



**Notice of Annual General Meeting
of Shareholders and
Management Proxy Circular**

Annual General Meeting
May 4, 2022

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A Note about Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including in this Management Proxy Circular, in other filings with Canadian securities regulators and in other communications. All forward-looking statements are based on our beliefs as well as assumptions based on information available at the time the assumption was made and on management's experience, results and perception of historical trends, current conditions and expected future developments, as well as other factors deemed appropriate in the circumstances. Forward-looking statements are not facts, but only predictions and generally can be identified by the use of statements that include phrases such as "may", "will", "believe", "expect", "anticipate", "intend", "plan", "foresee", "potential", "enable", "continue", or other comparable terminology. These statements include, but are not limited to, statements made in the "Compensation Discussion and Analysis" section of this Management Proxy Circular and other statements about our governance policies, response to COVID-19, operations, financial condition, risk management priorities, targets, ongoing objectives, strategies and outlook for 2030. By their nature, these statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance to be materially different from that projected. Factors that may adversely impact our forward-looking statements include risks relating to: fluctuations in market prices; availability of water, wind, sun and natural gas required to generate electricity; the regulatory and political environments in the jurisdictions in which we operate; the impact of the COVID-19, including as it pertains to supply chain, labour and counterparty risk; environmental requirements and changes in, or liabilities under, these requirements; changes in general economic conditions including interest rates and foreign exchange rates; operational risks involving our facilities, including unplanned outages at such facilities; disruptions in the transmission and distribution of electricity; effects of weather; natural and man-made disasters; the threat of domestic terrorism and cyberattacks; equipment failure; industry risk and competition; fluctuations in the value of foreign currencies; need for additional financing; structural subordination of securities; counterparty credit risk; insurance coverage; our provision for income taxes; supply chain risks (not relating to the impact of COVID-19); legal proceedings involving the Company; reliance on key personnel; and development projects and acquisitions. Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements included in this document are made only as of the date hereof and we do not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise, except as required by applicable laws. In light of these risks, uncertainties and assumptions, the forward-looking events might occur to a different extent or at a different time than we have described or might not occur.

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of holders of common shares ("Shareholders") in the capital of TransAlta Renewables Inc. ("TransAlta Renewables" or the "Company") will be held May 4, 2022 at 10:00 a.m. (local time) in Calgary, Alberta.

As a result of the improvement of technology relating to virtual shareholder platforms and ongoing impact of the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, we will hold our annual Meeting in a virtual-only format, which will be conducted using a live audio webcast. The virtual-only meeting format provides all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or particular constraints or circumstances that they may be facing.

The Meeting will be held for the purposes of:

1. electing the directors for the ensuing year;
2. receiving the audited consolidated financial statements of the Company for the year ended December 31, 2021, and the auditor's report thereon;
3. appointing the auditors and authorizing the directors to fix their remuneration; and
4. considering such other matters as may properly come before the Meeting.

This notice, the accompanying Management Proxy Circular (the "Proxy Circular") and a form of proxy (the "Proxy") or a voting instruction form ("VIF") are being made available in connection with the Meeting. As described in the enclosed Meeting materials (which are being provided to Shareholders using "notice-and-access" and are also accessible electronically), registered Shareholders are entitled to participate, vote and communicate at the Meeting if they held their common shares as of the close of business on March 24, 2022, the record date. Non-registered (beneficial) Shareholders as of the record date who wish to participate and vote at the Meeting will be required to first appoint themselves as proxyholder in advance of the Meeting by writing their own name in the appropriate space on the VIF provided by their intermediary, generally being a bank, trust company, securities broker, trustee or other institution. Non-registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote or communicate at the Meeting. **In all cases, Shareholders must carefully follow the instructions set out in their applicable Proxy or VIF AND in the enclosed Proxy Circular under "How to Attend and Participate at the Meeting". The Meeting will be accessible by logging in online at <https://web.lumiagm.com/482754245>. To be admitted to the Meeting, registered Shareholders and duly appointed proxyholders must enter the control number found on the Proxy or in the notice that was or will be sent to them, as described in the Proxy Circular.**

A Shareholder who wishes to appoint a person other than the TransAlta Renewables' management proxy nominees identified in the Proxy or VIF (including a non-registered Shareholder who wishes to appoint themselves as proxyholder to participate at the Meeting) must carefully follow the instructions in the Proxy Circular and their applicable Proxy or VIF. **These include the additional step of registering that proxyholder with our Transfer Agent and Registrar, Computershare Trust Company of Canada ("Computershare"), after submitting the Proxy or VIF. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving a control number and only being able to attend the Meeting as a guest.**

Shareholders unable to participate at the Meeting may use one of the voting options described in the accompanying Proxy Circular and Proxy or VIF. Voting by Proxy or VIF is the easiest way to vote. Shareholders should follow the applicable voting instructions carefully. The Proxy or VIF must be completed and returned in accordance with the instructions set out therein and in the Proxy Circular to Computershare **for receipt by 10:00 a.m. (Calgary time) on May 2, 2022 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time fixed for any adjourned or postponed Meeting.** For more information about how registered Shareholders and non-registered Shareholders can vote and/or participate at the Meeting, please see the section entitled "About the Shareholder Meeting" in the Proxy Circular.

The Proxy Circular and the Proxy or VIF accompany this Notice of Annual Meeting.

By order of the Board of Directors

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Scott Jeffers
Vice President and Corporate Secretary

Calgary, Alberta

March 24, 2022

Important Notice Regarding Proxy Materials and Notice-and-Access Procedures

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 ("Notice-and-Access") for distribution of the Meeting materials and the Company's Annual Report, consisting of the audited consolidated financial statements for the fiscal year ended December 31, 2021, together with the auditor's report therein and related management's discussion and analysis, to Shareholders. Notice-and-Access allows the Company to post electronic versions of its proxy-related materials on the System for Electronic Document Analysis and Retrieval ("SEDAR") and on its website, rather than mailing paper copies to holders of common shares ("Shareholders"). Shareholders will receive a Notice-and-Access notification and a form of proxy (or voting instruction form, if applicable) and may choose to receive a paper copy of the annual Meeting materials in accordance with the instructions set forth below.

The Meeting materials will be available on the Company's website at www.transaltarenewables.com on or around March 29, 2022. The Meeting materials will also be available under the Company's profile on SEDAR at www.sedar.com on or around March 29, 2022. The website address for Notice-and-Access is www.envisionreports.com/TWAQ2022. The use of this alternative means of delivery is more environmentally friendly as it will reduce paper and it will also reduce the Company's printing and mailing costs. Shareholders are reminded to review the meeting materials prior to voting. Please contact our transfer agent, Computershare Trust Company of Canada, toll-free at 1-800-564-6253 if you have questions about Notice-and-Access or need help downloading the Meeting materials.

A paper copy of the Company's audited consolidated financial statements for the year ended December 31, 2021 and related management's discussion and analysis as at December 31, 2021 and for the years ended December 31, 2021 and 2020 will be mailed to the Company's registered and beneficial Shareholders who previously provided standing instructions to receive such information. If you are a Shareholder who has not provided such instructions, you will receive only a Notice-and-Access notification and a voting instruction form.

Requests for paper copies should be made as soon as possible, but must be received no later than April 29, 2022, in order to allow sufficient time for Shareholders to receive and review the Meeting materials and return the proxy form or voting instruction form prior to the proxy deadline.

Voting by proxy or voting information form, as applicable, is the easiest way to vote. Shareholders who are unable to participate at the Meeting are requested to vote in accordance with the instructions contained on your proxy or voting instruction form, as applicable, or complete, date and sign the enclosed form of proxy or voting instruction form, as applicable, and return it in the envelope provided so that it is received by Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 no later than 10:00 a.m. (Calgary time) on May 2, 2022.

Management Proxy Circular

General Information

This Management Proxy Circular ("Proxy Circular") is dated March 24, 2022, and is furnished to holders ("Shareholders") of common shares ("Common Shares" or the "Shares") in the capital of TransAlta Renewables Inc. ("TransAlta Renewables", the "Company", "we" or "our") in connection with the solicitation of proxies by and on behalf of the management of TransAlta Renewables and the Board of Directors ("Board") for use at the Annual General Meeting of Shareholders of the Company (the "Meeting") to be held on May 4, 2022, at 10:00 a.m. (local time) in Calgary, Alberta, or any adjournment or postponement thereof, for the purposes set out in the Notice of Annual Meeting of Shareholders (the "Notice of Meeting") accompanying this Proxy Circular.

Due to the amelioration of virtual shareholder technology platforms and the ongoing impacts of the COVID-19 pandemic, the Meeting will be held in a virtual-only format. You will not be able to attend the Meeting physically. A virtual-only Meeting format is being adopted to address the risks and regulations arising in respect of the COVID-19 pandemic while giving all of our Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19.

A virtual-only Meeting format is being adopted due to the ongoing impacts of the COVID-19 situation to enfranchise and give all of our Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing. As of the date of this Proxy Circular, our Board of Directors and management are not aware of any items of business to be brought before the Meeting other than those described in the enclosed Notice of Meeting and this Proxy Circular.

Except as otherwise stated, information in this Proxy Circular is provided as of March 24, 2022.

This Proxy Circular was provided to you because you owned Shares in TransAlta Renewables at the close of business on March 24, 2022, the record date set for the Meeting. As a Shareholder, you have the right to attend the Meeting and vote your Shares. You may attend and vote by participating online at the Meeting or by proxy, using the enclosed form of proxy ("Proxy") or voting instruction form ("VIF") and carefully following the procedures described herein.

For further details concerning how registered and beneficial Shareholders may participate at the Meeting, see "About the Shareholder Meeting" further below. The instructions and procedures for registered and beneficial Shareholders to participate at the Meeting differ and should be read carefully. If you have questions regarding your ability to participate or vote at the Meeting, please contact Computershare at 1-800-564-6253.

About This Document

This Proxy Circular contains information about the Meeting, the voting process and other information you need to know, including:

- the directors nominated for election to our Board;
- the appointment of auditors; and
- our corporate governance practices.

Additional Information

You will find additional information regarding our business and our financial information in our annual information form as well as our audited consolidated financial statements and accompanying management's discussion and analysis for the year ended December 31, 2021. Copies of these documents and other important documents are on our website at www.transaltarenewables.com and under our profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

If you prefer to receive a paper copy of our documents, you may request them from our registrar and transfer agent:
Computershare Trust Company of Canada
Phone: 1-866-962-0498 in Canada or the US, or (514) 982-8716 if outside North America

Beneficial shareholders may request a paper copy by going online at www.proxyvote.com or by calling toll-free at 1-877-907-7643 and entering the control number located on the VIF and following the instructions provided.

Communicating with the Board

Our Board values open dialogue and welcomes advice from our Shareholders. Our Board also encourages Shareholder participation at the Meeting. Shareholders may communicate directly with the Board or any Board member(s) by directing their correspondence to the following address:

Chair of the Audit and Nominating Committee
c/o Corporate Secretary
TransAlta Renewables Inc.
110 – 12th Avenue SW, Box 1900, Station "M"
Calgary, Alberta T2P 2M1

Or:

E-mail: corporate_secretary@transalta.com

Reporting Concerns

The Board, through the oversight of the Audit and Nominating Committee of the Board (the "Audit Committee"), has established several options for employees, contractors, Shareholders, and other stakeholders to call or contact the Audit Committee with respect to accounting irregularities, ethical violations or any other matters they wish to bring to the attention of the Board. You may contact the Audit Committee by:

- Webpage (Internet portal) at <http://transalta.ethicspoint.com>; or
- A confidential, anonymous voice mail on the TransAlta Ethics Help Line at 1-855-374-3801 (U.S./Canada) and 1-800-40-5308 (Australia); or
- Mail addressed to:
TransAlta Renewables Inc.
Attention: Chair, Audit Committee
110 – 12th Avenue SW
Box 1900, Station "M"
Calgary, Alberta T2P 2M1

Shareholder Proposals

The final date by which the Company must receive Shareholder proposals for the annual meeting of Shareholders to be held in 2023 is December 23, 2022. All proposals shall be sent by registered mail to:

TransAlta Renewables Inc.
Attention: Corporate Secretary
110 – 12th Avenue SW
Box 1900, Station "M"
Calgary, Alberta T2P 2M1

Solicitation of Proxies

We believe it is important for all Shareholders to vote. Voting by proxy is the easiest way to vote. To encourage your vote, you may be contacted by employees of TransAlta Corporation ("TransAlta" or the "Manager") by telephone, email or facsimile or by other electronic means, including via the Internet. TransAlta is the Company's majority Shareholder. Solicitation will be made primarily by electronic means, the Internet or mail and the cost will be borne by the Company.

Transfer Agent

Computershare Trust Company of Canada is the registrar and transfer agent of the Common Shares at its principal offices in Calgary, Alberta and Toronto, Ontario.

Important Notice Regarding Proxy Materials and Notice-and-Access Procedures

The Company has elected to use the Notice-and-Access provisions under National Instrument 54-101 and National Instrument 51-102 ("Notice-and-Access") for distribution of the Meeting materials and the Company's Annual Report, consisting of the audited consolidated financial statements for the fiscal year ended December 31, 2021, together with the auditor's report therein and related management's discussion and analysis, to Shareholders. Notice-and-Access allows the Company to post electronic versions of its proxy-related materials on SEDAR and on its website, rather than mailing paper copies to Shareholders. Shareholders will receive a Notice-and-Access notification and a Proxy (or VIF, if applicable) and may choose to receive a paper copy of the Meeting materials in accordance with the instructions set forth below.

The Meeting materials and Annual Report will be available on the Company's website at www.transaltarenewables.com and under the Company's profile on SEDAR at www.sedar.com on or around March 29, 2022. The website address for Notice-and-Access is www.envisionreports.com/TWAQ2022. The use of this alternative means of delivery is more environmentally friendly as it will reduce paper and it will also reduce the Company's printing and mailing costs. Shareholders are reminded to review the Meeting materials prior to voting. Please contact our transfer agent, Computershare Trust Company of Canada, toll-free at 1-800-564-6253 if you have questions about Notice-and-Access or need help downloading the Meeting materials.

A paper copy of the Company's audited consolidated financial statements for the year ended December 31, 2021 and related management's discussion and analysis as at December 31, 2021, and for the years ended December 31, 2021 and 2020, will be mailed to registered Shareholders and beneficial Shareholders who previously provided standing instructions to receive such information. If you are a beneficial Shareholder who has not provided such instructions, you will receive only a Notice-and-Access notification and a VIF.

Requests for paper copies should be made to Computershare Trust Company of Canada by telephone (1-866-962-0498 in Canada or the US, or (514) 982-8716 if outside North America) as soon as possible, but must be received no later than April 29, 2022, in order to allow sufficient time for Shareholders to receive and review the Meeting materials and return the Proxy or VIF prior to the proxy deadline.

