

ATLANTIC POWER CORP
Form PRE 14A
April 15, 2016

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Atlantic Power Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR
AND
PROXY STATEMENT**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 21, 2016**

APRIL , 2016

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Headquarters Address
3 Allied Drive, Suite 220
Dedham, Massachusetts 02026
United States

Registered Address
215-10451 Shellbridge Way
Richmond, British Columbia V6X 2W8
Canada

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Atlantic Power Corporation (the "**Corporation**" or "**Atlantic Power**") will be held at the Omni King Edward Hotel, Belgravia Room, 37 King Street East, Toronto, Ontario, Canada M5C 1E9 on Tuesday the 21st day of June, 2016 at the hour of 10:00 a.m. (Eastern time) for the following purposes:

1. **TO RECEIVE** the financial statements of the Corporation for the year ended December 31, 2015, together with the report of the auditors thereon;
2. **TO ELECT** seven directors to the board of directors of the Corporation;
3. **TO HOLD** a non-binding advisory vote on named executive officer compensation;
4. **TO APPOINT** auditors of the Corporation and authorize the board of directors of the Corporation to fix the remuneration of the auditors;
5. **TO CONSIDER** the approval of an ordinary resolution of the Shareholders, the full text of which is set forth in Schedule "A" to this Information Circular and Proxy Statement, to approve, ratify and confirm the Shareholder Rights Plan adopted by the Board of Directors of the Corporation effective February 28, 2013 between the Corporation and Computershare Investor Services Inc., as rights agent; and
6. **TO TRANSACT** such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

At the Meeting, each Shareholder of record at the close of business on April 25, 2016 will be entitled to one vote for each Common Share of the Corporation held on all matters proposed to come before the Meeting.

The accompanying Information Circular and Proxy Statement provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON JUNE 21, 2016**

The U.S. Securities and Exchange Commission (the "**SEC**") has adopted a "Notice and Access" rule that allows companies to deliver a Notice of Internet Availability of Proxy Materials ("**Notice of Internet Availability**") to Shareholders in lieu of a paper copy of the Information Circular and Proxy Statement, related materials and the Corporation's Annual Report to Shareholders (collectively, the "**Proxy Materials**"). The Notice of Internet Availability provides instructions as to how Shareholders can access the Proxy Materials online, contains a listing of

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matters to be considered at the Meeting, and sets forth instructions as to how shares can be voted. Shares must be voted either by telephone, online or by completing and returning a proxy card. **Shares cannot be voted by marking, writing on and/or returning the Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes.** Instructions for requesting a paper copy of the Proxy Materials are set forth on the Notice of Internet Availability.

The Corporation is relying on the exemptions set forth in Section 9.1.5 of National Instrument 51-102 *Continuous Disclosure Obligations* and Section 9.1.1 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* from the requirement under Canadian securities laws to send paper copies of the Proxy Materials to registered and beneficial shareholders of the Corporation.

The Corporation's Information Circular and Proxy Statement and Annual Report for the year ended December 31, 2015 are available free of charge at <https://materials.proxyvote.com/04878Q>.

DATED at Toronto, Ontario this day of April, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"Irving R. Gerstein"
Chair of the Board of Directors
Atlantic Power Corporation
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ATLANTIC POWER CORPORATION INFORMATION CIRCULAR AND PROXY STATEMENT

Introduction

This information circular and proxy statement (the "**Information Circular and Proxy Statement**") is furnished in connection with the solicitation of proxies by or on behalf of the board of directors (the "**Directors**", the "**Board**", or the "**Board of Directors**", and each one individually, a "**Director**") of Atlantic Power Corporation (the "**Corporation**" or "**Atlantic Power**"), for use at the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held on June 21, 2016 at the Omni King Edward Hotel, Belgravia Room, 37 King Street East, Toronto, Ontario, Canada M5C 1E9 commencing at 10:00 a.m. (Eastern time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**"). In this Information Circular and Proxy Statement, references to "Cdn\$" and "Canadian dollars" are to the lawful currency of Canada and references to "\$", "US\$" and "U.S. dollars" are to the lawful currency of the United States. All dollar amounts herein are in U.S. dollars, unless otherwise indicated. The information contained herein is given as at April , 2016, except where otherwise noted.

On or about , 2016, we intend to mail to our stockholders a notice containing instructions on how to access the Proxy Materials (as defined below) and how to vote their Common Shares online. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, for purposes of distributing to non-registered Shareholders who have requested a copy, the Corporation has distributed copies of this Information Circular and Proxy Statement to the intermediaries for onward distribution to such non-registered Shareholders.

The U.S. Securities and Exchange Commission (the "**SEC**") has adopted a "Notice and Access" rule that allows companies to deliver a Notice of Internet Availability of Proxy Materials ("**Notice of Internet Availability**") to Shareholders in lieu of a paper copy of the Information Circular and Proxy Statement and related materials and the Corporation's Annual Report to Shareholders (collectively, the "**Proxy Materials**"). The Notice of Internet Availability provides instructions as to how Shareholders can access the Proxy Materials online, contains a listing of matters to be considered at the Meeting, and sets forth instructions as to how shares can be voted. Shares must be voted either by telephone, online or by completing and returning a proxy card. **Shares cannot be voted by marking, writing on and/or returning the Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes.** Instructions for requesting a paper copy of the Proxy Materials are set forth on the Notice of Internet Availability.

The Corporation is relying on the exemptions set forth in Section 9.1.5 of National Instrument 51-102 *Continuous Disclosure Obligations* and Section 9.1.1 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* from the requirement under Canadian securities laws to send paper copies of the Proxy Materials to registered and beneficial shareholders of the Corporation.

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Important Notice Regarding Availability of Proxy Materials

The Proxy Materials are available at <https://materials.proxyvote.com/04878Q>. You will need to enter the control number located on the Notice of Internet Availability or proxy card.

The Corporation is providing some of its Shareholders, including Shareholders who have previously asked to receive paper copies of the proxy materials and some of its Shareholders who are living outside of the United States and Canada, with paper copies of the proxy materials in addition to a Notice of Internet Availability.

In addition, the Corporation is providing Notice of Internet Availability by e-mail to those Shareholders who have previously elected delivery of the proxy materials electronically. Those Shareholders should have received an e-mail containing a link to the website where those materials are available and a link to the proxy voting website.

Electronic Access to the Proxy Materials

You can elect to receive future proxy materials by email, which will save the Corporation the cost of producing and mailing documents to you. Shareholders may enroll to receive proxy materials electronically as follows:

Shareholders of Record: If you are a registered shareholder, you may request electronic delivery on the Internet at www.proxyvote.com.

