



JADEPOWER
BOARD CHARTER

Dated as of November 27, 2019

JADE POWER TRUST

BOARD CHARTER

1. GENERAL

The term “**Trust**” as used herein shall refer to the Jade Power Trust and include all of the direct and indirect subsidiaries of the Jade Power Trust, and the Jade Power Administrator Inc. (the “**Administrator**”), as the context so requires. The Administrator is the administrator of Jade Power Trust, and as such, the board of directors of the Administrator (the “**Board**”) is responsible for the stewardship of the affairs of the Trust and the Trust’s direct and indirect subsidiary entities. The fundamental responsibility of the Board is to supervise the management of the business and affairs of the Trust.

The Board has adopted this charter, which reflects the Trust’s commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the Trust.

The Board believes that sound corporate governance practices are essential to the well-being of the Trust and the promotion and protection of its unitholders’ (the “**Unitholders**”) interests. The Board oversees the functioning of the Trust’s governance system, in part through the work of the Governance, Nomination & Compensation Committee.

The Board promotes fair reporting, including financial reporting, to Unitholders of the Trust and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Trust is best served by a board of directors that functions independently of management and is informed and engaged.

The Governance, Nomination & Compensation Committee will review this mandate annually, or more often if warranted, and recommend to the Board such changes as it deems necessary and appropriate in light of the Trust’s needs and legal and regulatory developments.

2. COMPOSITION AND OPERATION OF THE BOARD

The Board will consist of a minimum of three members up to the stipulated maximum number of members as prescribed in the Administrator’s articles. A majority of the members of the Board shall be residents of Canada. In addition, a majority of the members of the Board shall be “independent” as contemplated in NI 58-101 – *Disclosure of Corporate Governance Practices*. An independent director is a director of the Administrator who is independent of management of the Trust and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director’s ability to act with a view to the best interests of the Trust, other than interests and relationships arising from securityholdings. In determining whether a director of the Administrator is independent of management of the Trust, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

The Board operates by delegating certain of its ties to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its executive chairman, nominating candidates for election to the board, constituting committees of the full Board and determining compensation for the directors. Subject to the articles and by-Laws of the Administrator and the *Business Corporations Act* (Ontario) (“**OBCA**”), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

The Board shall meet at such times and at such locations as the chair of the Board shall determine. Such meetings should be held in Canada. Any Member may request a meeting of the Board.

3. RESPONSIBILITIES

The Board’s fundamental objectives are to enhance and preserve long-term unitholder value, to ensure the Trust meets its obligations on an ongoing basis and that the Trust operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders such as employees, customers and communities may have in the Trust. In broad terms, the stewardship of the Trust involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

4. DUTIES

The Board’s specific duties, obligations and responsibilities fall into the following categories.

(a) Legal Requirements

(i) The Board has the oversight responsibility for meeting the Trust’s legal requirements and for properly preparing, approving and maintaining the Trust’s documents and records.

(ii) The Board has the statutory responsibility to:

- (A) manage the business and affairs of the Trust;
- (B) act honestly and in good faith with a view to the best interests of the Trust;
- (C) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
- (D) act in accordance with its obligations contained in the OBCA and the regulations thereto, the trust indenture of the Trust, the articles and by-laws of the Administrator, securities laws

and regulations, and other relevant legislation and regulations.

- (b) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
- (i) any submission to the Unitholders of a question or matter requiring the approval of the Unitholders;
 - (ii) the filling of a vacancy among the directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of distributions;
 - (v) the purchase, redemption or any other form of acquisition of units issued by the Trust;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase units of the Trust from the Trust or from any other person, or procuring or agreeing to procure purchasers for any such units;
 - (vii) the approval of management proxy circulars; and
 - (viii) the approval of any take-over bid circular or directors' circular.
- (c) Independence

The Board shall have the responsibility to:

- (i) implement appropriate structures and procedures to permit the Board to function independently of management;
- (ii) implement a system which enables an individual director to engage an outside advisor at the reasonable expense of the Administrator in appropriate circumstances; and
- (iii) provide an orientation and education program for newly appointed members of the Board.

(d) Strategy Determination

The Board shall:

- (i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
- (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

(e) Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Trust is engaged, to achieve a proper balance between risks incurred and the potential return to Unitholders, and to confirm that systems are in place to effectively monitor and manage those risks with a view to the long-term viability of the Trust.

(f) Appointment, Training and Monitoring of Senior Management

The Board shall:

- (i) appoint the chief executive officer (“**Chief Executive Officer**”) and such other senior officers as it determines to be appropriate;
- (ii) approve (upon recommendations from the Governance, Nomination & Compensation Committee) the compensation of the Chief Executive Officer and other senior officers;
- (iii) monitor the Chief Executive Officer’s performance against a set of mutually agreed corporate objectives directed at maximizing Unitholder value;
- (iv) ensure that a process is established that adequately provides for succession planning, including the appointment, training and monitoring of the Chief Executive Officer and other senior officers; and
- (v) establish limits of authority delegated to management of the Trust.

(g) Reporting and Communication

The Board has the responsibility to:

- (i) verify that the Trust has in place policies and programs to enable the Trust to communicate effectively with its Unitholders, other stakeholders and the public generally;
- (ii) verify that the financial performance of the Trust is reported to Unitholders, other security holders and regulators on a timely and regular basis;

- (iii) verify that the financial results are reported fairly and in accordance with generally accepted accounting standards (including International Financial Reporting Standards as applicable);
 - (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Trust; and
 - (v) report annually to Unitholders on its stewardship of the affairs of the Trust for the preceding year.
- (h) Monitoring and Acting

The Board has the responsibility to:

- (i) review and approve the Trust's financial statements and oversee the Trust's compliance with applicable audit, accounting and reporting requirements;
 - (ii) verify that the Trust operates at all times within applicable laws and regulations to the highest ethical and moral standards;
 - (iii) approve and monitor compliance with significant policies and procedures by which the Trust is operated;
 - (iv) recommend to Unitholders the appointment of the Trust's external auditor, pursuant to the recommendation of the Audit & Risk Committee, and set the external auditor's compensation.
 - (v) monitor the Trust's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
 - (vi) take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
 - (vii) verify that the Trust has implemented adequate internal controls and information systems which ensure the effective discharge of its responsibilities.
- (i) Other Activities

The Board may exercise or delegate any other powers consistent with this mandate, the trust indenture of the Trust, the Administrator's articles and by-laws, the OBCA and any other governing laws, as the Board deems necessary or appropriate. The powers of the Board may be exercised by a resolution passed at a meeting of the Board at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting. If there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. The Board may perform any other activities consistent with this mandate, the trust indenture of the Trust,

the by-laws of the Administrator, the OBCA and any other governing laws as the Board determines necessary or appropriate.