Beneficial shareholders may request a paper copy by going online at www.proxyvote.com or by calling toll-free at 1-877-907-7643 and entering the control number located on the VIF and following the instructions provided.

Voting by Proxy or VIF, as applicable, is the easiest way to vote. Shareholders who are unable to participate at the Meeting are requested to vote in accordance with the instructions contained on the Proxy or VIF, as applicable, or complete, date and sign the enclosed Proxy or VIF, as applicable, and return it in the envelope provided so that it is received by Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 no later than 10:00 a.m. (Calgary time) on May 2, 2022.

About the Shareholder Meeting

General Voting Information

Who Can Vote

If you held Shares of TransAlta Renewables at the close of business on March 24, 2022, you are entitled to attend and participate at the Meeting or any adjournment or postponement thereof and vote your Shares, by following the instructions set out below. Each Share represents one vote.

Quorum for the Meeting

To transact business at the Meeting, we must have at least two persons present, each being a Shareholder entitled to vote thereat or a duly appointed proxy, representing not less than 25% of the outstanding Shares entitled to be voted at the Meeting. If you submit a properly executed form of proxy or vote by telephone or the Internet, you will be considered part of the quorum for the Meeting. Shareholders who participate in and/or vote at the Meeting via the virtual meeting facilities we are making available are deemed to be present at the Meeting for all purposes, including quorum.

Participation

Registered Shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in this Proxy Circular and accompanying Proxy or VIF, as applicable. Non-registered (beneficial) Shareholders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting.

For further details concerning how registered and beneficial Shareholders may participate at the Meeting, see "How to Attend and Participate at the Meeting" below. The instructions and procedures for registered and beneficial Shareholders to participate at the Meeting differ and should be read carefully. If you have questions regarding your ability to participate or vote at the Meeting, please contact Computershare at 1-800-564-6253.

Principal Owners of TransAlta Renewables Shares

At the close of business on March 24, 2022, there were an aggregate of 266,861,241 Common Shares issued and outstanding. Our Common Shares trade under the symbol "RNW" on the Toronto Stock Exchange ("TSX").

To the knowledge of our directors and officers, the following sets out the only persons, firms or corporations, owning of record or beneficially, controlling or directing, directly or indirectly, 10% or more of the issued and outstanding Common Shares:

Name of Holder	Type of Ownership	Number of Voting Securities Owned	Percentage of Outstanding Voting Securities Owned
TransAlta Corporation	Direct/Indirect	160,398,217 Common Shares ⁽¹⁾	60.1%

Note:

(1) Includes 60,646,375 Common Shares held by TransAlta Generation Partnership of which TransAlta Corporation is the manager.

Pursuant to the terms of the governance and cooperation agreement between the Company and TransAlta dated August 9, 2013 (the "Governance and Cooperation Agreement"), the Board is comprised of eight individuals, four of whom are appointed by TransAlta and four of whom are independent (pursuant to NI 52-110, as defined herein). TransAlta is entitled to nominate a majority of the directors of the Company for as long as the percentage of outstanding Common Shares of the Company beneficially owned directly or indirectly by TransAlta is not less than 35% of the issued and outstanding Common Shares of the Company. If the percentage of outstanding Common Shares of the Company beneficially owned directly or indirectly by TransAlta is less than 35% but greater than or equal to 10%, TransAlta shall be entitled to nominate its proportionate share of the directors of the Company (rounded up to the next whole number) based on the percentage of outstanding Common Shares of the Company beneficially owned directly or indirectly by TransAlta. Finally, irrespective of the percentage of outstanding Common Shares of the Company beneficially owned directly or indirectly by TransAlta, TransAlta is entitled to nominate one director of the Company for so long as the Governance and Cooperation Agreement is in effect.

Pursuant to the Governance and Cooperation Agreement, the nominees of TransAlta to the Board may be directors, officers or employees of TransAlta or its affiliates, or other persons, at TransAlta's discretion. Board nominees who are nominated by TransAlta, who are directors, officers or employees of TransAlta or its affiliates, are not entitled to any compensation from the Company by virtue of being a director of the Company, except as otherwise described herein. Subject to any requirements of the *Canada Business Corporations Act* (the "CBCA"), TransAlta is entitled to nominate for appointment or election to the Board a replacement director for any of the directors nominated by TransAlta who ceases for any reason to be a director of the Board, provided TransAlta remains, at that time, entitled to appoint such director. The chair of the Board (the "Chair of the Board") will be appointed by the Board and will be independent as determined in accordance with National Instrument 52-110, *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators.

The Board has not adopted a majority voting policy with respect to the election of directors. The Company relies on an exemption from the TSX's majority voting requirements available to listed issuers that are controlled by a security holder that beneficially owns, or controls, directly or indirectly, voting securities carrying 50% or more of the voting rights for the election of directors as of the applicable record date. The Board strongly believes that sound corporate governance is essential to the well-being of the Company. It is the Board's view that a majority voting policy for the election of directors of the Company does not serve a useful purpose for the Shareholders at this stage given that TransAlta is presently a controlling Shareholder of TransAlta Renewables. As a controlling Shareholder with a majority of the voting shares, TransAlta will necessarily cast a majority of the votes for the election of the Company's directors.

How to Attend and Participate at the Meeting

Registered Shareholders and duly appointed proxyholders (including beneficial Shareholders who have duly appointed themselves as proxyholders) who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the Internet. Guests, including non-registered Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but will not be able to communicate or vote. Shareholders will not be able to attend the Meeting physically.

The Meeting will be held in a virtual-only format, which will be conducted via live audio webcast, and can be accessed by logging in online at <https://web.lumiagm.com/482754245>. We recommend that you log in at least one hour before the Meeting begins.

- Click "Login" and then enter your Control Number (see below) and Password "transalta2022" (case sensitive); OR
- Click "Guest" and then complete the online form.

In order to access the virtual Meeting, participants will need an Internet-connected device, such as a laptop, computer, tablet or cellphone. The Meeting platform will be supported across browsers and devices running the most updated version of applicable software plugins. If you attend the Meeting online, it is important that you remain connected to the Internet at all times during the Meeting so that you are able to vote when balloting commences. 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 related procedure. If you have questions regarding your ability to participate or vote at the Meeting, please contact Computershare at 1-800-564-6253.

Registered Shareholders may vote at the Meeting by completing a ballot that will be made available online during the Meeting, as further described below under "Registered Shareholder Voting – Voting at the Meeting". Non-registered (beneficial) Shareholders who have not duly appointed themselves as proxyholder will not be able to vote or communicate at the Meeting but will be able to participate as a guest. This is because the Company and our transfer agent, Computershare, do not have a record of the non-registered Shareholders, and, as a result, have no knowledge of non-registered shareholdings or entitlements to vote unless non-registered Shareholders appoint themselves as proxyholder.

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 Proxy accompanying this Proxy Circular and follow all of the instructions below under "Appointing a Third Party as Proxy", within the prescribed deadline.

If you are a non-registered Shareholder and wish to participate and vote at the Meeting, you must first appoint yourself as proxyholder by inserting your own name in the space provided on the VIF provided to you and follow all of the instructions set out therein and below under "Beneficial Shareholder Voting", within the prescribed deadline AND then register yourself as proxyholder.

In all cases, all proxies must be received and all proxyholders must be registered **before 10:00 a.m. (Calgary time) on May 2, 2022 or, in the case of adjournment or postponement of the Meeting, not less than 48 hours** (excluding Saturdays, Sundays and holidays) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting.

Registered Shareholder Voting

You are a registered Shareholder if your Shares are held in your name and you have a share certificate. As a registered Shareholder, you may vote by: (i) attending the Meeting virtually, (ii) appointing a management proxy nominee designated by the Company in the Proxy as your proxy, (iii) appointing a third party as your proxy by following the procedures below, or (iv) mail, telephone or Internet.

Voting at the Meeting

If you are a registered Shareholder, the control number located on the form of proxy or in the email notification you received is your Control Number. Once you have identified your control number, follow the instructions in the above section "How to Attend and Participate at the Meeting" to participate in the Meeting.

Appointing a Company-Designated Proxy

Voting by Proxy is the easiest way to vote. When you vote by Proxy you are giving someone else (called your proxyholder) the authority to attend the Meeting and vote on your behalf and in accordance with your instructions. Shares represented by a properly executed Proxy in favour of the persons designated in the enclosed Proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions made on the Proxy, and, if the Shareholder specifies a choice with respect to any matters to be acted on, such Shareholder's Shares will be voted accordingly.

David W. Drinkwater (Chair of the Board) and Todd J. Stack (President) have agreed to act as your proxyholders. If you appoint these management proxyholders but do not indicate how you want to vote on the enclosed form, they will vote as follows:

- **FOR electing each nominated director; and**
- **FOR appointing the auditors.**

Appointing a Third Party as Proxy

The following applies to registered Shareholders who wish to appoint someone as their proxyholder other than the TransAlta Renewables' management proxy nominees named above and in the Proxy (the "Named Proxyholders"). Registered Shareholders who wish to appoint someone other than the Named Proxyholders as their proxyholder to participate at the Meeting as their proxy and vote their shares **MUST** submit their Proxy appointing that person as proxyholder AND register their proxyholder online, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your Proxy. Failure to register a third-party proxyholder will result in the proxyholder not receiving a Control Number that is required to participate and vote at the Meeting. If you appoint a proxyholder other than the Named Proxyholders, please make them aware and ensure they will participate at the Meeting and have received their Control Number prior to the Meeting.

You may appoint someone else to be your proxyholder. This person does not need to be a Shareholder. To appoint somebody else as your proxyholder, cross out the printed names on the Proxy and insert the name of the person you wish to act as your proxyholder in the blank space provided and follow the instructions for submitting such Proxy to Computershare. Please indicate the way you wish to vote on each item of business and your vote will be cast accordingly. **This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy.**

To register a third-party proxyholder other than the Named Proxyholders, **AFTER** you have completed and submitted your Proxy appointing the proxyholder as described above, you must then visit www.computershare.com/TransAltaRNW (reference Client ID of TWAQ) by May 2, 2022 at 10:00 a.m. (local time) in Calgary, Alberta to register your proxyholder and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to participate or vote at the Meeting but will be able to listen as a guest. Once your third-party proxyholder receives the Control Number, they must follow the instructions in the above section entitled "How to Attend and Participate at the Meeting" to participate at the Meeting.

Your proxyholder will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is contested.

Voting by Mail, Telephone or Internet

If you do not plan to participate at the Meeting, or have your proxyholder participate at the Meeting, please follow one of the procedures below to vote your Proxy:

By Mail	<ul style="list-style-type: none">• 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 Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.
By Telephone	<ul style="list-style-type: none">• call 1-866-732-8683 from a touch-tone phone and follow the voice instructions;• refer to the Proxy sent to you for the 13-digit Control Number; and• convey your voting instructions by use of touch-tone selections over the telephone.
By Internet	<ul style="list-style-type: none">• follow the instructions for Internet voting on the Proxy or your VIF.

To be voted at the Meeting, a Proxy must be received **before 10:00 a.m. (Calgary time) on May 2, 2022 or, in the case of adjournment or postponement of the Meeting, not less than 48 hours** (excluding Saturdays, Sundays and holidays) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting.

The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. We reserve the right to accept late proxies and to waive the proxy cut-off deadline, with or without notice, but we are under no obligation to accept or reject any particular late proxy (or VIF).

Beneficial Shareholder Voting

You are a beneficial Shareholder if your Shares are registered in the name of an intermediary and your share certificate was deposited with a bank, trust company, securities broker, trustee or other institution. Beneficial Shareholders may vote (i) through their intermediary in accordance with the instructions provided by your intermediary, (ii) at the Meeting by appointing themselves or a third party as proxyholder by following the procedures below, or (iii) by mail, telephone, Internet, email and/or facsimile as permitted and described in the VIF provided to you.

Voting Through Your Intermediary

To vote your Shares held through an intermediary, you must follow the instructions on the VIF provided by your intermediary. Beneficial Shareholders should carefully follow all instructions provided by their intermediaries to ensure that their Shares are voted at the Meeting. Brokers or other intermediaries may set deadlines for voting that are further in advance of the Meeting than those set out in this Proxy Circular. Beneficial Shareholders should contact their intermediary for further details and for any questions about how to participate or vote at the Meeting.

Voting at the Meeting or Appointing a Third Party as Proxy

If you are a beneficial Shareholder and wish to participate and vote at the Meeting or appoint a third party proxyholder to participate and vote on your behalf at the Meeting, you must appoint yourself or another individual, as applicable, as proxyholder by inserting the proxyholder's name in the applicable space (if permitted) on the VIF provided to you and follow all of the applicable instructions, within the prescribed deadline, provided by your intermediary. If you are appointing yourself as proxyholder do not complete the voting section on the VIF, as your vote will be taken at the Meeting, and return the VIF to your intermediary in the envelope provided. If you appoint a proxyholder other than the Named Proxyholders of the Company, please make them aware and ensure they will participate at the Meeting and have received their Control Number prior to the Meeting. Your proxyholder must vote your Shares in accordance with your instructions at the Meeting. If your proxyholder does not attend the Meeting, your Shares will not be voted. **Appointing yourself or a third party as proxyholder must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your VIF, as described below.**

Step 1: If you are a beneficial Shareholder who wishes to appoint yourself or a third party as your proxyholder, you must first insert your name or the name of the person you wish to appoint as proxyholder in the blank space provided in the VIF (if permitted) and follow the instructions set out in the VIF by your intermediary for submitting such VIF. By doing so, you are instructing your intermediary to appoint yourself or a third party (as applicable) as your proxyholder. It is important that you comply with the signature and return instructions provided in the VIF by your intermediary and return the VIF in accordance with those instructions, within the prescribed deadline.

A beneficial Shareholder located outside of Canada (including U.S beneficial Shareholders) wishing to participate and vote at the Meeting or, if permitted, wishing to appoint a third party as their proxyholder may be required, in addition to the steps described above and below, to obtain a valid legal proxy from their intermediary. You must then follow the instructions from your intermediary included with the legal proxy form AND in the VIF sent to you or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare in accordance with the instructions set out therein.

Step 2: Once you have completed Step 1, to register yourself or a third party (other than the Named Proxyholders) as your proxyholder you must then visit www.computershare.com/TransAltaRNW (reference Client ID of TWAQ) by May 2, 2022 at 10:00 a.m. (local time) in Calgary, Alberta to register your proxyholder and provide Computershare with the required contact information so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, you or your proxyholder, as applicable, will not be able to participate or vote at the Meeting but will be able to listen in as a guest. Once you or your proxyholder receives the Control Number, follow the instructions in the above section "How to Attend and Participate at the Meeting" to participate at the Meeting.