Beneficial Holders: If your shares are not registered in your name, check the information provided to you by your bank or broker, or contact your bank or broker for information on electronic delivery service.

Voting and Quorum

A quorum must be present at the Meeting for any business to be conducted. Pursuant to the Corporation's articles of continuance (the "**Articles**"), two persons, present in person, each being a Shareholder entitled to vote at a meeting of Shareholders or a duly appointed proxy for a Shareholder so entitled constitutes a quorum. Shares represented by "broker non-votes," as described below, will be considered as present for purposes of constituting a quorum.

Shareholders may vote by attending the Meeting and voting in person. If you choose not to attend the Meeting, you may still authorize your proxy over the internet or by telephone by following the instructions provided in the Notice of Internet Availability or, if you requested to receive printed Proxy Materials, you may also vote by mailing the accompanying form of proxy ("**Form of Proxy**") pursuant to instructions provided on the proxy card, or by sending voting instructions ("**Voting Instructions**") to your nominee in accordance with the procedures set forth below under " Information for Beneficial Holders of Securities". All shares entitled to vote and represented by properly executed proxies received before the polls are closed at the Meeting, and not revoked or superseded, will be voted at the Meeting in accordance with the instructions indicated on those proxies.

A "broker non-vote" occurs when a nominee holding Common Shares for a beneficial holder has not received Voting Instructions from such beneficial holder but such nominee submits a Form of Proxy in respect of such Common Shares in accordance with New York Stock Exchange ("**NYSE**") rules. Generally, under current Canadian securities laws and NYSE rules,

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brokers will not have discretionary authority to vote such uninstructed Common Shares with respect to any matter to be voted upon at the Meeting, except that U.S. brokers will have discretionary authority to vote uninstructed Common Shares with respect to the appointment of auditors as described below, in accordance with NYSE rules.

For purposes of counting votes, (i) abstentions from voting will be counted as votes cast at the Meeting; however, such abstentions will not be counted as votes cast for or against a matter; and (ii) broker non-votes will not be counted as votes cast at the Meeting, except that broker votes with respect to which U.S. brokers have exercised their discretionary authority to vote uninstructed Common Shares in accordance with NYSE rules shall be counted as votes cast at the Meeting.

Proxy Solicitation and Voting

Solicitation of Proxies

The solicitation of proxies for use at the Meeting is being made by or on behalf of the Board of Directors of the Corporation. The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, in writing or by telephone by employees of the Corporation, at nominal cost. The Corporation will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Information Circular and Proxy Statement. In addition, Kingsdale Shareholder Services ("**Kingsdale**") has been retained to assist in the solicitation of proxies for the Meeting at a fee of approximately \$85,000, plus associated costs and expenses. The Corporation may also reimburse brokers and other persons holding Common Shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Kingsdale can be contacted by phone toll-free at 1-866-229-8263 (for calls in Canada and the United States) or 1-416-867-2272 (for callers outside North America) or by e-mail at contactus@kingsdaleshareholder.com.

Appointment and Revocation of Proxies

Together with the Information Circular and Proxy Statement, the Shareholders will also be provided a Form of Proxy. The persons named in such Form of Proxy are Directors. **A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the accompanying Form of Proxy or by completing another proper Form of Proxy.** Such other person appointed to represent a Shareholder need not be a Shareholder of the Corporation. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

To be valid, a Form of Proxy must be deposited at the offices of Computershare Investor Services Inc. (the "**Agent**"), 8th Floor, North Tower, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 or returned to the Agent by fax at 1-866-249-7775 (North America) or 416-263-9524 (outside North America), or at the offices of the Corporation by written instrument, fax or any other method of transmitting legibly recorded messages, so as not to arrive later than 10:00 a.m. (Eastern Daylight Time) on June 21, 2016. If the Meeting is adjourned, a Form of Proxy must be deposited at the offices of the Agent 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the Form of Proxy is to be used.

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A registered Shareholder of record may vote in the following ways:

By mail Complete, sign, date and return the Form of Proxy in the postage paid envelope provided to Computershare Investor Services Inc.

Internet Go to www.investorevote.com/ATP. Enter the 15-digit control number on the Notice of Internet Availability or Form of Proxy and follow the instructions to vote your shares.

By Phone Call 1-866-732-8683 (toll-free in North America) and enter the 15-digit control number printed on the Notice of Internet Availability or Form of Proxy. Follow the interactive voice recording instructions to submit your vote.

In Person Attend the meeting and register with the Transfer Agent, Computershare Investor Services Inc. Please do not fill out and return your Form of Proxy if you intend to vote in person at the Meeting.

The internet and telephone voting procedures are designed to authenticate Shareholders' identities and to confirm that their instructions have been properly recorded.

If you hold Common Shares through an intermediary (such as a broker, securities dealer, bank, trust company or similar entity), you may vote by following the voting instruction form provided to you by such intermediary (See Information for Beneficial Holders of Securities).

The document appointing a proxy must be in writing and completed and signed by a registered Shareholder or his or her attorney authorized in writing or, if the registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Instructions provided to the Agent by a registered Shareholder must be in writing and completed and signed by the registered Shareholder or his or her attorney authorized in writing or, if the registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, and trustees or similarly otherwise should so indicate and provide satisfactory evidence of such authority.

A Shareholder that has given a Form of Proxy may revoke the Form of Proxy: (a) by completing and signing a Form of Proxy bearing a later date and depositing it as aforesaid; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the applicable Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chair of the Meeting prior to the commencement of such Meeting on the day of such Meeting or any adjournment thereof; or (c) in any other manner permitted by law. In order for a Beneficial Holder (as defined below) to revoke Voting Instructions previously given to his or her intermediary (such as a broker, securities dealer, bank, trust company or similar entity) with respect to the voting of the Common Shares, the Beneficial Holder must carefully follow the procedures and instructions received from his or her intermediary.

Voting of Proxies

The persons named in the accompanying Form of Proxy will vote such proxy in accordance with the instructions contained therein.

Unless contrary instructions are specified, if the accompanying Form of Proxy is executed and returned (and not revoked) prior to the

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Meeting, the Common Shares represented by the Form of Proxy will be voted at the Meeting as follows:

FOR the election of Irving R. Gerstein, R. Foster Duncan, Holli C. Ladhani, Kevin T. Howell, Gilbert S. Palter, Teresa M. Ressel, and James J. Moore, Jr. to the Board of Directors as described under the heading "Matters to be Considered at the Meeting Election of Directors";

FOR the approval, by non-binding advisory vote, of named executive officer compensation;

FOR the appointment of KPMG LLP as auditors of the Corporation and to authorize the Board of Directors to fix the auditor's remuneration; and

FOR the approval of an ordinary resolution of the Shareholders, the full text of which is set forth in Schedule "A" to this Information Circular and Proxy Statement, to approve, ratify and confirm the Shareholder Rights Plan adopted by the Board of Directors of the Corporation effective February 28, 2013 between the Corporation and Computershare Investor Services Inc., as rights agent.

