

## ATLANTIC POWER CORPORATION

### *CHARTER OF THE OPERATIONS AND COMMERCIAL OVERSIGHT COMMITTEE*

Pursuant to Section 18.2 of the Articles of Arrangement of Atlantic Power Corporation (the “**Company**”), the board of directors (the “**Board**”) of the Company has passed a resolution as of January 22, 2015, approving the establishment of an Operations and Commercial Oversight Committee (the “**Committee**”), a standing committee of the Board, and has approved this charter (as amended from time to time, the “**Charter**”) to be the charter of the Committee.

#### **A. Purpose of the Committee**

The primary purposes of the Committee are to assist the Board in discharging its responsibilities with respect to oversight of the Company’s plant fleet operations, investment decisions in these plants, divestiture of plants, acquisition of additional assets and the capital required to support the plant fleet. In addition, the Committee will examine the commercial aspects of the plants including, power purchase agreements, re-contracting activity and the associated commercial relationships with customers. The Committee shall also undertake such other functions and duties as the Board may from time to time request.

#### **B. Membership and Organization**

- Number. The Committee shall consist of at least three directors.
- Chair. Unless a chair is appointed by the Board, the members of the Committee shall elect a chair (the “**Chair**”) by majority vote of the full Committee. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas and making regular reports to the Board.
- Compensation. The compensation of the Committee shall be as determined by the Board or a committee of the Board.
- Selection and Removal. Members of the Committee shall be appointed by the Board and may be removed and replaced by the Board, with or without cause, at any time.

#### **C. Procedures and Administration**

- Meetings. The Committee shall meet at least four (4) times annually, or more frequently as may be deemed necessary or appropriate, in its judgment, to fulfill its duties and responsibilities (including via teleconference or other electronic means of communication). The Committee may also act by unanimous written consent in lieu of a meeting. A majority of the entire Committee shall constitute a quorum for the taking of any action at any meeting of the Committee and a majority of those members present at a meeting, a quorum being present, shall be required to approve any action taken by the Committee. The Chair may call a meeting upon due notice to each other member not less than 24 hours prior to such meeting and any member may call a meeting upon due notice to each other member not less than 48 hours prior to such meeting. The Committee shall meet with those members of management as it deems appropriate. All directors that are not members of the Committee may attend meetings of the Committee but may not vote.

- Access to Information. In discharging its duties, the Committee shall have full access to all Company books, records, facilities, personnel and outside professionals.
- Subcommittees. The Committee may form and delegate authority to subcommittees consisting of one or more members of the Committee when appropriate.
- Independent Advisors; Funding. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent consultants and independent legal, accounting or other advisors, who may be regular advisors to the Company. The Company shall provide such funding as the Committee determines is appropriate in connection with the retention of such advisors.
- Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate. The Committee may request that any officer or other employee of the Company, the Company's outside legal counsel or any other professional retained by the Company to render advice to the Company meet with any members of, or consultants to, the Committee.
- Administrative Expenses. The Committee is empowered, without further action by the Board, to cause the Company to provide appropriate funding for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out the Committee's duties.
- Reports to Board. The Committee shall keep such records of its meetings as it shall deem appropriate and make regular reports to the Board.

#### **D. General Responsibilities and Authority**

Although the Board may consider other duties from time to time, the Committee, to the extent it deems necessary or appropriate, will have the following specific responsibilities in light of the Committee's purposes as set out in Section "A" of this Charter:

##### ***Oversight of Plant Operations, Investments and Divestitures***

- Subject to the provisions below, reviewing, evaluating and approving, on behalf of the Board (except as otherwise set forth below) the proposed terms of any of the following activities conducted by the Company or its subsidiaries that otherwise requires Board approval:
  - Review at least semi-annually the Company's goals, policies, practices and procedures related to the environment, health, and safety ("EHS") and EHS risks, compliance status and public policy developments as compared with industry trends and best practices, and report to the Board
  - Reviewing and monitoring actual capital and operating spending as compared to the most recent approved budget by the Board, including the status of capital spending on all projects with a total cost in excess of the amount delegated to management by the Board.
  - Reviewing, evaluating and recommending to the Board for approval, proposed capital expenditures not previously approved as part of the Company's then-current budget which exceed the amount delegated to management by the Board.
  - Reviewing and making recommendations to the Board with respect to any proposal by the Company or by its subsidiaries to divest, in any manner, any asset, investment, real or personal

property, or business interest where the aggregate amount of consideration received by the Company or any of its subsidiaries or from the Company or any of its subsidiaries (including the assumption of debt and liabilities) exceeds the amount delegated to management by the Board.

- Reviewing and making recommendations to the Board regarding potential investments in joint ventures, acquisitions and development investments where the aggregate amount of consideration from the Company or any of its subsidiaries (including the assumption of debt and liabilities), or received by the Company or any of its subsidiaries (including the assumption of debt and liabilities), exceeds the amount delegated to management by the Board.
- Providing general oversight for the Company's capital requirements as they relate to the operation of the plant fleet, including reviewing at least annually the Company's principal commercial relationships.

#### ***Oversight of Risk Management***

- Reviewing commodity risk.
- Reviewing, at least annually, or more frequently if the Committee chooses, the Company's counterparty credit risk, including in connection with general financial relationships.
- Receiving information from management, regulators and outside experts, as appropriate, regarding matters related to commercial risk management and the commercial risk management function.
- The Chair of the Committee shall coordinate with the Chair of the Audit Committee to help ensure that both the Committee and the Audit Committee have received all information necessary to permit them to fulfill their duties and responsibilities with respect to risk assessment and risk management.

#### **E. Annual Evaluation**

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter, and report the results of such evaluations to the Board.
- Review and assess the adequacy of this Charter and the position description for the Chair and recommend to the Board any improvements that the Committee believes to be appropriate.