If you appoint a third-party proxyholder, that proxyholder will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is contested.

Please contact your intermediary as soon as possible to determine what additional procedures must be followed to appoint yourself or a third party as your proxyholder (including whether to obtain a separate valid legal form of proxy from your intermediary if you are located outside of Canada).

In all cases, all voting instructions must be received and all proxyholders must be registered **before 10:00 a.m. (Calgary time) on May 2, 2022 or, in the case of adjournment or postponement of the Meeting, not less than 48 hours** (excluding Saturdays, Sundays and holidays) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting.

The time limit for deposit of voting instructions may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. We reserve the right to accept late proxies and to waive the proxy cut-off deadline, with or without notice, but we are under no obligation to accept or reject any particular late proxy (or VIF).

Changing Your Vote

In addition to changing or revoking your vote in accordance with the procedures described immediately below, if you are a Shareholder who has followed the process for participating and voting at the Meeting online (including if you are Beneficial Shareholder who has validly appointed and registered yourself as a proxyholder), voting at the Meeting will revoke your previous proxy or voting instructions.

Registered Shareholders

You may revoke your Proxy in writing, addressed to Computershare Trust Company of Canada, executed by you or by your attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and mail it to Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. You may revoke your Proxy not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time fixed for the Meeting, or any adjournment or postponement thereof, at which the Proxy is to be used.

You may also revoke your Proxy by submitting new voting instructions, which will revoke any prior instructions provided such new voting instructions are received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time fixed for the Meeting, or any adjournment or postponement thereof.

Beneficial Shareholders

If you have voted through your intermediary and would like to change your mind and vote at the Meeting, contact your intermediary to discuss whether this is possible and what procedures you need to follow. Intermediaries often set deadlines for the receipt of revocations that are further in advance of the Meeting than the proxy cut-off deadlines described in this Proxy Circular. As such, any revocation should be completed well in advance of the deadline described in this Proxy Circular or your VIF to ensure it is given effect to at the Meeting.

Voting Results

Computershare Trust Company of Canada, our registrar and transfer agent, will count, verify and tabulate the votes for the Meeting in accordance with applicable laws, our by-laws and applicable proxy protocols and will only show us a completed Proxy or VIF if: (i) it is required by law or to comply with rules of order; (ii) there is a proxy contest; or (iii) a Shareholder has written comments on the Proxy or VIF that are clearly intended for management of TransAlta Renewables.

The results of this year's votes will be announced following the Meeting in accordance with our typical practices.

Business of the Meeting

There are three formal items of business to be conducted at the Meeting:

1. Election of Directors

Election of Individual Directors

Shareholders are provided with the opportunity to cast their votes for or withhold from voting for each director individually.

The biographies of our eight nominees for election to the Board are provided in the "*Director Nominee Information*" section that follows.

Nominees

The eight directors being nominated for election in 2022 are:

David W. Drinkwater
Brett M. Gellner
Allen R. Hagerman
Georganne Hodges
Kerry O'Reilly Wilks
Todd J. Stack
Paul H.E. Taylor
Susan M. Ward

The nominees possess an appropriate mix of expertise and qualities necessary for effective decision-making and for providing appropriate oversight to the Company of its business. Each director elected will serve until the next annual meeting of Shareholders or until his or her successor is elected or appointed. Each director has agreed to serve as a director if elected.

Mr. Drinkwater, Mr. Hagerman, Ms. Hodges and Ms. Ward are independent director nominees. The following four director nominees were nominated by TransAlta and are not independent:

- (a) Mr. Todd J. Stack, President of the Company, and Executive Vice President, Finance and Chief Financial Officer of TransAlta;
- (b) Mr. Brett Gellner, former Chief Development Officer of TransAlta;
- (c) Kerry O'Reilly Wilks, Executive Vice President, Legal, Commercial & External Affairs of TransAlta; and
- (d) Mr. Paul H.E. Taylor, former President of U.S. Operations and Executive Vice President, Canadian Coal, of TransAlta.

There are no family relationships between any of the nominated directors.

Director Nominee Information

DAVID W. DRINKWATER⁽¹⁾



David Drinkwater is a corporate director. Prior thereto, he was a Senior Advisor to Rothschild Canada until December 31, 2015. Prior thereto, he was the Chairman of Rothschild Canada from April 15, 2009 to July 1, 2013. Prior thereto, he was the Chief Legal Officer of Nortel Networks Corporation from December 19, 2005 to December 31, 2008 and Senior Advisor from then to March 31, 2009. From May 2007 to November 2007, he was also Acting Chief Financial Officer of Nortel Networks Corporation. From August 2004 to December 2005, he acted as an independent consultant and corporate director. From April 2003 to July 2004, David served as Executive Vice President and Chief Financial Officer at Ontario Power Generation Inc. From December 1998 to March 2003, he was Executive Vice President, Corporate Development and Legal Affairs at Ontario Power Generation.

David holds a Master of Laws from the London School of Economics, a Bachelor of Laws from Dalhousie University and a Bachelor of Arts in Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Corporate Director
Chair of the Board
 Ontario, Canada
 Director Since: 2013
 Age: 73
 Independent

Areas of Expertise

- Accounting, Finance & Tax
- Electric Energy/Utility
- Financial Services / Investment Banking
- Government / Regulatory
- International Operations
- Law / Regulatory
- Large Infrastructure
- Mergers & Acquisitions
- Technology / Research / Telecommunications
- Strategy & Development
- Trading

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors (Chair)	6 of 6	100%	
Audit Committee	6 of 6	100%	\$203,500
Special Committee ⁽²⁾	4 of 4	100%	

Securities Held as of December 31					
Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	2,500	33,431	35,931	\$673,706	1.49x
2020	2,500	30,145	32,645	\$710,355	1.58x
Change	0	3,286	3,286	(\$36,649)	

Other Public Board Directorships and Committee Memberships
 PNG Copper Inc. - Board Chair, Audit Committee

Public Board Interlocks
 None

Voting Results of 2021 Annual Meeting of Shareholders				
Votes For	Percentage	Votes Withheld	Percentage	
196,219,163	97.82	4,365,520	2.18	

BRETT M. GELLNER⁽¹⁾⁽⁶⁾

Brett Gellner was the Chief Development Officer of TransAlta until his retirement on April 30, 2021. In this role he was overseeing strategic corporate investments, mergers and acquisitions as well as greenfield projects. Prior thereto, he was also interim Chief Financial Officer for TransAlta from April 2018 to November 2018. Previously, he was President and Designated Chief Executive Officer of the Company from July 2013 to November 2017. He was Chief Financial Officer of TransAlta from 2010 to 2014. Prior thereto, he was Vice-President, Commercial Operations and Mergers & Acquisitions at TransAlta.

Prior to joining TransAlta, Brett spent 12 years in investment banking covering the power, pipeline, midstream and forest products sectors. Brett is currently a director of Tidewater Renewables Ltd.

Brett has a master's degree specializing in economics from the University of Alberta and holds a Chartered Financial Analyst designation. He has also completed the Advanced Management Program at Harvard University.

Corporate Director

Alberta, Canada
 Director Since: 2013
 Age: 58
 Non-Independent

Areas of Expertise

- Accounting, Finance & Tax
- Economics & Business
- Electric Energy / Utility
- Environment / Climate Change
- Financial Services / Investment Banking
- Mergers & Acquisitions
- Strategy & Development

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2020
Board of Directors	6 of 6	100%	73,123 ⁽⁸⁾

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	33,500	0	33,500	\$628,125	2.09x
2020	33,500	0	33,500	\$728,960	N/A ⁽⁷⁾
Change	0	0	0	(\$100,835)	

Other Public Board Directorships and Committee Memberships

Tidewater Renewables Ltd. - Lead Director, Audit Committee

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
195,481,934	97.46	5,102,749	2.54

ALLEN R. HAGERMAN⁽¹⁾

Allen Hagerman is a corporate director with more than 30 years of experience as an executive with various energy and mining companies. Most recently, he was Executive Vice President of Canadian Oil Sands Limited, an oil sands mining and upgrading entity from 2007 to 2013. Prior to 2007, he served as Chief Financial Officer of a number of entities including, Canadian Oil Sands Limited, Fording Inc. and Home Oil Company Limited. Previous board positions include director of Tervita Corporation, Capital Power Income L.P., Precision Drilling Corporation, Syncrude Canada Ltd and the Calgary Exhibition and Stampede.

Allen has also served as a Governor of the University of Calgary, past President of Financial Executives Institute, Calgary Chapter, as well as a past Chair of the Alberta Children's Hospital Foundation. He is a fellow of the Institute of Chartered Accountants of Alberta and received their Distinguished Service Award.

Allen is a Chartered Accountant and holds a Bachelor of Commerce from the University of Alberta and a Master of Business Administration from Harvard Business School. He also holds an ICD.D. certification from the Institute of Corporate Directors and has served on the executive committee of the ICD Calgary Chapter.

Corporate Director
 Alberta, Canada
 Director Since: 2013
 Age: 70
 Independent

Areas of Expertise

- Accounting, Finance & Tax
- Economics & Business
- Electric Energy/Utility
- Environment / Climate Change
- Government Affairs, Public Administration
- Insurance
- Large Infrastructure
- Marketing
- Mergers & Acquisitions
- Mining
- Oil & Gas
- Strategy & Development
- Trading

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	6 of 6	100%	
Audit Committee	6 of 6	100%	\$178,000
Special Committee ⁽²⁾	4 of 4	100%	

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	0	32,104	32,104	\$601,950	2.01x
2020	5,000	30,617	35,617	\$775,026	2.58x
Change	(5,000)	1,487	(3,513)	(\$173,076)	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
197,505,053	98.46	3,079,630	1.54

GEORGANNE HODGES



Corporate Director
Texas, USA
Director Since: 2021
Age: 56
Independent

Georganne Hodges became Executive Vice President of Supply, Trading & Logistics at Motiva Enterprises, LLC in 2020. In this role, she leads the safe operation and optimization of the company's strategic network of equity terminals, ensuring the reliable delivery of fuel products to retail outlets across the country. Since joining Motiva in July 2016 as Executive Vice President and Chief Financial Officer, Georganne has demonstrated a strong track record of building and leading high-performing teams that act as business partners while maintaining disciplined financial controls.

Georganne is a respected leader with more than 30 years of wholesale and retail energy experience, including major public accounting and extensive experience across the energy industry value chain. Prior to joining Motiva, Georganne held the position of CFO with Spark Energy, where she successfully completed the company's initial public offering as well as several acquisitions. She also held the position of CFO with Direct Energy, as well as other senior financial roles since beginning her career with Arthur Andersen in 1987. She is a board member of Port Neches Link LLC since 2021.

She holds memberships in the Houston Chapter of CPAs and the Women's Energy Network.

Georganne holds a Bachelor of Business Administration in accounting from Baylor University and is a licensed certified public accountant in the state of Texas. She volunteers as a board member with Lone Star Big Brothers Big Sisters, Junior Achievement of Southeast Texas and Life Skills House.

Areas of Expertise

- Accounting, Finance & Tax
- Risk Management
- Electric Energy
- M&A / Organizational Change

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	2 of 2		
Audit Committee (Chair)	4 of 4	90.0%	\$108,459
Special Committee ⁽²⁾	3 of 4		

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	0	3,261	3,261	\$61,144	0.17x
2020	N/A	N/A	N/A	N/A	N/A
Change	0	3,261	3,261	\$61,144	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
200,385,917	99.90	198,766	0.10

KERRY O'REILLY WILKS⁽¹⁾⁽⁶⁾**Executive Vice President, Legal, Commercial & External Affairs**

Alberta, Canada

Director Since: 2021

Age: 44

Non-Independent

Kerry O'Reilly Wilks is the Executive Vice President, Legal, Commercial & External Affairs at TransAlta where her portfolio spans legal, commercial, sustainability, government relations, regulatory, policy, stakeholder engagement, indigenous affairs, corporate secretarial, governance and trading compliance.

Prior to joining TransAlta, Kerry was Head of Legal, North Atlantic & UK, for Vale S.A. In this role, Kerry oversaw all issues of Vale's business arising in North America and the UK. Kerry also sat as the Head of Legal, Corporate & Marketing, as well as the Global Chief Technology Counsel for Vale. In addition, Kerry occupied a senior strategic advisory role with Vale's Asia-Pacific affiliates, including Vale S.A.'s public Indonesian affiliate, as Head of Legal, Asia Pacific. Prior to joining Vale, Kerry worked as a partner with Davies Ward Phillips & Vineberg LLP.

Kerry sits on the Board of Directors of St. Michael's Hospital Foundation and is the Founder and Chairperson of Malachy's Soiree in support of the Neo-natal Intensive Care Unit at St. Michael's Hospital.

Kerry was named as one of Lexpert's Rising Stars -Top 40 under 40 lawyers in Canada in 2012, and in 2015 received an Alumni of Distinction award from the University of New Brunswick for her significant contributions to her profession on a global scale, as well as to communities globally. In 2017, Kerry was awarded a Zenith Award as one of the leading female lawyers in Canada and a significant change agent for women in law and society and was also noted one of the Top 25 Most Influential Lawyers in Canada. In 2019, Kerry was named as one of the Top General Counsel Thought Leaders in North America and in 2020, Kerry was named as one of the most influential women in business in Calgary as well as the Canadian Law Department Leader of the Year. She also, in 2020, received an Excellence Award as one of the Women of the Year in law.

Areas of Expertise

- Law
- Regulatory & Policy
- Government Affairs, Public Administration
- Mining
- International Operations
- Marketing
- ESG & Climate Change
- Strategy & Development

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	2 of 2	100%	N/A ⁽⁸⁾

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	0	0	0	0	
2020	N/A	N/A	N/A	N/A	N/A ⁽⁹⁾
Change	0	0	0	0	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
195,518,248	97.47	5,066,435	2.53

TODD J. STACK⁽¹⁾⁽⁶⁾

Todd Stack is the President of the Company and is responsible for the executive leadership and operational management of the Company. He guides the Company's strategy of developing, integrating and operating clean energy assets to create sustainable long-term shareholder value.

Todd has significant experience in capital markets, finance, valuation, economics and the power industry. Todd currently serves as the Executive Vice President, Finance and Chief Financial Officer at TransAlta and previously served as the Chief Financial Officer for TransAlta Renewables. Prior to this role, Todd has acted as TransAlta's Corporate Controller, Corporate Treasurer, as well as a member of the corporate development team evaluating greenfield and acquisition opportunities.

Todd has a Bachelor of Science in Electrical Engineering from the University of Alberta and a Masters of Business Administration from the University of Calgary. He is a registered professional engineer in Alberta and a Chartered Financial Analyst (CFA).