For more information on these issues, please see the section entitled "Matters to be Considered at the Meeting" in this Information Circular and Proxy Statement.

The persons appointed pursuant to the Form of Proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy and with respect to other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter or business. At the time of printing the Information Circular and Proxy Statement, the Directors know of no such amendments, variations or other matters.

Information for Beneficial Holders of Securities

Information set forth in this section is very important to persons who hold Common Shares otherwise than in their own names. A non-registered Shareholder of the Corporation (a "**Beneficial Holder**") who beneficially owns Common Shares, but whose Common Shares are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds securities on behalf of the Beneficial Holder or in the name of a clearing agency in which the intermediary is a participant) should note that only a Form of Proxy deposited by Shareholders whose names are on the records of the Corporation as the registered holders of Common Shares as of the Record Date (as defined below) can be recognized and acted upon at the Meeting.

Common Shares that are listed in an account statement provided to a Beneficial Holder by a broker are likely not registered in the Beneficial Holder's own name on the records of the Corporation and such Common Shares are more likely registered in either the name of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee, or the name of The Depository Trust Company ("**DTC**") or its nominee.

Applicable regulatory policy requires brokers and other intermediaries to seek Voting Instructions from Beneficial Holders in advance of shareholders' meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which

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should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting. Often, the voting instruction form (the "**Voting Instruction Form**") supplied to a Beneficial Holder by its broker is identical to the Form of Proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable Voting Instruction Form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return Voting Instructions to Broadridge. Broadridge then tabulates the results of all Voting Instructions received and provides appropriate instructions representing the voting of the securities to be represented at the Meeting. A Beneficial Holder receiving a Broadridge Voting Instruction Form cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting. Voting Instructions must be returned to Broadridge well in advance of the Meeting in accordance with the instructions set out on the Voting Instruction Form in order to have the Common Shares voted.

A Beneficial Shareholder of record may vote in the following ways:

By mail Complete, sign, date and return the Voting Information Form in the postage paid envelope provided to Broadridge Financial Solutions, Inc.

Internet Go to www.proxyvote.com. Enter the 16-digit control number on the Notice of Internet Availability or Voting Information Form and follow the instructions to vote your shares.

By Phone Call 1-800-454-8683 (toll-free in North America) and enter the 16-digit control number printed on the Notice of Internet Availability or Voting Information Form. Follow the interactive voice recording instructions to submit your vote.

The internet and telephone voting procedures are designed to authenticate Shareholders' identities and to confirm that their instructions have been properly recorded.

Generally, Canadian securities laws and NYSE rules prohibit brokers from voting on any of the proposals without receiving Voting Instructions from the Beneficial Holders of the Common Shares, except that U.S. brokers will have discretionary authority to vote uninstructed shares with respect to the appointment of auditors, in accordance with NYSE rules. In the absence of Voting Instructions, Common Shares subject to such broker non-votes will not be counted as voted or as represented on those proposals and so will have no effect on the vote other than with respect to the appointment of auditors where a U.S. broker has exercised its discretionary authority to vote uninstructed shares in accordance with NYSE rules. **As brokers generally may not vote your Common Shares in the absence of your specific instructions as to how to vote (except in the limited circumstances described above), we encourage you to provide Voting Instructions to your broker regarding the voting of your Common Shares. If you require assistance voting your shares, please contact Kingsdale Shareholder Services at 1-866-229-8263 (for calls in Canada and the United States) or 1-416-867-2272 (for callers outside North America) or by e-mail at contactus@kingsdaleshareholder.com.**

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of CDS, DTC or their broker or other intermediary, a Beneficial Holder may attend the Meeting as proxy holder for the registered Shareholder and vote his or her Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Common Shares as proxy holder for the registered Shareholder should enter their own names in the blank space on the Voting Instruction Form provided to them and return the same to their broker or other intermediary (or

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the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of Common Shares. As of the date of this Information Circular and Proxy Statement, there were _____ Common Shares outstanding.

At the Meeting, each Shareholder of record at the close of business on April 25, 2016, the record date established for the Notice of Meeting and for voting at the Meeting (the "**Record Date**"), will be entitled to one vote for each Common Share held on all matters proposed to come before the Meeting. At the close of business on the Record Date, there were _____ Common Shares outstanding and entitled to be voted at the Meeting.

To the knowledge of the Board of Directors, there are no persons that beneficially own or exercise control or direction over Common Shares carrying approximately 10% or more of the votes attached to the issued and outstanding Common Shares. For more information, please see the section entitled "Security Ownership of Certain Beneficial Owners and Management" in this Information Circular and Proxy Statement.

CORPORATE GOVERNANCE AND COMMITTEES OF THE BOARD

Board of Directors

The Corporation is pleased to make the following disclosures regarding its corporate governance practices pursuant to National Policy 58-201 Corporate Governance Guidelines, National Instrument 58-101 Disclosure of Corporate Governance Practices, and Item 407 of Regulation S-K and other applicable rules of the U.S. Securities and Exchange Commission (the "SEC") and NYSE rules:

Directors are elected by Shareholders at the Corporation's annual general meeting, which is generally held in June of each year. Each Director holds office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed. At the annual general and special meeting of Shareholders held on June 29, 2010, Shareholders approved, among other things, changes to the Corporation's Articles reducing the minimum Canadian residency requirement for Directors from 50% to 25%.

Under the Corporation's independence standards and under the NYSE corporate governance rules, a majority of the Board of Directors must qualify as "independent directors." At least annually, the Board of Directors is required to evaluate all relationships between the Corporation and each Director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such Director's ability to satisfy his or her responsibilities as an independent Director. The Board of Directors has determined that each of Irving R. Gerstein, R. Foster Duncan, Holli C. Ladhani, Kevin T. Howell, John A. McNeil (who will not stand for re-election at the Meeting), Gilbert S. Palter and Teresa M. Ressel is currently an independent Director.

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The non-independent member of the Board of Directors is James J. Moore, Jr. Mr. Moore is the President and Chief Executive Officer of the Corporation.

Three Directors also serve as directors on the boards of other reporting issuers (or the equivalent in other jurisdictions). Mr. Gerstein serves as a director on the boards of Medical Facilities Corporation and Student Transportation Inc., Ms. Ressel serves as director on the board of ON Semiconductor and Mr. Howell serves as the Chairman of the Board of Illinois Power Generating Company.

The independent members of the Board of Directors meet regularly without management present.

