

Ontario Power Generation Inc.

Human Resources and Governance Committee of the Board

CHARTER

Purpose

The basic function and purpose of the Human Resources and Governance Committee is to assist the Board of Directors in their responsibility for oversight of matters relating to:

1. compensation and benefits philosophy, human resources programs and policies;
2. labour relations;
3. OPG culture, talent management and leadership succession planning, including the CEO;
4. principles, policies and system of corporate governance;
5. annual assessments of the Board, committees and directors;
6. director succession planning and nomination; and
7. OPG corporate communications strategies.

Committee Responsibilities and Duties

The Committee shall perform the duties set out in this Charter and shall perform such other duties as may be necessary or appropriate under applicable law or securities rules, or as may be delegated to the Committee by the Board from time to time.

1. Compensation and Benefits Philosophy, and Policies

The Committee reviews and makes recommendations to the Board with respect to:

- a) OPG compensation philosophy, principles, human resources programs and objectives for total compensation, including desired competitive positioning and comparator groups, compensation structures, decisions and payouts (base pay, incentive, etc), ensuring the link between pay and performance, and that executive compensation levels and targets are consistent with the compensation philosophy and aligned with and designed to achieve OPG's strategic and operating objectives;
- b) CEO compensation, including base salary, incentive plans and benefits, setting of annual corporate goals and objectives, the annual evaluation of the CEO's performance against those corporate goals and objectives, including feedback from the Board, and CEO, and compensation based on this evaluation; and
- c) any benefit plans or design changes to existing plans for executives, and any pension plans or design changes to existing pension plans.

The Committee reviews and approves:

- d) director compensation framework and level; and
- e) compensation for direct reports to the CEO for Bands C and above, including total compensation, individual contract provisions on senior executive employment offers, plus severance agreements. For Bands D and E, the CEO shall inform the Committee where

there are significant deviations from the company's compensation program or strategic considerations.

In carrying out its responsibilities for oversight of compensation and benefits philosophy, and policies, the Committee reviews:

- f) executive compensation and other regulatory disclosures on compensation and human resource matters before OPG publicly discloses this information; and
- g) reports from the Chief Ethics Officer on independent reviews and investigations of matters that involve Code of Business Conduct violations and compliance which are primarily personnel related.

2. Labour Relations

The Committee reviews and makes recommendations to the Board with respect to:

- a) mandates for collective bargaining, strategies for negotiating renewal of collective agreements and status of contract negotiations.

3. Talent Management and Leadership Succession Planning, including the CEO

The Committee reviews and makes recommendations to the Board with respect to:

- a) changes to overall organization design that involve senior executives.

In carrying out its responsibilities for oversight of OPG culture, talent management and leadership succession planning, the Committee shall review:

- b) a report, at least annually, on OPG culture, key elements of OPG's workforce profile and talent recruitment and retention strategies, and workplace diversity and inclusion progress; and
- c) succession plans for the CEO, direct reports to the CEO, and nuclear senior management.

4. Principles, Policies and System of Corporate Governance

The Committee reviews and makes recommendations to the Board with respect to:

- a) the system of corporate governance principles and Board level policies applicable to OPG, including OPG's Subsidiary and Joint Venture Governance, the Procedure Checklist for OPG Board's Roles and Responsibilities During a Crisis, and OPG's responses to securities regulators' requirements and guidelines.

In carrying out its responsibilities for oversight of the principles, policies and system of corporate governance, the Committee will:

- b) monitor best practices and regulatory disclosures on corporate governance matters; and
- c) provide oversight of the implementation of the following Board of Directors' policies, protocols and guidelines, reviewing these to ensure their continuing adequacy, amending

as appropriate those that are not specified in this section 4 above, and the development of any new Board policies, protocols or guidelines the Committee may feel are required, subject to Board approval, in order to fulfill the roles and responsibilities of the Committee:

- i. Board of Directors Conflict of Interest Policy and Procedure;
- ii. OPG Subsidiary and Joint Venture Governance Standard;
- iii. Board of Directors In Camera Guideline;
- iv. Protocol for Deleting Director Notes and Annotations from Board Materials;
- v. Guideline for Continuing Education for OPG Board;
- vi. Procedure Checklist for OPG Board's Roles and Responsibilities During a Crisis; and
- vii. Protocol for Directors Attending Meetings of Committees of Which They Are Not a Member.

5. Annual Assessments of the Board, Committees and Directors

The Committee reviews and makes recommendations to the Board with respect to:

- a) appropriate processes to assess and monitor the effective functioning of the Board, committees and directors; and
- b) changes deemed necessary as a result of those assessments, to ensure and improve the effective functioning of the Board, committees and directors, including but not limited to size, composition, mandates, committee chairs and cross committee appointments.