President

Alberta, Canada
 Director Since: 2021
 Age: 55
 Non-Independent

Areas of Expertise

- Accounting, Finance & Tax
- Electric Energy / Utility
- Financial Services / Investment Banking
- Mergers & Acquisitions
- Strategy & Development
- International Operations
- Trading

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	5 of 5	100%	N/A ⁽⁸⁾

Securities Held as of December 31					
Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	4,000	-	4,000	\$75,000	
2020	4,000	-	4,000	\$87,040	N/A ⁽⁹⁾
Change	0	0	0	(\$12,040)	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
197,625,928	98.52	2,958,755	1.48

PAUL H.E. TAYLOR⁽¹⁾

Management Consultant
 Alberta, Canada
 Director Since: 2013
 Age: 67
 Non-Independent

Paul Taylor is the Principal of Taylor Advisory Services, a management consulting firm. He retired in July 2016 as the President and Chief Executive Officer of Western Financial Group, Western Canada's largest insurance brokerage company. Previously, Paul served as TransAlta's President of U.S. Operations and Executive Vice President of the Alberta based Canadian coal generation business until his retirement from TransAlta on March 31, 2014. He was also responsible for leading the commercial coal and sustainability teams in both Canada and the U.S. In the late 1990s, while serving as TransAlta's Senior Vice President, Corporate Development, he was involved in the establishment of TransAlta Power, L.P. His energy experience includes serving as President and Chief Executive Officer of NaiKun Wind Energy Group, an offshore wind development company.

Paul also has extensive public sector experience including serving as Chief of Staff to the Premier of British Columbia, British Columbia's Deputy Minister of Finance and Secretary to the Treasury Board and President and Chief Executive Officer of the Insurance Corporation of British Columbia and various roles within Alberta Treasury.

Paul has served on private and public sector boards including Western Financial Group, Western Life Assurance Company, Western Financial Insurance Company (PetSecure), NaiKun Wind Energy Group, BC Forestry Investment & Innovation, TransAlta New Zealand, TransAlta Power Ltd., the Conference Board of Canada, the World Wildlife Fund - Canada and Chair of the Insurance Corporation of British Columbia.

Areas of Expertise

- Economics & Business
- Insurance
- Environment / Climate Change
- Government / Regulatory
- International Operations
- Electric Energy / Utility
- Strategy & Development
- Mining

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	6 of 6	100%	\$109,000

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	7,500	37,613	45,113	\$845,869	2.82x
2020	7,500	34,630	42,130	\$916,749	3.06x
Change	0	2,983	2,983	(\$70,880)	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
194,089,018	96.76	6,495,665	3.24

SUSAN M. WARD



Susan Ward served as the Head of Mergers & Acquisitions and Commercial Finance – Americas and a Senior Executive at Shell Oil Company in Houston, TX from January 2010 to June 2019 (retirement). Susan worked for Shell for over 20 years. She also served as Vice President and Chief Financial Officer of Shell Midstream Partners (SHLX: NYSE), a publicly traded subsidiary of Shell, from May 2014 to February 2017. She was also a member of Shell Midstream Partners' GP board of directors from its IPO in 2014 until February 2017. Prior to those roles, Susan served as Vice President, Upstream Commercial Finance for Shell International Exploration & Production B.V. in The Hague, NL from October 2007 to December 2009. Susan joined Shell in 1998 as Partner, Mergers, Acquisitions and New Ventures for its U.S. operations.

Prior to Shell, Susan worked more than 10 years in investment banking in energy and natural resources as a Managing Director at UBS, First Vice President at PaineWebber and Senior Vice President at Kidder, Peabody & Company. Susan also worked as a Financial Analyst in Capital Markets and Investment Banking at Mobil Corporation and a Refining Engineer at Exxon Company USA.

Susan has a Bachelor of Chemical Engineering degree from Villanova University and an MBA in Finance from the Wharton School of the University of Pennsylvania. She has been a Trustee of Villanova University since 2018.

Corporate Director

Texas, USA

Director Since: 2021

Age: 63

Independent

Areas of Expertise

- Mergers & Acquisitions
- Financial Services / Investment Banking
- Oil & Gas
- Human Resources / Organizational Design
- Economics & Business
- International Operations
- Accounting, Finance & Tax

Board and Committee Membership	Attendance	Percentage	Value of Compensation Received in 2021
Board of Directors	2 of 2		
Audit Committee	4 of 4	100%	\$100,589
Special Committee ⁽²⁾	4 of 4		

Securities Held as of December 31

Year	Common Shares	Deferred Share Units ⁽³⁾	Total	Market Value ⁽⁴⁾	Ownership Guidelines Requirement ⁽⁵⁾
2021	0	1,630	1,630	30,563	0.10x
2020	N/A	N/A	N/A	N/A	N/A
Change	0	1,630	1,630	\$30,563	

Other Public Board Directorships and Committee Memberships

None

Public Board Interlocks

None

Voting Results of 2021 Annual Meeting of Shareholders

Votes For	Percentage	Votes Withheld	Percentage
200,390,363	99.90	194,320	0.10

Notes:

- (1) Canadian resident.
- (2) Special Committee meetings are scheduled on an *ad hoc* basis.
- (3) The Board adopted a Deferred Share Unit Plan on October 29, 2013, which was amended and restated on October 25, 2021 (the "Plan"). Pursuant to the Plan, starting in 2014 the non-management directors of the Company could choose to receive all or part of their compensation in deferred share units ("DSUs"). Information regarding the Deferred Share Unit Plan is provided under "Report on Director Compensation - Deferred Share Units" in this Proxy Circular.
- (4) The 2021 market value is based on the closing price of the Common Shares on the TSX on December 31, 2021 of \$18.75 per Common Share and the 2020 market value is based on the closing price of the Common Shares on the TSX on December 31, 2020 of \$21.76 per Common Share.
- (5) The share ownership requirement requires non-management directors to acquire and hold a minimum of three times the director's base annual cash retainer (including any Chair fee) in Common Shares, DSUs or a combination of both within three years of joining the Board or the effective date of the policy, whichever is later. In 2021 the base annual retainer was \$100,000. See "Compensation Discussion and Analysis - Share Ownership Requirements of Directors" for further information.
- (6) Mr. Stack and Ms. O'Reilly Wilks are executive officers of TransAlta, which holds an approximate 60% interest in the Company.
- (7) Mr. Gellner was an executive officer of TransAlta until April 30, 2021. He did not receive director compensation until May 1, 2021. In his capacity as an employee of TransAlta, his compensation was determined and paid exclusively by TransAlta up to April 30, 2021. See "Summary Compensation Table for NEOs" for further information. Mr. Gellner was not subject to the share ownership requirements until May 1, 2021.
- (8) Mr. Stack and Ms. O'Reilly Wilks are executive officers of TransAlta and the Company and do not receive director compensation. In their capacity as employees of TransAlta, their compensation is determined and paid exclusively by TransAlta. See "Summary Compensation Table for NEOs" for further information.
- (9) Mr. Stack and Ms. O'Reilly are not subject to the director share ownership requirements.

Unless otherwise instructed, the persons designated in the Proxy intend to vote FOR the election of each of these nominees as directors of the Company.

Additional Information About the Directors

Director Meeting Attendance

Directors are expected to attend all regularly scheduled meetings of the Board and its committees. Aggregate attendance for our directors in 2021 was 98.7%. Members of senior management are also invited to attend Board meetings as required. We also expect our directors to attend the Company's annual shareholder meetings. In addition, should special meetings of the Board be required, we make every effort to schedule such meetings to accommodate the attendance of the majority of directors.

Attendance on an individual director basis is set out in the following table and can also be found under each director's personal biography in "Business of the Meeting - Election of Directors - Director Nominee Information".

In 2021 there were six regularly scheduled board meetings.

Name	Board Meetings	Audit Committee Meetings	Special Committee Meetings	Total Attendance (%)
David Drinkwater	6 of 6	6 of 6	4 of 4	100
Brett Gellner	6 of 6	N/A	N/A	100
Allen Hagerman	6 of 6	6 of 6	4 of 4	100
Georganne Hodges	2 of 2	4 of 4	3 of 4	90
John Kousiniotis ⁽¹⁾	1 of 1	N/A	N/A	100
Kathryn McQuade ⁽²⁾	4 of 4	2 of 2	N/A	100
Kerry O'Reilly Wilks	2 of 2	N/A	N/A	100
Paul Taylor	6 of 6	N/A	N/A	100
Todd Stack ⁽³⁾	5 of 5	N/A	N/A	100
Susan Ward	2 of 2	4 of 4	4 of 4	100
	40 of 40	22 of 22	15 of 16	98.7

Note:

- (1) Mr. Kousiniotis resigned as a director and President of the Company on February 5, 2021.
- (2) Ms. McQuade retired as a Board member and Chair of the Audit Committee on May 18, 2021.
- (3) Mr. Todd Stack was appointed to the Board and as President of the Company on February 6, 2021.

Skills Matrix

The table below lists the areas of expertise of those nominees for election to the Board.

	Drinkwater	Gellner	Hagerman	Hodges	O'Reilly	Stack	Taylor	Ward	Total
Business Segment									
Electric Energy / Utility / Transmission	√	√	√	√	√	√	√		7
Environment / Climate Change		√	√		√		√		4
Financial Services / Investment Banking	√	√				√		√	4
Government / Regulatory	√				√		√		3
Insurance			√				√		2
International Operations	√			√	√	√	√	√	6
Law	√				√				2
Large Infrastructure	√		√						2
Mining			√		√		√		3
Oil & Gas			√	√				√	3
Technology / Research / Telecommunications	√								1
Trading	√		√	√		√	√		5
Professional Background									
Accounting, Finance & Tax	√	√	√	√		√		√	6
Economics & Business		√	√	√			√	√	5
Government Affairs, Public Administration	√		√		√		√		4
Human Resources / Organizational Design							√	√	2
Law and/or Regulatory	√			√	√		√		4
Marketing			√						1
Strategic Competencies / Experience									
Active CEO						√			1
Recent CEO (last five years)				√					1
Recent CFO / Senior Executive (last five years)		√		√		√		√	4
Professional Role / Advisor	√	√		√	√	√	√	√	7
Mergers and Acquisitions Experience	√	√	√	√	√	√	√	√	8
Strategy Experience (development)	√	√	√		√	√	√		6

Interlocking Directorships

There are no interlocking directorships on the Board.

Board Tenure

The Company does not have a retirement age policy for its directors. The Company has not adopted term limits for directors. Due in part to the Company being majority-controlled, the members of the Board are of the view that term limits are not necessary. The average tenure of the director nominees for the Board is less than five years.

Corporate Cease Trade Orders and Bankruptcies

No director nominee is, as at the date of this Proxy Circular, or has been, within the past 10 years before the date hereof, a director or executive officer of any other issuer that: (i) was, while the director nominee was acting in their capacity as a director or executive officer of that issuer, subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days after the director nominee had ceased to be a director or executive officer of that

issuer and which resulted from an event that occurred while the director nominee was acting in such a capacity; or (iii) while that director nominee was acting in their capacity as a director or executive officer of that issuer, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. No director nominee has, within the past 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director nominee. No director nominee has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the director nominee.

2. Financial Statements

At the Meeting, you will receive the Company's 2021 audited consolidated financial statements, the auditors' report and the related management's discussion and analysis. Such documents are also available on SEDAR under our profile at www.sedar.com and on our website at www.transaltarenewables.com. The presentation of such audited financial statements to the Shareholders at the Meeting does not constitute a request for approval or disapproval.

3. Appointment of Auditors

You will be asked to appoint Ernst & Young LLP, our present auditors, as auditors to hold office until the next annual meeting of Shareholders of the Company at remuneration to be fixed by the Board. Ernst & Young LLP have been the auditors of the Company since May 28, 2013. Representatives of Ernst & Young LLP will be available at the Meeting to answer any questions you may have.

Fees Paid to Ernst & Young LLP

For the years ended December 31, 2021 and December 31, 2020, Ernst & Young LLP and its affiliates were paid \$844,167 and \$722,733, respectively, as detailed below:

Year Ended December 31	2021		2020	
Audit fees	\$	772,167	\$	650,733
Audit-related fees		72,000		72,000
Tax fees		-		-
All other fees		-		-
Total	\$	844,167	\$	722,733

No other audit firms provided audit services in 2021 or 2020. The nature of each category of paid fees is described below.

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit and review of our annual financial statements or services provided in connection with statutory and regulatory filings or engagements and providing comfort letters associated with securities documents.

Audit-Related Fees

The audit-related fees in 2021 were for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not included under "Audit Fees" above.

Unless otherwise instructed, the persons designated in the Proxy intend to vote FOR the reappointment of Ernst & Young LLP as auditors of the Company.

4. Other Business

As of the date of this Proxy Circular, the Board and management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

Governance

Our Governance Practices

The Board is responsible for the stewardship of the Company. The Board has the statutory authority and obligation to act honestly and in good faith with a view to the best interests of the Company, including all of its stakeholders. The Board has absolute and exclusive power, control and authority over the property and affairs of the Company. The Board may delegate certain of those powers and authority that the directors, or independent directors, as applicable, deem necessary or desirable to effect the actual administration of the duties of the Board. Under the Management, Administrative and Operational Services Agreement dated August 9, 2013 between TransAlta and TransAlta Renewables, as amended (the "Management Agreement"), the Board has delegated to TransAlta, in its capacity as Manager under the Management Agreement, broad discretion to administer and manage the business and operations of the Company.

Handling Conflicts of Interest

At TransAlta Renewables, we encourage and promote a culture of integrity and ethical business conduct by requiring that our officers and directors conduct their personal and business affairs in a manner that ensures that their private or personal interests do not interfere or appear to interfere with the interests of the Company. Our policies provide that each director and executive officer must comply with the disclosure requirements of the *Canada Business Corporations Act* regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

Under the Management Agreement, in the event that the interests of TransAlta come into material conflict with the interests of the Company, TransAlta, as the Manager, shall give written notice to the Company setting out the particulars of the conflict, and the independent directors of the Company shall be responsible to make decisions relating to the conflict matter. The decision and any determinations made by the independent directors shall be the actions taken by TransAlta Renewables.

In order to facilitate the handling of conflicts of interest, the Board often forms Special Committees consisting entirely of independent directors to evaluate, negotiate and, if appropriate, approve on behalf of the Company any related-party transaction.

Insider Trading

Our insider trading policy ("Insider Trading Policy") imposes restrictions on insiders of the Company and those in a special relationship with the Company with respect to trading in TransAlta Renewables shares. The guidelines, which fulfill our obligations to stock exchanges, regulators and investors, include the measures set forth below:

- Having quarterly and annual trading blackout periods when financial results are being prepared and have not yet been publicly disclosed. These blackouts extend to all employees of the Manager, who is engaged in the preparation of our financial results, as well as to the officers and directors of the Company. The blackouts are effective from the first day following the end of a quarter or fiscal year to the close of trading on the second trading day after we issue the related news release or disclose our financial results;
- Publishing and communicating the dates for regular blackout periods and sending a monthly reminder to all reporting insiders of their obligations; and
- Requiring all insiders to pre-clear transactions.