The Chair of the Board of Directors, Mr. Gerstein, is an independent Director. Mr. Gerstein's responsibilities include establishing, in consultation with the Chief Executive Officer of the Corporation, the Directors and appropriate members of management, the agendas for each meeting of the Board of Directors. The agenda for each committee meeting is established by the Chair of that committee in consultation with appropriate members of the committee and management.

Each Director attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors (held during the period for which he or she has been a Director) and (ii) the total number of meetings of all committees of the Board of Directors on which the Director served (during the periods that he or she served).

The Corporation does not have a policy of requiring its Directors to attend the annual general meeting of Shareholders. The Chair of the Board of Directors is expected to attend and chair meetings of the Shareholders. All eight of the Directors then serving attended the annual meeting held on June 23, 2015.

The Board of Directors meets as necessary, but no fewer than four times each year: three meetings to review quarterly results and one meeting prior to the issuance of the annual audited financial results of the Corporation. In addition, the Board of Directors generally meets annually in December to discuss the annual budget and in February to discuss the annual strategy and director education (and more frequently if required). The committees of the Board of Directors meet as required by their respective charters. Given the business environment and desire to proactively position the business in light of our 2015 activities, the Board of Directors met more frequently in 2015.

Committees of the Board

The Board of Directors has established four committees:

the Audit Committee;

the Compensation Committee;

the Nominating and Corporate Governance Committee; and

the Operations and Commercial Oversight Committee.

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Audit Committee. The Corporation has established an Audit Committee consisting of Messrs. Gerstein, Duncan and McNeil (who will not stand for reelection at the Meeting) and Mses. Ladhani and Ressel, each of whom is an independent Director under the NYSE corporate governance rules. The Chair of the Audit Committee was, for fiscal year ended 2015, and continues to be Holli C. Ladhani. The Board of Directors has determined that Ms. Ladhani, Ms. Ressel and R. Foster Duncan each qualify as an "audit committee financial expert" as the term is defined in the rules of the SEC. The Audit Committee's primary purposes are to, among other things: (i) assist the Board of Directors in its oversight and supervision of the integrity of the accounting and financial reporting practices and procedures, the implementation and adequacy of the internal accounting controls and procedures and the compliance with legal and regulatory requirements in respect of financial disclosure; (ii) assess and monitor the strategic, operating, reporting and compliance risks of the business; and (iii) supervise the qualification, independence and performance of independent accountants of the Corporation.

The Audit Committee met 5 times during 2015.

Compensation Committee. The Corporation has established a Compensation Committee consisting of Messrs. Howell, McNeil (who will not stand for reelection at the Meeting) and Palter and Mses. Ladhani and Ressel, each of whom is an independent Director under the NYSE corporate governance rules and National Policy 58-201 Corporate Governance Guidelines. In 2014, Kenneth M. Hartwick acted as the Chair of the Compensation Committee until he was appointed Interim President and Chief Executive Officer of the Corporation after the close of business on September 15, 2014, at which time Mr. John A. McNeil became the acting Chair of the committee. Effective February 23, 2015, Teresa M. Ressel became and continues to be the Chair of the Compensation Committee. The Compensation Committee's primary purposes include: (i) discharging the responsibilities of the Board of Directors relating to compensation of the Chief Executive Officer and other officers; (ii) evaluating the Corporation's compensation plans, policies and programs, taking into account factors it deems appropriate from time to time, including those that are of strategic significance to the Corporation, the degree of risk to the Corporation and its business those plans and policies may imply, and the results of non-binding Shareholder votes with respect to such matters; and (iii) reviewing and discussing with the Corporation's officers the Statement of Executive Compensation, including the Compensation Discussion and Analysis ("**CD&A**"), to be included in the Corporation's annual information circular and proxy statement and determining whether to recommend to the Board of Directors that the CD&A be included in the information circular and proxy statement. The Compensation Committee may form and delegate its authority to subcommittees consisting of one or more members of the Committee when appropriate. The Compensation Committee did not delegate any of its authority in 2015.

The Compensation Committee periodically utilizes the services of Pearl Meyer & Partners ("**Pearl Meyer**"), an independent compensation consultant, to assist it in reviewing its compensation program. The Compensation Committee reviewed and considered the information and advice provided by Pearl Meyer, among other factors, in making its executive compensation recommendations.

In 2015, Pearl Meyer advised the Compensation Committee in regards to the short-term and long-term incentive awards and compensation market data for the Corporation's named executive officers. Pearl Meyer was directly engaged by the Compensation Committee and management had no role in engaging their consultation. Pearl Meyer did not provide any services to the Corporation other than those provided to the Compensation Committee.

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The Compensation Committee met 8 times during 2015, notably in connection with the onboarding of our CEO, James J. Moore, Jr. and establishing his executive team throughout the year.

Nominating and Corporate Governance Committee. The Corporation has established a Nominating and Corporate Governance Committee consisting of Messrs. Gerstein, Duncan and Howell and Ms. Ressel, each of whom is an independent Director under the NYSE corporate governance rules and National Policy 58-201 Corporate Governance Guidelines. During the period beginning upon his resignation from service as Interim President and Chief Executive Officer of the Corporation and ending upon his resignation from the Board on March 11, 2016, Mr. Hartwick served as a member of the Nominating and Corporate Governance Committee and was an independent Director under the NYSE corporate governance rules and National Policy 58-201 Corporate Governance Guidelines. The Chair of the Nominating and Corporate Governance Committee was, for fiscal year ended 2015, and continues to be Irving R. Gerstein. The Nominating and Corporate Governance Committee's primary purposes are to, among other things: (i) screen and identify individuals who are qualified to become members of the Board of Directors; (ii) recommend to the Board, director nominees to be presented for Shareholder approval at the annual meetings of the Shareholders of the Corporation; (iii) recommend to the Board of Directors nominees to fill vacancies on the Board of Directors or as otherwise required outside of the annual meetings of Shareholders of the Corporation; (iv) select, or recommend to the Board of Directors, the Directors to comprise the committees of the Board of Directors; (v) implement a process for examining the size of the Board of Directors and to undertake, where appropriate, a program to establish a Board size which facilitates effective decision-making; (vi) establish procedures for the nomination of Directors and executive officers of the Corporation generally; (vii) establish and administer an annual assessment process relating to the performance of the Board of Directors as a whole, the committees of the Board of Directors and individual Directors; (viii) review with the Board of Directors from time to time the appropriate skills and characteristics required of Directors in the context of the current make-up of the Board of Directors, including issues of diversity, age, skills relating to the Corporation's businesses and professional background; (ix) recommend to the Board of Directors procedures for the conduct of Board meetings and the proper discharge of the Board of Directors' mandate as set out in the mandate of the Board of Directors; (x) monitor the relationship between the officers and the Board of Directors with a view to ensuring that the Board of Directors is able to function independently of officers; (xi) develop the Corporation's approach to governance, including the development of a set of governance principles and guidelines that are specifically applicable to the Corporation; (xii) perform a leadership role in shaping the Corporation's corporate governance practices and provide oversight with respect to its corporate governance conduct; and (xiii) perform such other functions as the Board of Directors may from time to time request.

