities), which include strategies relating to technology, the pursuit of lower-carbon power solutions, creating balanced energy solutions for utilities, commercial and industrial customers, expanding our fleet of flexible generation assets, growing our storage and renewables portfolio, and enhancing returns through our supply and trading business;
- our focus on U.S. expansion and our expectations for long-term growth, including our plans to leverage the new partnership with Apollo Funds to acquire power generation facilities in target markets;
- our plans for recontacting U.S. assets, delivering the North Carolina solar projects, completing the East Windsor expansion in Ontario and maximizing the value of our Alberta portfolio;
- our plans for continuing to evaluate the deployment of nuclear through SMRs in Alberta; and
- changes to executive compensation.

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 and 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, and other energy (including natural gas) and carbon prices; (ii) the Company's performance; (iii) the Company's business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects; (iv) the energy needs of certain jurisdictions; (v) the status and impact of policy, legislation and regulations; (vi) effective tax rates; (vii) the development and performance of technology; and (viii) foreign exchange rates; and (ix) other matters discussed under the "Our Strategy" section in the Company's 2025 Integrated Annual Report pertaining to Performance Targets for 2025.

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 including in respect of the funding commitments under the MOU with Apollo; (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, including inflation and recession; (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 2025 Integrated Annual Report for the year ended December 31, 2025. Readers are cautioned not to place undue reliance on any such forward-looking information, which speak only as of the date made and that other events or circumstances, although not listed above, could cause Capital Power's actual results to differ materially from those estimated or projected and expressed in, or implied by the forward-looking information. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking information 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, 2025) are available free of charge:

go to our website (www.capitalpower.com); SEDAR+ (www.sedarplus.ca); or request a copy from our Corporate Secretary, Capital Power Corporation, Suite 1200– 10423 101 Street N.W., 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
- code of conduct
- investment overview
- community investment
- consultation initiatives

Investor inquiries

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W. www.capitalpower.com

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,



Pauline McLean
Senior Vice President, External Relations, Chief Legal Officer & Corporate Secretary
Capital Power Corporation
Edmonton, Alberta

March 13, 2026

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 certificate and articles of incorporation, including all certificates and articles of amendment (the “Articles”) and by-laws (the “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”) and at least 25% of the Directors must be resident Canadians provided that, if the Corporation has three (3) directors then at least one director must be resident Canadian.
- B. A majority of the members of the Board (“Board Members”) will be independent within the meaning of all applicable standards of independence under applicable laws, regulations, rules and guidelines. pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time), and have no relationship to the Corporation that may interfere with the exercise of their independence from Management and the Corporation.
- C. The Board will receive and review recommendations from the People, Culture, and Governance Committee (the “PCG Committee”) regarding the appointment of the Chair of the Board and, as necessary, will appoint a Director to be Chair, who shall be independent for purposes of all applicable laws and stock exchange requirements.
- D. 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.
- E. 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.
- F. The Board is authorized, where deemed necessary and desirable, to engage independent counsel, outside experts, consultants and other advisors to assist it in carrying out its duties and responsibilities at the Corporation’s expense. The Board shall set the compensation and oversee the work of any independent counsel and other advisors to be paid by the Corporation. The Board may request Management to perform studies and furnish other information as the Board deems appropriate; review such information and take such actions based thereon as the Board deems appropriate.

III. Responsibilities

All of the following responsibilities are undertaken within the parameters and restrictions established by the applicable laws and regulations, 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 (the “HSE 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 Corporate 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, the CEO, and Management;
- x. publishing a corporate governance statement annually, describing how each of the principles of good governance in National Policy 58- *Corporate Governance Guidelines* (as implemented by the Canadian Securities Administrators and as amended from time to time), or its successors, is put into practice;
- xi. at least annually, reviewing the management, development, effectiveness and performance of the Board, including reviewing and considering any amendments to be made to these terms of reference. In conducting its review, the Board will take into consideration all applicable legislative and regulatory requirements, and any guidelines recommended by regulators or stock exchanges with which the Corporation has a reporting relationship; 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 external auditors 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.

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;
- iii. review and approve all material transactions, including acquisitions, divestitures, capital allocations, expenditures and other transactions which have not otherwise been delegated to Management to approve; and
- iv. 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 has the responsibility to:

- i. appoint and terminate the CEO;
- ii. approve the CEO compensation;
- iii. approve the terms of reference for the CEO;
- iv. monitor CEO performance and review CEO performance at least annually, against agreed upon written objectives;
- v. provide advice and counsel to the CEO in the execution of the CEO's duties;
- vi. select the Chair;
- vii. approve the compensation and benefits for Directors;
- viii. approve 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;

- ix. to the extent feasible, 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;
- x. ensure succession planning programs are in place, including programs to train, develop and monitor Management and other senior management;
- xi. approve 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; and
- xii. satisfy itself as to the oversight and governance of, and approving all material amendments to, the Corporation's pension plans.

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 identify, report and manage these risks;
- iii. with the assistance of the HSE Committee, monitor and assess the effectiveness of the Corporation's employee health, safety, security and environmental stewardship and reviewing recommendations provided by the HSE Committee respecting the development of the Corporation's environment, health, security and safety strategies;
- 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, corporate culture and other sustainability matters;
- v. understand the 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;
- vi. with the assistance of the Audit Committee, ensure 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;
- vii. 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; and
- viii. review at least annually with senior management, internal counsel and, as necessary, external counsel and the Corporation's internal and external auditors, the Corporation's method of reviewing major risks inherent in the Corporation's businesses, facilities, and strategic directions and the Corporation's risk management and evaluation process. In respect of risk management evaluations and guidelines, the Board shall consult with and, as deemed necessary, review the recommendations of the Board committees with respect to their respective risk-related areas of oversight.