Whistleblower Procedures

Our whistleblower procedures help uphold our strong values and preserve our culture of ethical business conduct. These procedures are not limited to accounting, auditing and financial processes and instead provide means for employees of the Manager, contractors, Shareholders and other stakeholders to report ethical violations or any other matters they wish to bring to the attention of our Board. All submissions can be made directly to the chair of the Audit Committee, or any director who is a member of the Audit Committee. The Audit Committee (subject to its duties arising under applicable law, regulations and legal proceedings) will treat such submissions confidentially and will ensure that a thorough and fair investigation is conducted.

The Board's Role

Our Board is responsible for stewardship and establishing our key policies and standards, including policies for the assessment and management of our risks. The Board has adopted general guidelines ("Guidelines") that provide a framework for how we conduct our business, and that help meet our corporate governance responsibilities. These Guidelines include a general overview of the Board's role, a statement of key principles and policies applicable to the Board and its committees and a mandate that describes the Board's major responsibilities, goals and duties, including its duty to monitor the Manager. We believe that these practices benefit all stakeholders and form the building blocks for long-term success. These Guidelines are reviewed annually by the Board to ensure that they reflect the most appropriate governance standards for the Company. Our Guidelines may be found in Appendix "A" to this Proxy Circular and on our website at www.transaltarenewables.com.

The Board has delegated to the President and senior management the responsibility for the day-to-day management of the business of the Company. In addition to those matters that must, pursuant to applicable laws and our by-laws, be approved by the Board, the Board has delegated to management the authority to approve expenditures within specified limits. Under the Management Agreement, the Board has delegated to TransAlta, as Manager, broad discretion to administer and manage the business and operations of the Company. TransAlta, in its capacity as Manager, provides and performs all general administrative and operational services in order to manage the business and affairs of the Company and its subsidiaries. The Board has retained responsibility for significant matters such as major changes to organizational structure, material acquisitions and divestitures, major capital expenditures, debt and equity financing transactions and approval of environmental policies.

Board Committees

Our Board has only one standing committee, the Audit Committee. The Audit Committee has approved a charter (the "ANC Charter") that outlines the duties and responsibilities of the chair of the Audit Committee as well as those of the full committee. The ANC Charter is available on our website at www.transaltarenewables.com and on SEDAR at www.sedar.com where it is included as an appendix to our annual information form dated February 23, 2022. As required, our Board may also appoint a special committee of the Board, comprised of independent directors, to review or consider from time to time non-arm's-length transactions.

The Audit Committee is also responsible for identifying and recommending individuals to the Board for nomination as members of the Board. Subject to the Governance and Cooperation Agreement, the Audit Committee shall:

- review, from time to time, the size, composition and profile of the Board, taking into account succession planning, geographical representation, disciplines, professional experience, strategy and direction of the Company and other matters it considers appropriate and that may affect the dynamics of the boardroom, and recommend to the Board any changes to the size, composition or profile of the Board as determined appropriate by the Audit Committee;
- review and propose to the Board for approval, criteria for selecting new directors, after considering the competencies and skills the Board possesses, as a whole, the competencies and skills of each director, and the needs of the Company going forward, including its strategic direction, and determine from this review the competencies and skills that each nominee should bring to the Board; and
- review annually the qualifications of person(s) proposed for election to the Board.

All Audit Committee members are independent and financially literate. The members of the Audit Committee together have experience in accounting, economics, finance and tax, insurance, investment banking, law and regulatory affairs, mergers and acquisitions and the electricity industry.

The Audit Committee consists of four directors. No member of the Audit Committee is an officer or employee of the Company nor are they an officer or employee of the Manager. The Audit Committee complies with the independence and financial literacy requirements set forth in Part 3 of NI 52-110. Determinations as to whether the Audit Committee and each member of the Audit Committee satisfy the requirements of Part 3 of NI 52-110 are made by the Board.

The members of the Audit Committee are Georganne Hodges (Chair), David W. Drinkwater, Susan Ward and Allen R. Hagerman.

Report of the Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of the Company's financial statements and financial reporting process; (ii) the systems of internal financial controls established by the Manager; (iii) the risk identification assessment conducted by the Manager and the programs established by the Manager in response to such assessment; (iv) the internal audit function; (v) compliance with accounting- and finance-based legal and regulatory requirements; and (vi) the external auditors' qualifications, independence and performance. In so doing, it is the Audit Committee's responsibility to maintain an open avenue of communication between it and the external auditors, the internal auditors, management and the Manager of the Company.

The function of the Audit Committee is oversight. Management and the Manager are responsible for the preparation, presentation and integrity of the interim and annual financial statements and related disclosure documents. Management and the Manager are also responsible for maintaining appropriate accounting and financial reporting policies and systems of internal controls and procedures to comply with accounting standards, applicable laws and regulations that provide reasonable assurances that assets are safeguarded and that transactions are authorized, executed, recorded and reported properly.

The Audit Committee's role is to provide meaningful and effective oversight so that the Company's assets are protected and safeguarded within reasonable business limits. The Audit Committee reports to the Board on its risk oversight responsibilities.

The Audit Committee is also responsible for the identification and recommendation of individuals to the Board for nomination as members of the Board and its committees.

In fulfilling its mandate in 2021, the Audit Committee performed the functions set forth under the headings below.

Financial Reporting

- (a) reviewed with management, the Manager and the external auditors of the Company, the financial reporting documents, including the annual financial statements of the Company and related management's discussion and analysis, and:
 - (i) recommended to the Board for approval the Company's audited annual financial statements, including the notes thereto and the related management's discussion and analysis as well as the related earnings release;
 - (ii) reviewed the auditors' report in connection therewith and reported to the Board as required;
 - (iii) reviewed with the external auditors the cooperation they received during the course of their review and their access to all records, data and information requested;
 - (iv) discussed with management, the Manager and the external auditors all significant transactions that are not considered to be a regular part of the Company's business;
 - (v) reviewed the processes in the formulation of sensitive accounting estimates and the reasonableness of the estimates;
 - (vi) reviewed with management, the Manager and the external auditors any changes in accounting principles, practices or policies considering their applicability to the business and financial impact to the Company;
 - (vii) reviewed with management, the Manager and the external auditors, alternative treatments of financial information within generally accepted accounting principles, the use of such alternative treatments and those preferred by the external auditors; and
 - (viii) satisfied itself that there were no unresolved issues between management, the Manager and the external auditors that could reasonably be expected to materially affect the financial statements;
- (b) reviewed with management, the Manager and the external auditors, the Company's interim financial statements, including the notes thereto, the related management's discussion and analysis and the related earnings release, and approved their release to the public as required;
- (c) reviewed with management, the Manager, and the Company's external auditors the effectiveness of the Company's internal controls;

- (d) reviewed with the President and the Chief Financial Officer the processes undertaken by them and the Manager to satisfy the requirements for certification and disclosure relating to the Company's periodic and annual reports to be filed with securities regulators and to confirm that the information required to be disclosed is recorded, processed, summarized and reported within the time periods specified for the reporting period;

Financing

- (a) reviewed the Company's financing plan, including in respect of the Windrise wind facility project financing, and recommended it to the Board for approval; and
- (b) reviewed, and recommended to the Board for approval, certain inter-company transactions;

Risk Management, Regulatory Compliance and Other

- (a) reviewed the processes relating to the assessment of potential fraud, programs, policies and controls to mitigate the risk of fraud and the processes put in place for monitoring such risk within targeted areas;
- (c) reviewed reports from the external auditors and the Manager's risk management team assessing the Company's financial risk management practices, and the processes in place to mitigate the risks where applicable;
- (d) reviewed with management, the Manager, and the Company's external auditors, the material litigation and commercial disputes of the Company; and
- (e) reviewed the cybersecurity practices of the Manager, as it pertains to the Company;

External Auditors

- (a) reviewed the experience and qualifications of the external auditors' senior personnel who are providing audit services to the Company and the quality-control procedures of the external auditors, including obtaining confirmation that the external auditors are in compliance with required regulatory requirements;
- (b) reviewed and approved the external auditors' audit plan;
- (c) reviewed and approved the basis and amount of the external auditors' fees and confirmed with the Company's Chief Financial Officer that appropriate funding for payment of compensation to the external auditors was available;
- (d) reviewed and discussed with the external auditors all relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external auditors' independence, including, without limitation, (A) requesting, receiving and reviewing a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Company, (B) discussing with the external auditors any disclosed relationships or services that the external auditors believed may affect the objectivity and independence of the external auditors, and (C) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence; and
- (e) informed the external auditors and the Manager that the external auditors shall have direct access to the Audit Committee at all times, as well as the Audit Committee to the external auditors, and met with the external auditors in camera at the end of each regularly scheduled Audit Committee meeting;

Internal Auditors

- (a) reviewed the scope and plans for the work of the internal auditor, with respect to the Company's assets, and requested management and/or the Manager to undertake the internal audit work required to safeguard the assets of the Company;
- (b) met in camera with the internal auditor at the end of each regularly scheduled meeting; and
- (c) reviewed with management and the Manager the adequacy of the systems of internal control and procedures;

Board Composition and Nomination

- (a) reviewed the size, composition and profile of the Board, taking into account succession planning, geographical representation, disciplines, professional experience, strategy and direction of the Company;
- (b) reviewed criteria for selecting new directors, after considering the competencies and skills the Board possesses as a whole, the competencies and skills of each director, and the needs of the Company going forward, including its strategic direction;
- (c) discussed the skills, education and experience of each director and those factors needed to promote diversity and to lead the strategic direction of the Company, and presented such results to the Board; and
- (d) reviewed the qualifications of person(s) proposed for election to the Board.

The Audit Committee has reviewed its mandate and is satisfied that it met the terms of the ANC Charter in 2021. The ANC Charter is available on the TransAlta Renewables website at www.transaltarenewables.com or on SEDAR under our profile at www.sedar.com where it is attached as an appendix to the Company's annual information form dated February 23, 2022.

Signed,

Georganne Hodges (Chair), David W. Drinkwater, Allen R. Hagerman, and Susan Ward

Strategic Planning

Our Board also has oversight of our strategic planning process and monitors management's performance in executing on our strategy and meeting the objectives of our strategic plan. The Board meets on an annual basis for a comprehensive strategic planning session at which time it reviews the Company's strategic direction. The Board also receives updates on strategic matters at regular Board meetings and from communications to the Board issued by the President.

Risk Assessment

Our Board is responsible for understanding the principal risks associated with the Company's business and for ensuring that the Manager has implemented appropriate strategies to manage these risks. In addition, the Company has adopted a code of conduct ("Code of Conduct") that sets out the key principles and policies governing our Company and, as discussed above, has adopted an Insider Trading Policy. These policies are reviewed annually by the Board. Our Code of Conduct is available on our website at www.transaltarenewables.com.

The Board's Governance Guidelines specifically address oversight in respect of environmental, social and governance matters, including risks associated with climate change. The Governance Guidelines clarify the Board's oversight responsibility to assess both physical and transitional risks associated with climate change and to provide oversight of TransAlta, in its capacity as Manager, in regard to the work it is doing to assess and mitigate climate change risks with respect to the Company's assets.

COVID-19

The Board received regular reports regarding the impact of COVID-19 on the Company and the measures that were being undertaken by TransAlta to minimize the impacts of COVID-19 at the Company's facilities, including ensuring that proper health controls were being implemented and enforced.

Internal Controls

The Board seeks assurance at least annually that our internal control systems and management information systems are operating effectively. The Board has delegated to the Audit Committee the responsibility for reviewing our quarterly and annual financial statements and, when required, for recommending them to the Board for approval. The Audit Committee is also responsible for overseeing the internal audit function carried out by the Manager.

Disclosure and Compliance

The Board has the responsibility to review the information prepared by the Manager and to satisfy itself that the financial performance of the Company is adequately reported to Shareholders and other relevant stakeholders (which may include regulators and governments, as well as the employees, customers and suppliers of operating businesses in which the Company and its subsidiaries and affiliates hold a material interest and the communities in which these businesses operate) on a timely and regular basis. In addition, the Board shall ensure that the financial results of the Company are reported fairly and in accordance with applicable laws and generally accepted accounting principles and shall review and ensure the timely reporting of any developments that have a significant and material impact on the value of the securities of the Company. To ensure the prompt disclosure of material information, the Company has adopted a disclosure policy. The disclosure policy requires the timely disclosure of information and a review and approval process by a disclosure committee, which is comprised of senior officers of the Company, to ensure prompt and full disclosure of any material information.

Diversity

The Company has incorporated a diversity policy directly into the ANC Charter. Specifically, the ANC Charter provides that in selecting candidates for the Board, the Audit Committee shall consider individuals from diverse backgrounds, having regard to gender, ethnicity, age, business experience, professional expertise, personal skills, stakeholder perspectives and geographic background. Since the Company has no employees and has delegated the day-to-day management to TransAlta, the Company has not adopted a diversity target.

TransAlta has also adopted a Diversity and Inclusion Pledge and a Board and Workforce Diversity Policy, outlining its commitment to the hiring of diverse employees throughout the organization. Furthermore, TransAlta has also announced industry-leading and company-wide gender targets of at least 40% of female employment for all employees by 2030. The Company and TransAlta both recognize that a diverse mix of skills, experiences, backgrounds and gender at Board and officer levels enhances both the quality and effectiveness of our performance and is an important aspect to effective corporate governance. Pursuant to the ANC Charter, the Audit Committee also specifically considers individuals from diverse backgrounds, having regard to gender, ethnicity, age, business experience, professional expertise, personal skills, stakeholder perspectives and geographic background in selecting candidates for the Board. These factors will be considered based on the direction of the Company and with the goal of creating a diverse board that can provide insight, oversight and foresight to benefit the Company.

As it pertains specifically to women, indigenous peoples, persons with disabilities, and members of visible minorities (each a "designated group"), the Company seeks to promote identification and nomination of such individuals through TransAlta's Board and Workplace Diversity Policy and through the mandate of the Audit Committee to consider diverse backgrounds when selecting candidates to the Board. Due to the fact that the Company does not have any employees and that TransAlta and its affiliates are entitled to direct the Company to nominate up to a majority of the directors of the Company, the Board does not consider it practical to establish specific targets pertaining to the identification and nomination of individuals within any designated group. Nonetheless, in considering Board refreshment, the Audit Committee does proactively seek to ensure that women, in particular, are well represented on any proposed list of potential director candidates. This year's nominees reflect the Audit Committee's commitment to diversity. If all director nominees are elected at the Meeting, the representation of women on the Board will be 37.5%.