In identifying, evaluating, and recommending suitable Director candidates, the Nominating and Corporate Governance Committee may take into account a number of factors, such as the appropriate skills and characteristics required of Directors in the context of the current make-up of the Board of Directors, including issues of diversity, skills relating to the Corporation's businesses and professional background and existing commitments to outside boards. Pursuant to its charter, the Nominating and Corporate Governance Committee, in considering the extent to which the membership of a candidate on the Board of Directors would promote diversity among the Directors, may take into account various factors and perspectives, including differences of viewpoint, professional experience, education, skill and other individual qualities and attributes as well as race, gender and national origin. It is the Corporation's practice to retain an outside recruiting firm to identify a wide range of candidates for review and consideration and to assist in the evaluation process. The Nominating and Corporate

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Governance Committee has not formally adopted any specific, minimum qualifications that must be met by each candidate for the Board of Directors, nor are there specific qualities or skills that are necessary for one or more of the members of the Board of Directors to possess. The Nominating and Corporate Governance Committee believes that candidates and nominees must reflect a Board of Directors that is comprised of Directors who have competencies, skills and personal qualities required of Board members in light of relevant factors, including: (1) the objective of adding value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies; (2) the need to ensure that a majority of the Board of Directors is comprised of individuals who meet the independence requirements of the applicable securities legislation and stock exchanges or other guidelines, including the Corporation's categorical standards for Director independence; and (3) the policies of the Board of Directors with respect to board member tenure, retirement and succession and Board member commitments.

It is the policy of the Nominating and Corporate Governance Committee to review and consider any director nominees who have been recommended by Shareholders in the same manner as described above. All Shareholder recommendations for director nominees must be submitted to the Corporate Secretary at Atlantic Power Corporation, 3 Allied Drive, Suite 220, Dedham, Massachusetts 02026 in accordance with the procedures of the Advance Notice Policy (discussed below).

The Nominating and Corporate Governance Committee met 4 times during 2015.

Operations and Commercial Oversight Committee. The Corporation has established an Operations and Commercial Oversight Committee. For fiscal year 2015, the Operations and Oversight Committee consisted of Messrs. Hartwick, Howell, McNeil (who will not stand for reelection at the Meeting) and Duncan, each of whom is (or was in Mr. Hartwick's case) an independent Director under the NYSE corporate governance rules and National Policy 58-201 Corporate Governance Guidelines. The Chair of the Operations and Commercial Oversight Committee for fiscal year ended 2015 and through the date of his resignation in March 2016 was Mr. Hartwick. On April 6, 2016, Mr. Howell was appointed the Chair of the Operations and Commercial Oversight Committee. The committee's primary purposes include: (i) assisting the Board of Directors in discharging its responsibilities with respect to oversight of the Corporation's plant fleet operations, investment decisions in these plants, divestiture of plants, acquisition of additional assets and the capital required to support the plant fleet; (ii) examining the commercial aspects of the plants including power purchase agreements, re-contracting activity and the associated commercial relationships with customers, and (iii) assessing and monitoring the operating risks of the business.

The Operations and Commercial Oversight Committee met 2 times during 2015.

Corporate Governance

Committee Charters and Corporate Governance Guidelines

Each of the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Operations and Commercial Oversight Committee operates pursuant to its respective charter, a copy of which is available on the Corporation's website at www.atlanticpower.com under "ABOUT US Leadership Board Committees." A copy of the Corporate Governance Guidelines is available on the Corporation's website at www.atlanticpower.com under "ABOUT US Corporate Governance Guidelines." Information contained on the Corporation's website or that can be accessed through the

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Corporation's website is not incorporated into and does not constitute a part of this Information Circular and Proxy Statement. The Corporation has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

Board Leadership Structure

The Charter of the Board of Directors requires the Chair of the Board of Directors to be an independent director, as it was determined it would be beneficial to have an independent Chair whose sole responsibility is leading the Board of Directors, leaving the Chief Executive Officer's main focus on the Corporation's business goals and promoting both short-term and long-term growth. Currently, Mr. Gerstein serves as the Chair of the Board of Directors. The Chair is expected to attend and chair meetings of the Board of Directors and Shareholders. The Chair ensures that the Board of Directors carries out its responsibilities effectively and the Board of Directors understands the boundaries between Board of Directors and management responsibilities. The Chair is also responsible for providing direction with respect to the dates and frequency of Board of Directors meetings and related committee meetings. The Chair liaises with the Chief Executive Officer to prepare Board of Directors meeting agendas.

Directors who qualify as "non-management" within the meaning of the NYSE rules meet on a regular basis in executive sessions without management participation and, at least once per year, an executive session is held with only independent directors present. The executive sessions are chaired by the Chair of the Board of Directors. In addition, the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Operations and Commercial Oversight Committee, all of which are comprised entirely of independent Directors, also perform oversight functions independent of management.

Board Mandate

The mandate of the Board of Directors is included as Schedule "B" to this Information Circular and Proxy Statement.

Position Descriptions

Position descriptions for the Chair of the Board of Directors, the Chair of the Audit Committee, the Chair of the Compensation Committee, the Chair of the Nominating and Corporate Governance Committee, the Chair of the Operations and Commercial Oversight Committee and the Chief Executive Officer of the Corporations have been developed by the Corporation as previously disclosed by the Corporation in its 2014 Information Circular and Proxy Statement.

Orientation and Continuing Education

The Corporation, working with the Directors, will provide orientation opportunities for new Directors to familiarize them with the role of the Board of Directors, its committees, and its Directors, as well as the Corporation and its business. All new Directors will participate in an orientation program soon after the date on which a new Director first joins the Board of Directors. To date, the majority of directors have visited power projects of the Corporation to obtain an understanding of the operations of the Corporation. In addition to operational orientation, management has scheduled periodic presentations for the Board of Directors to ensure they are aware of major business trends and industry practices as and when required.

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Ethical Business Conduct

The Board of Directors has adopted a written code of business conduct and ethics for the Corporation (the "**Corporate Code**"), which sets out basic principles to guide all Directors, officers and employees of the Corporation and its subsidiaries, and a written code of business conduct and ethics for the Chief Executive Officer and senior financial officers (the "**Officer Code**" and, together with the Corporate Code, the "**Codes**"), which sets out basic principles to guide the Chief Executive Officer and the senior financial officers of the Corporation.