In carrying out its responsibilities for oversight of annual assessments of the Board, committees and directors, the Committee shall:

- c) review and assess its performance, including a review of compliance with this Charter, in accordance with the evaluation process approved by the Board. The Committee shall also assess the adequacy of this Charter taking into account all legislative and regulatory requirements applicable to the Committee as well as any best practice guidelines recommended by regulators with whom OPG has a reporting relationship.

6. Director Succession Planning and Nomination

The Committee reviews and approves:

- a) candidates to stand for election at each annual meeting of the Shareholder, or otherwise to be appointed by the Shareholder to fill any vacancy on the Board from time to time;
- b) a screening and selection process and criteria to ensure that suitable director candidates are identified and recommended to the Shareholder in a timely manner, with such processes to:
 - identify candidates with integrity, knowledge, skill, experience and judgment;
 - interview a diverse candidate (which includes candidates who belong to equity-seeking groups, i.e. including but not limited to women, people with disabilities, people who are Black, Indigenous or are people of colour, and members of the LGBTQ2S+ community) for every vacancy on the Board;
 - maintain a target for diverse representation on the Board, as determined by the Board;
 - consider the needs of individual committees, particularly with respect to upcoming retirements of chairs and committee members; and

- consider Board succession planning, in light of the opportunities and risks facing OPG;
- c) the orientation programs for directors newly appointed to the Board, with respect to expectations and statutory duties and obligations as directors as well as the business of OPG; and
- d) the continuous education program for OPG directors.

7. OPG Corporate Communications

In carrying out its responsibilities for oversight of corporate communications strategies, the Committee reviews OPG's corporate communications strategy in support of OPG's corporate strategy and business plan objectives.

Organization

Members

The Committee shall consist of three or more directors as determined by the Board. All members of the Committee shall be independent, as defined by the Ontario Securities Commission, and not "affiliated" with OPG.

The Board shall appoint the members of the Committee and the Chair of the Committee. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of directors. Any member of the Committee may be removed or replaced at any time by the Board.

If a member of the Committee becomes "affiliated" with OPG, the member may continue as a member of the Committee with the approval of the Board Chair, in consultation with the Corporate Secretary.

The OPG Board Chair and OPG CEO will attend all meetings of the Committee.

Meetings

The Committee shall meet as frequently as it determines necessary but not less than once each quarter.

Notice of the time and place of each meeting of the Committee must be given to each member of the Committee not less than 48 hours before the time of the meeting. If less than 48 hours notice is given, a waiver of notice requirement will be received from all members.

A quorum of the Committee shall be a majority of its members. The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means, or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each member is entitled to one vote in Committee proceedings.

The Committee Chair shall preside at all meetings of the Committee at which he or she is present (or if not able to be present, designate another member of the Committee to chair the meeting) and shall develop the agenda for each Committee meeting. The agenda for each meeting of the Committee shall be delivered to each member of the Committee at least 48 hours prior to any meeting of the Committee, together with such other materials as the Chair determines necessary.

Minutes shall be kept of all meetings of the Committee and shall be maintained by OPG's Corporate Secretary.

The Committee may meet in camera (without management present) at any time during the meeting consistent with the Board guideline on the conduct of in camera sessions and the keeping of minutes from in camera sessions.

The Committee may invite any director, officer or employee of OPG or OPG's counsel or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

Reports

The Committee will report on its activities and actions to the Board of Directors with recommendations for approval, as the Committee deems appropriate.

Authority

Delegation of Authority

The Committee may not delegate its oversight responsibilities. The Committee may delegate to a sub-committee, the CEO or any employee of OPG the authority to exercise any right, power or responsibility that the Committee may have on such terms and conditions and within such limits as the Committee deems appropriate provided that the sub-committee, CEO or employee subsequently advises the Committee of any right, power or responsibility so exercised.

Access to Management and Outside Advisors

The Committee shall have full, free and unrestricted access to management, employees and relevant information.

The Committee has the authority to retain legal counsel, consultants or other advisors, with respect to any issue or to assist in fulfilling its responsibilities and OPG shall provide appropriate funding, as determined by the Committee, for any such advisors.

For greater certainty, the Committee shall have the sole authority to retain and terminate any consulting firm used to assist in evaluating the performance and determining the compensation of the CEO or other executives.

The Committee shall evaluate and select external compensation advisors, who shall be directly accountable to the Committee. If these same advisors are hired by management, it will be made clear when they are directly accountable to the Committee.

Effective: February 11, 2016

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