The composition of the Board and officers for individuals identifying with a designated group for the Company and each of its material subsidiaries as of December 31, 2021 is provided below:

	TransAlta Renewables Inc.		Canadian Hydro Developers, Inc.		TransAlta (SC) L.P. ⁽¹⁾	
	<i>Board</i>	<i>Officers</i>	<i>Board</i>	<i>Officers</i>	<i>Board</i>	<i>Officers</i>
Women ⁽²⁾	3 (37.5%)	1 (17%)	1 (33%)	4 (44%)	1 (33%)	3 (43%)
Indigenous peoples	-	-	-	-	-	-
Persons with disabilities	-	-	-	-	-	-
Visible minorities	-	-	-	-	-	-

Notes:

(1) In reference to its general partner, TransAlta (SC) Inc.

(2) The data in this table does not reflect self-identification, it only identifies male or female. Nevertheless, the Company encourages directors, officers and employees to self-identify their preferred gender identity, including non-binary identities.

Independence of Directors

An independent director is a director who is independent of management and who has no direct or indirect material relationship or any other relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. In making this determination the Board adheres to the requirements of applicable Canadian securities laws and stock exchange rules. The Board also undertakes this determination upon the appointment of any new director to the Board. Any former officer of the Company serving on the Board is considered to be non-independent for the purposes of corporate governance until such time as the applicable regulatory cooling-off period has been met and the independent directors determine that no direct or indirect material relationship exists, taking into consideration the former executive's duties and relationships for and with the Company. Although a majority of our directors are not independent, the Board facilitates the exercise of independent judgement in carrying out its responsibilities through an independent Chair, regular in camera sessions at which non-independent directors are not in attendance and the use of special committees where appropriate.

Director	Independent	Non-Independent	Reason for Non-Independence
David Drinkwater	Yes	-	N/A
Brett Gellner	-	Yes	Mr. Gellner is former Chief Development Officer of TransAlta and former President of the Company. He is a TransAlta nominee.
Allen Hagerman	Yes	-	N/A
Georganne Hodges	Yes	-	N/A
Kerry O'Reilly Wilks	-	Yes	Ms. O'Reilly Wilks is Executive Vice President, Legal, Commercial & External Affairs of TransAlta. She is a TransAlta nominee.
Todd Stack	-	Yes	Mr. Stack is President of the Company and Executive Vice President, Finance and Chief Financial Officer of TransAlta. He is a TransAlta nominee.
Paul Taylor	-	Yes	Mr. Taylor was an executive officer of TransAlta and could be viewed as having a material relationship with TransAlta. He is a TransAlta nominee.
Susan Ward	Yes	-	N/A

Independent Chair of the Board

The Board has chosen to separate the positions of Chair of the Board and Chief Executive Officer (or a person acting in such capacity). The Chair of the Board is independent from management and the Company. The role of the Chair of the Board is to effectively manage and provide leadership to the Board.

The Chair of the Board, Mr. David W. Drinkwater, is an independent director. Mr. Drinkwater has never served as an executive officer of the Company, and the Board has affirmatively determined that he is independent.

Meeting Without Management or Non-Independent Directors

After each Board and committee meeting the independent directors hold in camera sessions at which non-independent directors and members of management are not in attendance. Following such in camera sessions, the Chair of the Board discusses with the President any matters raised in these sessions that are relevant to the management and operations of the Company. In 2021, in camera sessions among the independent directors were held at the conclusion of all six Board meetings, none of which included non-independent directors.

Orientation and Continuing Education

The orientation and continuing education of the directors is the responsibility of the Board. The orientation of directors or new directors is tailored to the needs of the individual and depends on the individual's area of expertise and prior experience. Orientation to date has included delivery of written materials, site visits and participation in meetings with senior management and with key employees of the Manager who can provide insight into the Company's business or operations. The focus of the orientation program is on providing new directors with (i) information about the duties and obligations of directors, (ii) information about the Company's business and operations, (iii) information about the expectations of directors (including, in particular, expectations of time and energy), (iv) opportunities to meet with management of the Company (in this case with employees of the Manager), and (v) access to documents from recent meetings of the Board.

The Board regularly receives continuing education pertaining to the Company's operations and the regulatory and competitive environment. The Company has encouraged director participation in courses sponsored by the Institute of Corporate Directors that cover topics that include cybersecurity and corporate governance. The directors have also attended several operating facilities, including the Summerview wind farms, TransAlta's Ghost hydro facility, the Sarnia cogeneration plant, and the Kent Breeze wind facilities, as well as the South Hedland site located in Port Hedland, Western Australia and the Parkeston site located in Kalgoorlie, Western Australia.

Financial Literacy

An individual is defined as financially literate if such individual can read and understand financial statements that are generally comparable in breadth and complexity of issues to those found in our financial statements.

External Consultants and Other Third Parties

If any individual director requires the services of an independent advisor to assist him or her with matters involving his or her responsibilities as a Board member, that individual may engage such an advisor at the expense of the Company, provided that the individual has first consulted with the Chair of the Board.

Other Directorships

The following table outlines other public company directorships our directors hold, including the committees on which they serve.

Name of Director	Name of Public Company	Stock Exchange	Board/Committee Appointments
David Drinkwater	PNG Copper Inc.	TSX	Chair/Audit
Brett Gellner	Tidewater Renewables Ltd.	TSX	Lead Director/Audit
Allen Hagerman	None	-	-
Georganne Hodges	None	-	-
Kerry O'Reilly Wilks	None	-	-
Todd Stack	None	-	-
Paul Taylor	None	-	-
Susan Ward	None	-	-

Position Descriptions

Board and Audit Committee Chair Position Descriptions

The Board considers the responsibilities set out in our Guidelines and the ANC Charter, including the committee chair responsibilities, to be comprehensive descriptions of the roles and responsibilities of the Board and the Audit Committee.

President Position Description

The President's position description details the President's key responsibilities, which include: (i) strategic leadership, (ii) financial and compliance leadership, (iii) administrative leadership, and (iv) public leadership. This includes developing, for the Board's approval, the strategic direction of the Company, identifying the principal risks of the Company's business and implementing appropriate systems to manage these risks, developing annual capital commitment and expenditure budgets for approval by the Board and providing effective leadership for the development and maintenance of relationships with various stakeholders.

Succession Planning

The Chair of the Board has the responsibility to lead the Board in monitoring and evaluating the performance of the President and senior management, to ensure the accountability of the President, and to review management succession and development plans for the Company's senior management team.

On February 6, 2021, the Board appointed Mr. Stack as President of the Company. Mr. Stack had previously served as the Company's Chief Financial Officer and in such capacity demonstrated an adept understanding of the Company's business, including the various operational and financial considerations. Mr. Stack's strong familiarity with the Company and its strategy, underpinned by his proven capability to manage a complex business, led the Board to unanimously approve his appointment as President.

Under the Management Agreement, substantially all of the management responsibilities and duties of the Company have been delegated to the Manager, including certain roles and responsibilities typical for a chief executive officer of a company. The Company may terminate the Management Agreement in the event that the Manager breaches or fails to observe or perform any of the Manager's material obligations, covenants or responsibilities under the Management Agreement, and within 60 days after notice from the Company specifying the nature of such breach or failure, the Manager fails to cure such breach or failure if such breach or failure is reasonably remediable within such period, or if such breach or failure is not reasonably remediable within such period, the Manager fails to commence to take, within such period, steps to remedy such default and to thereafter proceed diligently and as expeditiously as reasonably possible to cure or remedy such breach or failure.

Board Evaluations

The members of the Board annually assess their performance both as a whole and as individual contributors to the Board. As well, the Audit Committee annually evaluates its performance. Specifically, each director or Audit Committee member, as applicable, completes a written survey that is returned to the Corporate Secretary, who compiles the results on an anonymous basis. The results are presented in camera to the members of the Board or Audit Committee, as applicable.

Board Recruitment

The responsibilities of the Audit Committee include the identification and recommendation of individuals to the Board for nomination as members of the Board. Subject to the Governance and Cooperation Agreement, the Audit Committee shall:

- review, from time to time, the size, composition and profile of the Board, taking into account succession planning, geographical representation, disciplines, professional experience, strategy and direction of the Company and other matters it considers appropriate and that may affect the dynamics of the boardroom, and recommend to the Board any changes to the size, composition or profile of the Board as determined appropriate by the Audit Committee;
- review and propose to the Board for approval, criteria for selecting new directors, after considering the competencies and skills the Board possesses, as a whole, the competencies and skills of each director, and the needs of the Company going forward, including its strategic direction, and determine from this review the competencies and skills that each nominee should bring to the Board; and
- review annually the qualifications of person(s) proposed for election to the Board.

Pursuant to the Governance and Cooperation Agreement, TransAlta and its affiliates are entitled to direct the Company to nominate up to a majority of the directors of the Company for so long as the percentage of outstanding Common Shares beneficially owned directly or indirectly by TransAlta is not less than 35% of the issued and outstanding Common Shares. If the percentage of outstanding Common Shares beneficially owned directly or indirectly by TransAlta is less than 35% but greater than or equal to 10%, TransAlta shall be entitled to nominate its proportionate share of the directors of the Company (rounded up to the next whole number) based on the percentage of outstanding Common Shares beneficially owned directly or indirectly by TransAlta. Finally, irrespective of the percentage of outstanding Common Shares beneficially owned directly or indirectly by TransAlta, TransAlta is entitled to nominate one director of the Company for so long as the Governance and Cooperation Agreement is in effect. The TransAlta appointees to the Board may be directors, officers or employees of TransAlta or its affiliates or other persons, at TransAlta's discretion. The Shareholders of the Company are entitled to elect the directors of the Company.

The Board has not adopted a formal retirement policy for its directors; rather, the Company relies on robust performance evaluations (described above) and assessments of independence rather than arbitrary term limits to ensure proper Board composition. This approach to Board tenure is flexible enough to account for the contributions of valuable, long-tenured directors. The Chair of the Board is appointed for a three-year term, contingent upon being elected annually by the Shareholders. The Chair of the Board will normally serve no more than two three-year terms, subject to special circumstances arising.

Compensation Discussion and Analysis

Report on Director Compensation

Philosophy and Approach

The Board is responsible for director compensation. The compensation practices for directors take into consideration:

- the size of our business and complexity of our industry;
- the retention and attraction of qualified individuals to serve as directors on our Board;
- the provision of competitive compensation; and
- the importance we place on aligning directors' compensation with the interests of our Shareholders.

Components of Compensation

Retainer, Meeting and Travel Fees

For the financial year ended December 31, 2021, each non-management director was eligible to receive the following compensation:

Board Retainers	
Non-Management Director Annual Retainer (payable in cash or DSUs or both)	\$ 100,000
Board Chair Retainer Fee	\$ 50,000
Committee Retainers	
Audit Committee Member Annual Retainer Fee	\$ 5,000
Audit Committee Chair Retainer Fee	\$ 20,000
Special Committee Member, one-time flat fee	\$ 20,000
Special Committee Chair, one-time flat fee	\$ 40,000
Meeting Fees	
Board Meeting Fee	\$ 1,500
Audit Committee Meeting Fee	\$ 1,500
Travel Fees	
Travel Fee per Board Meeting	\$ 1,500

Deferred Share Units

In October 2013, the Board adopted a Deferred Share Unit Plan, which was amended and restated on October 25, 2021 (the "DSU Plan"). Pursuant to the terms of the Plan, non-management directors of the Company have a choice to receive all or part of their compensation in deferred share units ("DSUs"). Each DSU is a notional share that has the same value as one common share of TransAlta Renewables. DSUs may not be redeemed until the director leaves the Board. As a result, directors maintain an ongoing equity stake in the Company throughout their Board service.

If directors elect to participate in the DSU Plan, DSUs are allocated to their accounts on the 16th day of the last month of each compensation quarter, being March, June, September and December (the "Accrual Date"), based on the volume weighted average price of a TransAlta Renewables common share on the TSX for the five trading days preceding the Accrual Date. The DSU account of each director is also credited with units that are equivalent to cash dividends based on the closing price of a TransAlta Renewables common share on the same date as dividends are paid on our Common Shares.

Upon retirement from the Board, the retiring director will receive a cash amount equal to the number of DSUs held in his or her account calculated on the basis of the market value of a TransAlta Renewables common share at the time the amount is payable, less applicable taxes. At December 31, 2021, the notional value of DSUs outstanding to directors was \$2,630,831, based on the number of DSUs outstanding multiplied by the closing price of a TransAlta Renewables common share on the TSX on December 31, 2021 of \$18.75.

Share Ownership Requirements of Directors

The Board believes that directors' compensation should align with Shareholders' interests. As a result, the Board adopted share ownership requirements for non-management directors requiring them to acquire and hold a minimum of three times the director's base annual cash retainer in Common Shares or DSUs within five years of joining the Board, or the effective date of the policy, whichever is later.

In addition, non-management directors are required to acquire and hold Common Shares or DSUs equivalent in value to one times their annual cash retainer within two years of joining the Board or the effective date of the share ownership policy, whichever is later.

The following table shows the share ownership for each of the directors as at December 31, 2021 and 2020.

Name (Year Appointed)	Year	Total Shares and DSUs	Change Year-over- Year	Market Value ⁽¹⁾	Multiple of Requirement	Ownership Requirement Met ⁽²⁾
David Drinkwater (2013)	2021 2020	35,931 32,645	3,286	\$673,706 \$710,355	1.50	Yes
Brett Gellner (2013)	2021 2020	33,500 33,500	-	\$628,125 \$728,960	2.09	Yes
Allen Hagerman (2013)	2021 2020	32,104 35,617	(3,513)	\$601,950 \$775,026	2.01	Yes
Georganne Hodges (2021)	2021 2020	3,261 N/A	3,261	\$61,144 N/A	0.17	On Track
Kerry O'Reilly Wilks ⁽³⁾ (2021)	2021 2020	0 -	N/A	N/A	N/A	N/A
Todd Stack ⁽³⁾ (2021)	2021 2020	4,000 4,000	N/A	N/A	N/A	N/A
Paul Taylor (2013)	2021 2020	45,113 42,130	2,983	\$845,869 \$916,749	2.82	Yes
Susan Ward (2021)	2021 2020	1,630 N/A	1,630	\$30,563 N/A	0.10	On Track

Notes:

- (1) The 2021 market value is based on the closing price of a TransAlta Renewables' common share on the TSX as of December 31, 2021 of \$18.75 per Common Share. The 2020 market value is based on the closing price of a TransAlta Renewables' common share on the TSX as of December 31, 2020 of \$21.76 per Common Share.
- (2) Each independent director is required to acquire and hold a minimum value of three times the director's annual retainer (including any Chair fees) in shares or DSUs within five years of joining the Board. New directors are required to acquire and hold the equivalent of one times their base annual retainer within two years of joining the Board.
- (3) As officers of TransAlta, the share ownership requirements of TransAlta are applied to Mr. Stack and Ms. Kerry O'Reilly Wilks.