The issues the Corporate Code addresses include, among other things, the following:

- (a) compliance with laws, rules and regulations;
- (b) conflicts of interest;
- (c) confidentiality;
- (d) corporate opportunities;
- (e) protection and proper use of Atlantic Power Entity (as defined in the Corporate Code) assets;
- (f) competition and fair dealing;
- (g) gifts and entertainment; and
- (h) reporting of any illegal or unethical behavior.

The issues the Officer Code addresses include, among other things, the following:

- (i) conflicts of interest;
- (j) full, fair, accurate, timely and understandable disclosure in reports and documents;
- (k) compliance with laws, rules and accounting standards;
- (l) reporting of violations of law or the Officer Code;
- (m) confidentiality;
- (n) sharing and maintenance of knowledge and skills; and
- (o) promotion of ethical behavior.

To ensure the Directors exercise independent judgement in considering transactions, agreements or decisions in respect of which a Director or officer has declared a material personal interest (in accordance with relevant corporate law requirements), the Board of Directors follows a practice whereby any such individual must not cast a vote on any such matter.

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The senior officers of the Corporation and the Chair of the Audit Committee are responsible for monitoring compliance with the Corporate Code and the Officer Code, respectively, and are required to report to the Board of Directors or the Audit Committee, respectively, on any issues that have arisen under the applicable Code. Any waivers from the requirements in the Codes that are to be granted for the benefit of the Directors, managers or executive officers of the Corporation are to be granted by the Directors only (or a committee of

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the Board of Directors to whom that authority has been delegated) and will be promptly disclosed as required by law or stock exchange regulation.

At least annually, the Board of Directors reviews the adequacy of the Codes.

The Codes are available on the Corporation's website at www.atlanticpower.com under "ABOUT US Codes of Conduct" and under the Corporation's profile on the System of Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. Information contained on the Corporation's website or that can be accessed through the Corporation's website is not incorporated into and does not constitute a part of this Information Circular and Proxy Statement. The Corporation has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

The Corporation's Whistleblower Policy is administered by the Chair of the Audit Committee. Any person may confidentially report complaints or concerns directly to the Chair of the Audit Committee. Confidentiality of complaints or concerns received by the Chair of the Audit Committee will be maintained to the fullest extent possible, consistent with the need to conduct an appropriate review.

Risk Oversight

The Audit Committee receives and discusses a risk assessment update each quarter which is reviewed and discussed with management prior to the Audit Committee's recommendation to the Board of Directors to approve quarterly and annual financial disclosures. In addition, the Board of Directors receives periodic Operations Reports about each of the Corporation's projects with full opportunity for Directors to ask questions of management about any potential issues identified.

Assessments

The charter of the Nominating and Corporate Governance Committee includes establishing and administering an annual assessment process relating to the performance of the Board of Directors as a whole, the committees of the Board of Directors and individual Directors, including the size and composition of the Board of Directors.

Director Term Limits

Each Director holds office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed. The Board of Directors does not impose term limits on its Directors as it does not believe that arbitrary limits on the number of consecutive terms a Director may serve or on the Directors' ages are appropriate in light of the substantial benefits resulting from a sustained focus on the Corporation's business, strategy and industry over a significant period of time, without assuring increased independence. Accordingly, the Board's assessment of independence is of prime importance to ensure that retention of experience does not result in a failure to retain a sufficient number of independent Directors. The Board of Directors relies on thorough Director assessment procedures for evaluating its members (including their independence), and uses rigorous identification and selection processes for new directors, having regard to a variety of factors. In addition, to be identified as independent a Director must be determined to be independent both in character and in judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, their judgement. Particular scrutiny is applied in assessing the continued independence of Directors

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having served over nine years, with attention to ensuring that their tenure has not in any way eroded their independence and that their allegiance remains clearly aligned with shareholders.

Through these processes, the Board of Directors believes that it is well-positioned to address any problems or deficiencies that may arise as well as evaluate independence of Directors in an appropriate manner without having to adopt mandated term limits.

Representation of Women on the Board and in Executive Officer Positions

While the Corporation supports the principle of diversity in its leadership, of which gender is an important aspect, the Corporation has not formally adopted a policy or targets regarding the representation of women on the Board of Directors or in its senior management, as the Corporation does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, the identification and selection process is made based on a variety of factors, such as differences of viewpoint, professional experience, education, skill and other individual qualities and attributes, including race, gender and national origin, as well as the requirements of the Board of Directors and senior management at the time. In addition, in identifying, evaluating and recommending suitable Director candidates, the Nominating and Corporate Governance Committee will take into account the criteria described under the section entitled "Corporate Governance Disclosure Nominating and Corporate Governance Committee" of this Information Circular and Proxy Statement. Accordingly, in searches for new Directors and executive officers, the Corporation will consider the level of female representation and diversity on the Board of Directors and in its senior management and this will be one of several factors used in its search process. The Corporation will, however, continue to evaluate the appropriateness of adopting a formal policy and/or targets in the future.

Following the Meeting and assuming all of the nominees for Director are elected as contemplated in this Information Circular and Proxy Statement, two of the seven Directors on the Board of Directors will be women (representing nearly 30% of the Directors). As of the date hereof, none of the Corporation's three executive officers are women.

Communications with the Board of Directors

Shareholders and other interested parties who wish to communicate with the Chair of the Board of Directors or independent Directors as a group, may do so by writing to them at Name(s) of Director(s)/Independent Directors of Atlantic Power Corporation, c/o Corporate Secretary, Atlantic Power Corporation, 3 Allied Drive, Suite 220, Dedham, Massachusetts 02026.

MATTERS TO BE CONSIDERED AT THE MEETING

MATTER 1: ELECTION OF DIRECTORS

The number of Directors to be elected at the Meeting is seven. **The persons named in the accompanying Form of Proxy will vote such proxy in accordance with the instructions contained therein. Unless contrary instructions are specified, if the accompanying Form of Proxy is executed and returned (and not revoked) prior to the Meeting, the Common Shares represented by the Form of Proxy will be voted for the election, as Directors, of the proposed nominees whose names are set out below.** If a Director is unable to stand for election, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee elected as a Director will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed.