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 over financial reporting and management information systems;
- ii. with the assistance of the Audit Committee, approve the compensation of the external auditor and recommend their appointment to shareholders;
- iii. with the assistance of the Audit Committee, monitor operational and financial results;
- iv. on the recommendation of the Audit Committee, approve annual and quarterly financial statements, and approve the release thereof by the Corporation;
- v. declare dividends from time to time;
- vi. approve debt financing, banking resolutions and significant changes in banking relationships;
- vii. review coverage, deductibles and key issues regarding corporate insurance policies;
- viii. approve commitments that may have a material impact on the Corporation; and
- ix. 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 policies and procedures to ensure effective and timely communications between the Corporation, shareholders, major stakeholders, and the public;
- 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;
- iv. approve such continuous reporting documents as required under applicable laws and stock exchange requirements; and
- v. 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 Audit Committee, adopt, monitor and review every three years a code of conduct and ethics (the "Code of Conduct") 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. corporate opportunities and the procedure to be established and monitored for identifying and dealing with corporate opportunities;
 - c. protection and proper use of corporate assets and opportunities;
 - d. confidentiality of corporate information;
 - e. fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
 - f. compliance with applicable laws, rules and regulations; and
 - g. reporting of any illegal or unethical behaviour.
- vi. With the assistance of the PCG Committee, review and approve any recommendations regarding the Board Diversity Policy, the Disclosure and Insider Training Policy, the Respectful Workplace Policy and the Indigenous Relations Policy.

IV. General legal obligations of the Board of Directors

- 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 manage, or supervise the management of, the business and affairs of the Corporation;
 - ii. to act honestly and in good faith with a view to the best interests of the Corporation;
 - iii. to exercise the care, diligence and skill that reasonably prudent people would exercise in comparable situations; and
 - iv. 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. Meetings

In accordance with, and subject to, the Act and the Corporation's By-laws:

- C. The Board will convene at least four times per year, ensuring that all meeting materials are reviewed prior to attendance. Additionally, the Board will meet annually to discuss and evaluate the Corporation's long-term plan, strategy and budget. The Chair may call other meetings as required.
- D. The Chair shall act as chair of all meetings of the Board at which the Chair is present. In the absence of the Chair, the Chair of the PCG Committee shall be appointed by the Board as Acting Chair for that meeting.
- E. At each meeting, an in camera session will be held with just the Directors in attendance.
- F. 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, and Management 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.
- G. Except as provided in these terms of reference, the Chair of the meeting may establish rules of procedure to be followed at meetings.

- H. 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.
- I. Attendance at all or a portion of Board meetings by staff and others will be determined by the Board Chair and will normally include the CEO, Management, and the Corporate Secretary.
- J. 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.	<p>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.</p> <p>Beginning with the 2023 LTIP grant: Options under the LTIP will continue to vest and can be exercised for 36 months following retirement, disability or death, 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.</p>		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.	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 12 months 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.	<p>Vesting of PSUs and RSUs continues to the end of the 3-year term.</p> <p>Performance pro-ration of PSUs is based on actual performance. Payouts occur within 90 days of the date of retirement.</p> <p>DSUs are fully vested upon grant. Payout occurs within 90 days of the date of retirement.</p> <p>Performance pro-ration of PSUs is based on actual performance.</p>	<p>Unvested PSUs and RSUs will vest immediately.</p> <p>PSU performance pro-ration is based on target performance. Payouts occur within 90 days of the date of death.</p> <p>DSUs are fully vested upon grant. Payout occurs within 90 days of the date of death.</p>	<p>Vesting of PSUs and RSUs is pro-rated to the date of termination.</p> <p>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.</p> <p>Payouts occur within 90 days of the date of termination.</p> <p>DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.</p>	<p>All PSUs and RSUs are forfeited.</p> <p>DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.</p>	<p>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.</p> <p>DSUs are fully vested upon grant. Payout occurs within 90 days of the date of termination.</p>
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	Vested DC account balance as lump sum or annuity.	Vested DC account balance as lump sum or annuity.	Vested DC account balance as lump sum or annuity. Employer contribution for SRP benefits accrued.	Vested DC account balance as lump sum or annuity.	Vested DC account balance as lump sum or annuity.

	Resignation	Retirement/ Disability	Death	Termination without cause	Termination for cause	Double trigger change of control
	contributions made in year of termination if termination date is prior to Dec 31.	Employer contribution for SRP benefits accrued.	Employer contribution for SRP benefits accrued.		Employer contribution for SRP accrued. Vested pension may be forfeited at Capital Power's sole discretion.	Employer contribution for SRP benefits accrued.
Severance* <i>(Avik Dey)</i>	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* <i>(Sandra Haskins)</i>	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* <i>(Steven Wollin)</i>	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* <i>(Pauline McLean)</i>	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* <i>(Jason Comandante)</i>	Not applicable.			Severance is provided representing the Severance Payment for 12 months plus one (1) month for each year of service with Capital Power to a maximum of 18 months.	Not applicable	Severance is provided representing the 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.



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