No-Hedging Policy

Directors are prohibited by our Insider Trading Policy from purchasing financial instruments including equity swaps, collars, prepaid variable forward contracts or exchange funds designed to hedge or offset a decrease in market value of their equity holdings.

Summary of Directors' Compensation

Name	Fees Earned ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation (\$)	Total (\$)
David Drinkwater	168,500	35,000	N/A	N/A	N/A	0	203,500
Brett Gellner ⁽³⁾	73,123	0	N/A	N/A	N/A	0	73,123
Allen Hagerman	178,000	0	N/A	N/A	N/A	0	178,000
Georganne Hodges ⁽⁴⁾	45,993	62,466	N/A	N/A	N/A	0	108,459
Kathryn McQuade ⁽⁵⁾	58,541	0	N/A	N/A	N/A	0	58,541
Kerry O'Reilly Wilks ⁽⁶⁾	N/A		N/A	N/A	N/A	N/A	N/A
Todd Stack ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Taylor ⁽⁸⁾	84,000	25,000	N/A	N/A	N/A	0	109,000
Susan Ward ⁽⁹⁾	69,356	31,232	N/A	N/A	N/A	0	100,588

Notes:

- (1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, Board Chair fees, Audit Committee Chair fees, special committee fees, travel fees and meeting fees.
- (2) Includes annual retainer fees paid in DSUs.
- (3) Mr. Gellner was an executive officer of TransAlta until April 30, 2021. Mr. Gellner was the former President and Designated Chief Executive Officer of the Company. Mr. Gellner did not received director compensation for his service on the Board until after his retirement as an employee of TransAlta on April 30, 2021. His compensation attributable to the Company is reported in the "Summary Compensation Table for NEOs". Mr. Gellner's Board retainer fee is pro-rated from May 1, 2021.
- (4) Ms. Hodges was appointed a director and Chair of the Audit Committee on May 18, 2021.
- (5) Ms. McQuade was a Board member and Chair of the Audit Committee until May 18, 2021.
- (6) Ms. Kerry O'Reilly Wilks is an officer of TransAlta. She did not receive director compensation for her service on the Board. Her compensation attributable to the Company is reported in the "Summary Compensation Table for NEOs"
- (7) Mr. Stack was appointed to the position of President of the Company effective February 6, 2021. Mr. Stack did not receive director compensation for his service on the Board. His compensation attributable to the Company is reported in the "Summary Compensation Table for NEOs".
- (8) Mr. Taylor retired from TransAlta on March 31, 2014 and became a non-management director as of April 1, 2014. Mr. Taylor elected to receive \$25,000 of his \$100,000 Board retainer in DSUs.
- (9) Ms. Ward was appointed a director on May 18, 2021.

Report on Executive Compensation

For the year ended December 31, 2021, the Company's Named Executive Officers ("NEOs") were:

- Todd Stack, President
- Brent Ward, Chief Financial Officer
- Aron Willis, Executive Vice President, Growth
- Gary Woods, Vice President, Gas and Renewables
- Scott Jeffers, Vice President and Corporate Secretary

These NEOs are also officers and employees of TransAlta. Management and administrative services required by the Company are provided by TransAlta pursuant to the Management Agreement.

The NEOs and the other officers of TransAlta do not receive direct compensation from the Company in respect of the services they provide to the Company, as this is provided for in the G&A Reimbursement Fee (as defined herein). The G&A Reimbursement Fee has been calculated assuming a fixed fee based on the services provided by the NEOs.

The compensation of the NEOs is determined and paid exclusively by TransAlta in their capacities as employees of TransAlta. The Company does not grant any share-based or option-based awards, nor does it maintain any equity or non-equity incentive compensation plans, pension plans or other benefit plans for its executive officers.

Management, Administrative and Operational Services Agreement

TransAlta, on a sole and exclusive basis, provides us with all the general administrative services as may be required or advisable for the management of the affairs of the Company pursuant to the Management Agreement.

The management services provided by TransAlta under the Management Agreement include, but are not limited to: (i) ensuring that we comply with our continuous disclosure and other obligations under Canadian securities laws; (ii) managing our financing, borrowing and investing activities; (iii) developing, implementing and monitoring our strategic plan; (iv) providing us with investor relations services including the calling and holding of all meetings of our Shareholders; (v) computing any dividends to our Shareholders and overseeing the payment thereof; (vi) undertaking all required acts and responsibilities in connection with the acquisition and disposition of our assets and property; (vii) providing accounting and bookkeeping services, including for the preparation of our annual and interim financial statements and the preparation and filing of all tax returns; (viii) providing information technology services and making available all information technology equipment as may be reasonably necessary; (ix) managing any litigation and other legal services; (x) providing risk management services; (xi) providing office space, equipment and personnel as may be reasonably necessary; (xii) arranging for audit, legal and other third-party professional and non-professional services; and (xiii) generally providing all other services as may be necessary, or requested by us, for the management and administration of TransAlta Renewables.

The operational and maintenance services provided by TransAlta under the Management Agreement include, but are not limited to: (i) administering and causing us and each of our operating subsidiaries (the "Operating Entities") to perform and satisfy our and their obligations under all material contracts; (ii) providing or securing operational, management and maintenance services; (iii) providing procurement and logistical services; (iv) providing engineering, technical and evaluation services; (v) providing environment, health and safety services; (vi) ensuring proper training of personnel and the provision of necessary equipment and services; (vii) obtaining and maintaining all permits, authorities and consents required for the conduct of business by the Operating Entities; and (viii) generally providing all other services as may be necessary or requested for the operation and maintenance of the assets held by the Operating Entities.

Pursuant to the Management Agreement, TransAlta has agreed to: (i) perform all services under the Management Agreement in compliance with applicable laws, (ii) observe or cause to be observed and performed on our behalf, in all material respects, all agreements from time to time entered into for and on our behalf and (iii) not commingle the funds of TransAlta Renewables with any party. In the exercise of its powers and authority under the Management Agreement, TransAlta is required to exercise the powers and discharge its duties thereunder honestly, in good faith and in the best interests of the Company and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent manager of a corporation in Canada, having responsibilities of a similar nature to those under the Management Agreement, would exercise in comparable circumstances. TransAlta is prohibited from entering into or committing to any transaction that, in accordance with Applicable Laws (as defined in the Management Agreement), or pursuant to the requirements of any other written agreement between the Company and TransAlta or any of their respective subsidiaries or affiliates, requires the approval of our independent directors or the approval of our Shareholders, unless such approval is first obtained.

TransAlta and its personnel shall devote as much time as is reasonably necessary for the proper discharge of its services under the Management Agreement. We expressly consent in the Management Agreement to TransAlta and its affiliates (other than us) and their respective officers, directors and employees engaging in any business or activities whatsoever, including those that may be in competition or conflict with our business and/or our interests; provided that in the event of a material conflict between our interests and the interests of TransAlta, TransAlta will be required to provide written notice to us setting forth particulars of such conflict and, thereafter, our independent directors shall be responsible to take all such actions and make all such decisions relating to such matter.

In connection with the services provided under the Management Agreement, we pay TransAlta an annual fee (the "G&A Reimbursement Fee") that is meant to cover TransAlta's management, administrative, accounting, planning and other head office costs associated with providing services to us under the Management Agreement. The G&A Reimbursement Fee is reviewed periodically, and in any event no less than once every five years, to consider, in good faith, whether any adjustments to the G&A Reimbursement Fee are required to reflect changing economic circumstances, regulatory requirements and/or the additional or reduced, as the case may be, time, effort and expense in administering our asset base.

The G&A Reimbursement Fee is calculated quarterly in an amount equal to five per cent of Comparable EBITDA of the immediately prior fiscal quarter, without duplication for any indirect costs associated with the management, administrative, accounting, planning and other head office costs of TransAlta that reduce the dividends or distributions that would otherwise be payable to the Company on any of the tracking preferred shares. This fee is intended to continue to cover TransAlta's management, administrative, accounting, planning and other head office costs associated with providing services to the Company under the Management Agreement.

In addition to the G&A Reimbursement Fee, we also reimburse TransAlta for all out-of-pocket and third-party fees and costs, including salaries, wages and benefits associated with managing and operating the assets held by our Operating Entities not captured by the G&A Reimbursement Fee. We directly incur and are responsible for any costs associated with (i) insurance, (ii) compensation for our independent directors, (iii) direct engagement of third-party experts for assessing or valuing a growth opportunity, (iv) third-party audit and legal fees, and (v) all other costs associated with being a publicly traded reporting issuer.

The reimbursement of expenses to TransAlta, including through the G&A Reimbursement Fee, or its affiliates is not intended to provide TransAlta or its affiliates with any financial gain or loss. For the year-ended December 31, 2021, the Company paid approximately \$16 million to TransAlta pursuant to the Management Agreement.

TransAlta, its affiliates and associates and each of their respective directors, officers and employees are not, either directly or indirectly, liable, answerable or accountable to the Company or any of our Shareholders, for any loss or damage resulting from the performance or non-performance of management services (including any mistake or error of judgment), unless such loss or damage resulted from the fraud, willful default or gross negligence of such party.

Each of the Company and TransAlta, and their respective directors, officers and employees, are indemnified by the other party in certain circumstances arising under the Management Agreement.

The Management Agreement has an initial 20-year term; provided, however, that the Management Agreement shall be automatically renewed for further successive terms of five years after the expiry of the initial term or any renewal term, unless terminated by either party not less than 180 days prior to the expiration of the initial term or any renewal term, as the case may be. The Management Agreement may be terminated by: (a) mutual agreement; (b) the Company upon the occurrence of a material default by TransAlta; and (c) TransAlta (i) upon the occurrence of a material default by the Company or (ii) upon a "Change of Control" of the Company, being the acquisition by any person or group of persons acting jointly and in concert (other than us and our affiliates) of more than 50% of the issued and outstanding Common Shares. In addition, the Management Agreement may be terminated by the Company by a majority vote of our independent directors at any time following TransAlta's direct and indirect ownership in the Company falling below 20%.

The head office of the Manager, TransAlta, is 110 – 12th Avenue S.W., Calgary, Alberta, T2R 0G7. The following table sets out the names and jurisdiction of residence of each of the informed persons (as defined in National Instrument 51-102, Continuous Disclosure Obligations) of the Manager and their respective positions with the Manager:

Name	Jurisdiction of Residence	Position Held with the Manager
Rona H. Ambrose	Alberta, Canada	Director
Michelle D. Cameron	Alberta, Canada	Vice President and Corporate Controller
John P. Dielwart	Alberta, Canada	Director
Jane N. Fedoretz	Alberta, Canada	Executive Vice President, People, Talent & Transformation
Alan J. Fohrer	California, USA	Director
Laura Folse	Texas, USA	Director
Scott T. Jeffers	Alberta, Canada	Vice President and and Corporate Secretary
Shasta R. Kadonaga	Alberta, Canada	Senior Vice President, Shared Services
John H. Kousinioris	Alberta, Canada	President and Chief Executive Officer
Michael J. Novelli	Alberta, Canada	Executive Vice President, Generation
Thomas O'Flynn	New Jersey, USA	Director
Kerry O'Reilly Wilks	Alberta, Canada	Executive Vice President, Legal, Commercial & External Affairs
Beverlee F. Park	British Columbia, Canada	Director
Bryan D. Pinney	Alberta, Canada	Director
Sandra R. Sharman	Ontario, Canada	Director
Sarah Slusser	Washington DC, USA	Director
Todd J. Stack	Alberta, Canada	Executive Vice President, Finance & Chief Financial Officer
Blaine van Melle	Alberta, Canada	Executive Vice President, Alberta Business
Brent V. Ward	Alberta, Canada	Senior Vice President, M&A, Strategy & Treasurer
Aron J. Willis	Alberta, Canada	Executive Vice President, Growth

In the fiscal year ended December 31, 2021, none of the above individuals received payments from the Company other than in connection with the compensation attributed by TransAlta to such individual in connection with services provided by such individual to TransAlta Renewables.

A copy of the Management Agreement is available under our profile on SEDAR at www.sedar.com.

Summary Compensation Table for NEOs

The following table discloses, for the periods indicated, total compensation received by the NEOs in their capacity as employees of TransAlta that has been attributed by TransAlta to the Company for services provided to the Company. The NEOs do not receive any compensation directly from TransAlta Renewables. The Company does not recommend or approve the compensation paid to the NEOs by TransAlta. Therefore, the below amounts represent compensation attributed to TransAlta Renewables for purposes only of this management proxy circular but are paid by TransAlta, all in accordance with the terms of the Management Agreement..