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Majority Voting Policy

The Board of Directors has adopted a majority voting policy. Under this policy, a Director in an uncontested election who receives more votes withheld than cast in favour of his or her election will be required promptly to tender his or her resignation to the Chair of the Board of Directors following the applicable meeting of the Corporation's Shareholders. The resignation will be effective when accepted by the Board of Directors. The Nominating and Corporate Governance Committee of the Board of Directors will consider whether or not to accept the offer of resignation and will recommend to the Board of Directors whether or not to accept the resignation. A Director who tenders his or her resignation pursuant to the majority voting policy is not permitted to participate in any meeting of the Board of Directors and/or Nominating and Corporate Governance Committee at which his or her resignation is to be considered. With the exception of special circumstances that would warrant the continued service of the applicable Director on the Board of Directors, the Nominating and Corporate Governance Committee expects that resignations will be recommended for acceptance and accepted by the Board of Directors. Within 90 days following the applicable meeting of the Shareholders, the Board of Directors will make a decision on the Nominating and Corporate Governance Committee's recommendation. The Board of Directors will promptly announce its decision (including, if applicable, the reasons for not accepting any resignation) via press release in accordance with applicable securities laws, rules and regulations.

Advance Notice Policy

The Corporation has adopted an advance notice policy (the "**Advance Notice Policy**"), which requires advance notice to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by Shareholders other than pursuant to: (i) a proposal made in accordance with the British Columbia Business Corporations Act ("BCBCA"); or (ii) a requisition of the Shareholders made in accordance with the BCBCA. Among other things, the Advance Notice Policy fixes a deadline by which Shareholders must submit director nominations to the corporate secretary of the Corporation prior to any annual or special meeting of Shareholders and sets forth the specific information that a Shareholder must include in such notice for an effective nomination to occur. Pursuant to the Advance Notice Policy, no person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Policy.

Pursuant to the Advance Notice Policy, in the case of an annual meeting of Shareholders, notice to the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made by the Corporation, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

Information Regarding Director Nominees

The following table sets forth the names of, and certain information for, the individuals proposed to be nominated for election as Directors. The nominees make up the current Board of Directors. Kenneth M. Hartwick resigned from the Board of Directors on March 11, 2016. John A.

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McNeil will not stand for reelection at the Meeting. Biographies for each nominee, which include a summary of each nominee's age, positions with the Corporation, principal occupation and employment within the five preceding years, are set out below.

Name and Province of Residence	Age	Position	Principal Occupation	Date Appointed as a Director
IRVING R. GERSTEIN ⁽¹⁾⁽²⁾ Ontario, Canada	75	Director	Corporate Director	October 4, 2004
R. FOSTER DUNCAN ⁽¹⁾ Louisiana, U.S.A.	62	Director	Operating Partner, Bernhard Capital Partners and Senior Advisor, EHS Partners	June 29, 2010
KEVIN T. HOWELL ⁽¹⁾⁽³⁾ Texas, U.S.A.	58	Director	Chairman of the Board, Illinois Power Generating Company	December 23, 2014
HOLLI C. LADHANI ⁽¹⁾⁽⁴⁾ Texas, U.S.A.	45	Director	Chief Executive Officer, Rockwater Energy Solutions	June 29, 2010
GILBERT S. PALTER ⁽¹⁾⁽⁶⁾ Ontario, Canada	50	Director	Managing Partner and Chief Investment Officer, President, EdgeStone Capital Partners	June 23, 2015
TERESA M. RESSEL ⁽¹⁾⁽⁵⁾ Florida, U.S.A.	53	Director	Former Assistant Secretary for Management and Budget & Chief Financial Officer, U.S. Treasury	November 25, 2014
JAMES J. MOORE, JR. Vermont, U.S.A.	57	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	January 26, 2015

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- (1) The Board of Directors has determined that each of Messrs. Gerstein, Duncan, Howell and Palter and Mses. Ladhani and Ressel is an independent Director. Each independent Director is also a member of at least two, but no more than three, committees of the Board of Directors (Audit Committee, Compensation Committee, Operations and Commercial Oversight Committee and Nominating and Corporate Governance Committee).
- (2) Chair of the Board of Directors and the Nominating and Corporate Governance Committee.
- (3) Chair of the Operations and Commercial Oversight Committee.
- (4) Chair of the Audit Committee.
- (5) Chair of the Compensation Committee.

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On May 21, 2015, the Corporation entered into an agreement (the "Mangrove Agreement") with Mangrove Partners, a Cayman Islands exempted company, on behalf of itself and its affiliated and managed funds, persons, and entities, both current and future (collectively, the "Mangrove Group"). Pursuant to the Mangrove Agreement, the Board of Directors increased the size of the Board to nine directors, appointed Gilbert S. Palter to the Board to serve until the Meeting and agreed not to increase the size of the Board in excess of nine members and not to decrease the size of the Board if such decrease would require Mr. Palter's resignation without the Mangrove Group's consent until a certain date. In addition, pursuant to the Mangrove Agreement, among other things, the Board also agreed (i) to nominate Mr. Palter for election to the Board of Directors at the Meeting, subject to certain conditions, (ii) recommend, and reflect such recommendation in the Information Circular and Proxy Statement, that the Shareholders vote to elect Mr. Palter as a Director and (iii) solicit, obtain proxies in favor of and otherwise support the election of Mr. Palter at the Meeting, in a manner no less favorable than the manner in which the Corporation supports other nominees for election at the Meeting. For additional information regarding the Mangrove Agreement and the appointment of Mr. Palter, please see the Corporation's Current Reports on Form 8-K filed with the SEC on May 21, 2015 and June 23, 2015.

Nominees for Director

Irving R. Gerstein, C.M., O.Ont: Mr. Irving R. Gerstein has been a Director of the Corporation since October 2004. Mr. Gerstein is a Member of the Order of Canada and a Member of the Order of Ontario, and was appointed to the Senate of Canada in December 2008. Mr. Gerstein retired from the Senate of Canada in 2016. He is a retired executive, and is currently a director of Medical Facilities Corporation and Student Transportation Inc., and previously served as a director of other public companies including Economic Investment Trust Limited, CTV Inc., Traders Group Limited, Guaranty Trust Company of Canada, Confederation Life Insurance Company and Scott's Hospitality Inc., and as an officer and director of Peoples Jewellers Limited. Mr. Gerstein is an honorary director of Mount Sinai Hospital (Toronto), having previously served as Chairman of the Board, Chairman Emeritus and a director over a period of 25 years. Mr. Gerstein earned a Bachelor of Science in Economics from the University of Pennsylvania (Wharton School of Finance and Commerce). Mr. Gerstein's substantial experience on the boards of numerous other public companies and his prior experience as an executive of a substantial public company make him a valued advisor and highly qualified to serve as Chair of our Board of Directors and as Chair of our Nominating and Corporate Governance Committee. In addition, because of the recent addition of several new members to the Board of Directors and the extensive successive management changes, Mr. Gerstein's tenure on the Board of Directors makes him uniquely qualified to contribute leadership through detailed knowledge of the Corporation's business and with the proven commitment, experience and competence to effectively advise and oversee the Corporation's management on behalf of the shareholders.