Name and Principal Position	Year	Salary (\$)	Share Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽³⁾ (\$)	Total Compensation ⁽⁴⁾ (\$)
					Annual Incentive Plan	Long-Term Incentive Plans			
Todd Stack ⁽⁵⁾ President	2021	\$210,496	\$252,596	\$63,149	\$272,593	N/A	\$18,979	\$13,951	\$831,764
	2020	\$138,394	\$138,394	\$34,598	\$130,782	N/A	\$12,118	\$10,985	\$465,270
	2019	\$113,406	\$119,841	\$17,348	\$103,708	N/A	\$7,616	\$6,297	\$368,215
Brent Ward ⁽⁶⁾ CFO	2021	\$116,432	\$71,760	\$17,289	\$141,515	N/A	\$7,801	\$6,956	\$361,751
	2020	\$80,445	\$23,934	N/A	\$30,619	N/A	\$4,145	\$3,745	\$142,887
	2019	\$73,467	\$19,882	N/A	\$28,248	N/A	\$3,863	\$8,318	\$133,778
Aron Willis ⁽⁷⁾ Executive VP, Growth	2021	\$157,206	\$152,799	\$38,200	\$190,926	N/A	\$15,021	\$10,946	\$565,099
	2020	\$117,228	\$75,026	\$18,756	\$110,780	N/A	\$11,439	\$8,466	\$341,695
	2019	\$112,995	\$72,317	\$18,079	\$108,836	N/A	\$11,512	\$12,869	\$336,608
Gary Woods ⁽⁸⁾ VP, Gas & Renewables	2021	\$106,171	\$63,703	N/A	\$61,165	N/A	\$7,532	\$7,788	\$246,360
	2020	\$81,987	\$48,785	N/A	\$34,391	N/A	\$6,115	\$6,187	\$177,465
	2019	\$78,117	\$46,102	N/A	\$38,851	N/A	\$5,737	\$6,121	\$174,928
Scott Jeffers VP and Corporate Secretary	2021	\$98,670	\$28,417	N/A	\$44,648	N/A	\$6,736	\$6,946	\$185,418
	2020	\$73,267	\$21,980	N/A	\$27,887	N/A	\$4,975	\$3,745	\$131,855
	2019	\$65,769	\$18,832	N/A	\$25,289	N/A	\$4,268	\$3,610	\$117,768

Notes:

- (1) Shares awards are in reference to share units issued by TransAlta in reference to the common shares of TransAlta, not of TransAlta Renewables.
- (2) In 2020 and 2021, TransAlta granted options to Mr. Stack and Mr. Willis. The Black-Scholes option valuation method was used and the assumptions and calculated fair value were as follows:

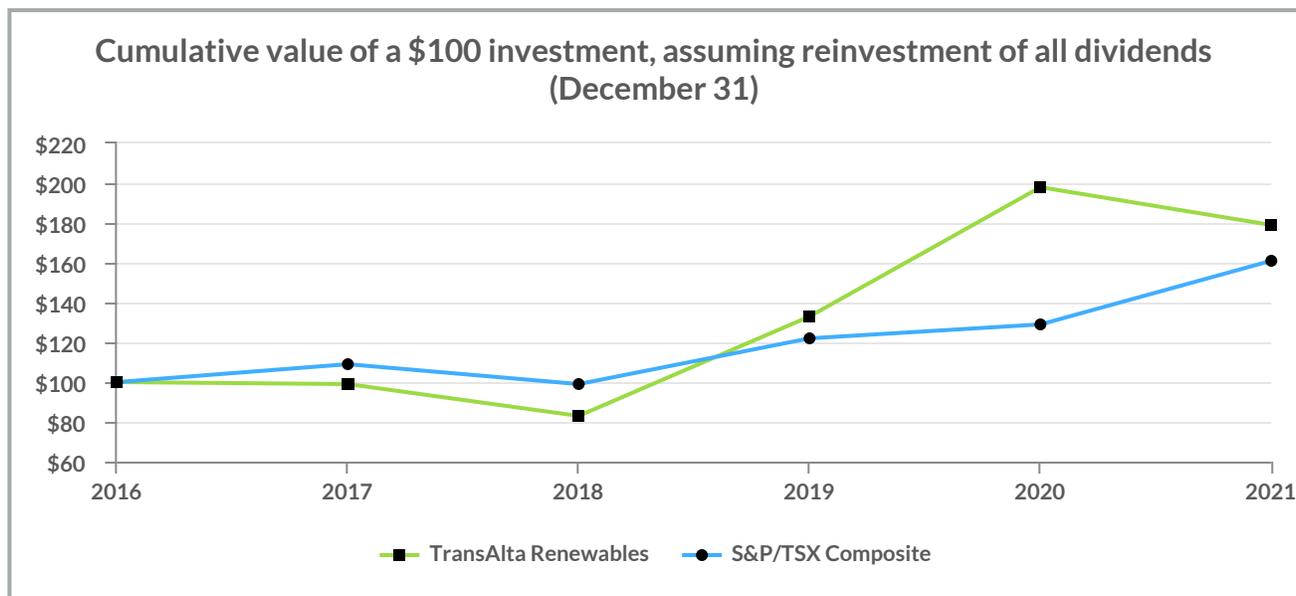
	Grant Date	Grant Price	Term	Risk-free Rate	Volatility	Dividend Yield	Value per Option
2021	January 1, 2021	\$9.67	7 years	0.48%	33.65%	1.76%	\$2.69
2020	January 1, 2020	\$9.28	7 years	1.68%	28.61%	1.72%	\$2.42

The calculated fair values of \$2.69 in 2021 and \$2.42 in 2020 represent 28% and 26%, respectively, of the grant prices. This is above the Company's minimum requirement of 12%, at which point 12% of the grant price would have been used to determine the fair value.

- (3) All other compensation is comprised of amounts paid to the NEOs with respect to auto allowance, perquisite and, for Mr. Stack only, additional life insurance.
- (4) Values reported are adjusted for the number of megawatts under management for the Company versus the total megawatts of TransAlta.
- (5) Mr. Stack was appointed President of the Company effective February 6, 2021.
- (6) Effective May 16, 2019, Mr. Ward ceased acting in the office of Managing Director & Treasurer and was appointed to the office of Chief Financial Officer.
- (7) Effective October 25, 2021, Mr. Willis ceased acting in the office of Senior VP, Growth and was appointed to the office of Executive VP, Growth.
- (8) Mr. Woods was appointed VP, Gas & Renewables of the Company effective October 25, 2021.

Performance Graph

The Common Shares began trading on the TSX at the opening of business on August 9, 2013. The following graph shows, as at December 31, 2021, the cumulative total Shareholder return (based on a \$100 investment as at December 31, 2015, with all dividends reinvested), compared with the cumulative total return for the same investment in respect of the S&P/TSX Composite Index.



	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
TransAlta Renewables	\$100	\$99	\$83	\$133	\$198	\$179
TSX/S&P Composite Total Return Index	\$100	\$109	\$99	\$122	\$129	\$161

Loans to Directors and Officers

We do not make loans to our directors and officers. Therefore, no loans were outstanding to our directors and officers in 2021.

Interest of Informed Persons in Material Transactions

Except as noted below, there has been no material interest, direct or indirect, of any director or officer of the Company, any person beneficially owning, directly or indirectly, more than 10% of the Company's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction that in either case has materially affected or will materially affect the Company or its subsidiaries.

Under the Management Agreement, TransAlta is responsible for providing management and administrative services to the Company and will receive compensation from the Company for such services. See "*Management, Administrative and Operational Services Agreement*" in this Proxy Circular. The Company also relies on TransAlta exclusively to: (i) identify acquisition and/or development opportunities for the Company (the "Opportunities"), (ii) evaluate the Opportunities for their suitability for the Company, (iii) present Opportunities suitable for, and meeting the strategic goals and objectives of, the Company to the Board for assessment and approval, and (iv) execute and complete any Opportunities approved by the Board. The Opportunities may also include transactions with TransAlta that could result in the sale of assets from TransAlta to the Company. See "*Governance and Cooperation Agreement*" in the Company's Annual Information Form dated February 23, 2022.

In November 2021, the Company and TransAlta entered into definitive agreements for the acquisition of an economic interest in the North Carolina solar projects.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Company is not aware of any material interest, direct or indirect, of any director or nominee for director, or officer or anyone who has held office as such since the beginning of the Company's last financial period or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than as disclosed in this Proxy Circular in the discussion of each such matter.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on our website at www.transaltarenewables.com. Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year.

Director Approval

The undersigned hereby certifies that the contents and the sending of this Proxy Circular have been approved by the Board for mailing to the Shareholders entitled to receive notice of the Meeting, to each director of the Company, to Ernst & Young LLP and to the appropriate governmental agencies.

By the order of the Board of Directors

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Scott Jeffers
Vice President and Corporate Secretary

Calgary, Alberta
March 24, 2022

APPENDIX "A" – GENERAL GOVERNANCE GUIDELINES

TRANSALTA RENEWABLES INC.

GENERAL GOVERNANCE GUIDELINES FOR THE BOARD

A. INTRODUCTION

The Board of Directors (the "Board") is responsible for the stewardship of TransAlta Renewables Inc. (the "Company") and to foster the long-term success of the Company. The Board has the statutory authority and obligation to act honestly and in good faith with a view to the best interests of the Company, including all of its stakeholders. The Board has absolute and exclusive power, control and authority over the property and affairs of the Company. The Board may delegate certain of those powers and authority that the directors, or independent directors, as applicable, deem necessary or desirable to effect the actual administration of the duties of the Board. The responsibilities set forth herein are subject to the Management, Administrative and Operational Services Agreement (the "Management Agreement"), which appoints TransAlta Corporation (the "Manager") the Manager for the Corporation and grants the Manager broad discretion to administer and manage the business and operations of the Corporation.

B. BOARD ORGANIZATION AND MEMBERSHIP

1) Independent Chair of the Board

The Board has chosen to separate the positions of chair of the Board (the "Chair") and President (or a person acting in such capacity) (the "President"). The Chair is independent from management and the Company. The role of the Chair is to effectively manage and to provide leadership to the Board.

2) Independence of Directors

The Board annually determines the independence of each director. An independent director is a director who is independent of management and who has no direct or indirect material relationship or any other relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. In making this determination the Board adheres to the requirements of Canadian securities and stock exchange rules and regulations. The Board also undertakes this determination upon the appointment of any new director to the Board.

Any former officer of the Company or the Manager serving on the Board is considered to be non-independent for purposes of corporate governance until such time as the applicable regulatory cooling-off period has been met and the independent directors determine that no direct or indirect material relationship exists, taking into consideration the former officer's duties and relationships for and with the Company.

C. BOARD MEETINGS AND MATERIALS

1) Agendas and Materials

The Chair and the President, together with the Corporate Secretary and/or the Assistant Corporate Secretary, establish the agenda for each Board meeting, ensuring that all matters to be addressed as provided in these guidelines form part of the scheduled agendas for the year. In advance of each meeting, management distributes to the Board written information and data necessary for the Board's understanding of the business to be conducted at the meeting. Any Board member may suggest the inclusion of additional items on the agenda.

The Board is responsible for directing the Manager to ensure that legal and regulatory requirements are met, and that documents and records are properly prepared, approved and maintained. The Board delegates to the Corporate Secretary of the Manager the preparation and maintenance of records of the Company and all subsidiaries, including, but not limited to, articles and by-laws and any amendments thereto, minutes of meetings and resolution of shareholders, notices and securities registers of the Company, at the Company's registered office or at any other place in Canada deemed appropriate by the Corporate Secretary of the Manager.

2) Quorum

A majority of the members of the Board, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

3) Meetings

Members of senior management are invited to attend Board meetings as required. The independent directors meet without management present as a standing agenda item at each regularly scheduled Board meeting. The Chair discusses with the President any matters raised in these meetings that are relevant for the President or the Manager.

D. COMMITTEE ORGANIZATION AND MEETINGS

1) Board Committees

The Board has one standing committee, the Audit and Nominating Committee. The Board may form a new committee or disband a committee if, in its view, it is appropriate to do so, provided that the Board will always have an audit committee consisting solely of independent members of the Board.

2) Assignment of Committee Members

The Board, determines among its members the members of its committees, provided that the members of the Audit and Nominating Committee are chosen solely from the Board's independent members.

E. DUTIES AND RESPONSIBILITIES

The Board has the responsibility:

- (a) to monitor the Company's progress towards the achievement of its goals and, through the Manager, to establish, revise and alter the Company's strategic plans in light of changing circumstances;
- (b) to review and approve the annual budget, annual financing plans, any payment of dividends and new financings;
- (c) to review and approve annual financial reports, and the related management's discussion and analysis, the Annual Information Form and the annual report;
- (d) to monitor the actions of the Manager, including achievement of strategic plans and objectives and to receive quarterly updates;
- (e) to annually review and monitor compliance with all significant policies and procedures by which the Company is governed and operated;
- (f) to monitor the Manager in the performance of its services under the Management Agreement and to satisfy itself that the Manager is operating in accordance with the Management Agreement and within applicable laws and regulations; and
- (g) to monitor the Manager and satisfy itself that the Manager creates a culture of integrity throughout the organization as it relates to the business of the Company and is operating with the highest ethical and moral standards, including compliance with the Manager's Code of Conducts and related policies.

F. GENERAL LEGAL OBLIGATIONS OF THE BOARD

- (a) The Board is responsible for:
 - (i) managing or supervising the business and affairs of the Company, including the relationships among the Company, its subsidiaries and affiliates, their shareholders, directors and officers;
 - (ii) acting honestly and in good faith with a view to the best interests of the Company;
 - (iii) exercising the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances;
 - (iv) acting in accordance with the Board's responsibilities contained in the Canada Business Corporations Act (the "CBCA"), the securities laws of applicable provinces and territories of Canada, other relevant legislation, regulations and policies, and the Company's Articles and By-Laws;
 - (v) recommending the appointment of an auditor to the shareholders and fixing the remuneration of the auditor if not fixed by the shareholders.

- (b) Pursuant to the CBCA, the following matters will be considered by the Board as a whole and shall not be delegated:
- (A) submitting to the shareholders any question or matter requiring approval of the shareholders;
 - (B) filling a vacancy among the directors or in the office of auditor or appointing additional directors;
 - (C) authorizing the issuance of securities or the issuance of shares in a series;
 - (D) declaring dividends;
 - (E) purchasing, redeeming or otherwise acquiring shares issued by the Company;
 - (F) the payment of a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (G) approving any required management proxy circulars;
 - (H) approving any required take-over bid circulars or directors' circulars;
 - (I) approving the annual financial statements; and
 - (J) adopting, amending or repealing the by-laws of the Company.

G. DISCLOSURE AND COMPLIANCE REPORTING

The Board has the responsibility:

- (a) to review the information prepared by the Manager and to satisfy itself that the financial performance of the Company is adequately reported to shareholders and other relevant stakeholders (which may include regulators and governments, as well as the employees, customers and suppliers of operating business in which the Company and its subsidiaries and affiliates hold a material interest and the communities in which these businesses operate) on a timely and regular basis;
- (b) to ensure that the financial results of the Company are reported fairly and in accordance with applicable laws and generally accepted accounting principles; and
- (c) to review and ensure the timely reporting of any developments that have a significant and material impact on the value of the securities of the Company.

H. RISK ASSESSMENT

- (a) The Board, either directly or through the Audit and Nominating Committee, is responsible for understanding the principal risks associated with the Company's business and for ensuring that the President and the Manager have identified the principal risks and have implemented appropriate strategies and systems to monitor, manage and mitigate these risks.
- (b) The Board, either directly or through the Audit and Nominating Committee, will be responsible for assessing the effectiveness of programs and initiatives that support the environment, health and safety, sustainability, corporate social responsibility, and climate change policies and programs of the Company, including assessing the physical and transitional risks associated with climate change.
- (b) The Company has adopted a Code of Conduct that is reviewed and approved that sets out the key principles and policies governing the organization.
- (c) The Company has adopted an Insider Trading Policy, which is reviewed annually by the Board. The policy requires, among other things, that directors and officers adhere to a trading blackout when in possession of material non-public information.

I. OUTSIDE ADVISORS FOR INDIVIDUAL DIRECTORS

The Board may at any time retain outside financial, legal or other advisors at the expense of the Company. If any individual director requires the services of an independent advisor to assist him or her with matters involving his or her responsibilities as a Board member, he or she may engage such an advisor at the expense of the Company provided that he or she has first consulted with the Chair of the Board.

Solicitation of Proxies

The solicitation will be made primarily by electronic means, the Internet or mail and the cost will be borne by the Company. Your vote is important. Voting by proxy is the easiest way to vote. To encourage your vote, employees of TransAlta Corporation, the Company's majority shareholder, may solicit proxies without compensation by telephone, email, facsimile or other electronic means, including via the Internet.

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