R. Foster Duncan: Mr. Duncan has been a Director of the Corporation since June 2010. He has more than 30 years of senior corporate, investment banking, and private equity experience. Mr. Duncan is an Operating Partner of Bernhard Capital Partners, an energy services focused private equity firm that targets businesses providing critical services to the energy sector, throughout the upstream, midstream, downstream and power verticals, and serves as a Senior Advisor to EHS Partners in New York, a management consulting firm focused on improving operational effectiveness, earnings, and growth. Previously, Mr. Duncan was a Member of MFB Energy Partners, LLC and was a Managing Director at Advantage Capital

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Partners with senior management responsibility for the firm's energy portfolio and energy initiatives. From 2005 through 2009, Mr. Duncan was managing member of KD Capital L.L.C., an affiliate of Kohlberg Kravis Roberts & Co. ("KKR") which he and KKR formed. Mr. Duncan was located in KKR's offices and worked exclusively with KKR and its portfolio companies in connection with creating value and investing in the energy, utility, natural resources, and infrastructure sectors. Previously, Mr. Duncan was Executive Vice President and CFO of Cinergy Corp., Chairman of Cinergy's Investment Committee and CEO and President of Cinergy's Commercial Business Unit. Mr. Duncan is active with the Edison Electric Institute, and is a past member of the Wall Street Advisory Group, and past Chairman of the Finance Executive Advisory Committee. He has also held senior management positions at LG&E Energy Corp., Freeport-McMoRan Copper & Gold and Howard Weil, a premier energy investment banking boutique. From 2009 to 2014, Mr. Duncan served as a director of Xtreme Power, LLC, a small, privately held company, which filed for Chapter 11 bankruptcy protection in 2013 and was sold to Younicos AG in April 2014. From February 2006 to 2013, Mr. Duncan also served as a director of Essential Power, LLC, a portfolio company of Industry Funds Management (US), LLC. Mr. Duncan also serves on the Advisory Council of Greentech Capital Advisors in New York. Mr. Duncan is active in a number of civic organizations including the Board of Directors of the Eye, Ear, Nose and Throat Hospital Foundation in New Orleans and the Nature Conservancy of Louisiana and in Charlottesville, Virginia the National Advisory Board and National Selection Committee of the University of Virginia Jefferson Scholars Program and is Co-Chairman of the Jefferson Circle which supports the preservation of the Rotunda and historic Grounds. He graduated with Distinction from the University of Virginia and later received his MBA degree from the A. B. Freeman Graduate School of Business at Tulane University. Mr. Duncan's extensive experience in energy services, as well as his extensive financial background make him highly qualified to serve on our Board of Directors.

Kevin T. Howell: Mr. Howell has been a Director of the Corporation since December 2014. He is a retired executive with more than 35 years of industry experience and is an accomplished power and natural gas executive with extensive commercial leadership at the executive levels of affiliates of Duke Energy, Dominion Resources, NRG Energy Inc. and Dynegy. Mr. Howell served as Executive Vice President and Regional President of Texas of NRG Energy Inc., a large energy company that owns and operates a diverse portfolio of power-generating facilities, primarily in the United States, from March 2008 until his retirement in August 2010. In July 2011, he joined Dynegy as Executive Vice President and Chief Operating Officer, where he ran commercial and plant operations as well as environmental health and safety. In November 2011, when Mr. Howell was acting in this capacity, two Dynegy subsidiaries filed for bankruptcy protection. In 2011 and 2012, Mr. Howell was involved in significant restructuring activities at Dynegy, and was named as a defendant in a shareholder class action lawsuit in connection with that restructuring process. He was also named as a defendant in three other matters brought by other participants in the restructuring, which reached settlement in June 2012. Mr. Howell retired from Dynegy in January of 2013 after a successful restructuring that brought the company out of bankruptcy with a relisting on the NYSE. In April 2014, the shareholder class action lawsuit in which Mr. Howell was a named defendant was dismissed with prejudice. Mr. Howell currently serves as the Chairman of the Board of Directors of Illinois Power Generating Company, an affiliate of Dynegy. Mr. Howell has previously served on the Board of Directors of Entrust Energy, a privately-held energy retailer, and Nanosolar Inc., a thin film solar manufacturer. Mr. Howell's extensive experience in commercial and plant operations management, as well as his expertise in the electric power sector, make him a valued advisor and highly qualified to serve as a member of our Board of Directors and as Chair of our Operations and Commercial Oversight Committee.

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Holli C. Ladhani: Ms. Ladhani has been a Director of the Corporation since June 2010. She has served as the Chief Executive Officer of Rockwater Energy Solutions, Inc. ("Rockwater") since June 2015. Prior to her current role, she served as Executive Vice President, Chemical Technologies from July 2013 to June 2015 and the Executive Vice President and Chief Financial Officer of Rockwater from the time Rockwater was formed in 2011 through July 2013. Houston-based Rockwater provides fluids management and environmental solutions to the energy industry in North America to uniquely address the special fluid and environmental-related challenges associated with modern day unconventional and conventional oil and gas resource development. Rockwater is controlled by SCF Partners, a private equity investor since 1989 that provides equity capital and strategic growth assistance to build energy service and equipment companies that operate throughout the world. Prior to joining SCF Partners in March 2011, Ms. Ladhani served in a number of positions with Dynegy Inc. ("Dynegy"), a provider of wholesale power, capacity and ancillary services in multiple regions of the United States, most recently as Executive Vice President and Chief Financial Officer. In November 2011, subsequent to Ms. Ladhani's departure, two Dynegy subsidiaries of which Ms. Ladhani had formerly been an officer filed for bankruptcy protection. Prior to joining Dynegy, Ms. Ladhani was a Senior Manager-Audit with PricewaterhouseCoopers LLP, where she supervised teams that provided audit services to large public companies in the oil and gas industry. Ms. Ladhani served as a Director on the Board of Rosetta Resources, Inc. until July 2015. A Certified Public Accountant, Ms. Ladhani received a Bachelor of Business Administration from Baylor University and a Masters of Business Administration from Rice University. Ms. Ladhani's extensive experience as a senior executive in the independent power industry, as well as her financial and accounting background make her a valued advisor and highly qualified to serve on our Board of Directors and as Chair of our Audit Committee.

Gilbert S. Palter: Mr. Palter has been a director of the Corporation since June 2015. He co-founded EdgeStone Capital Partners in 1999, has served as its Chief Investment Officer & Managing Partner since 1999, and has grown EdgeStone to be one of Canada's leading independent private capital managers, with in excess of \$2 billion of capital commitments for its private equity, mezzanine debt, and venture capital funds. Mr. Palter attended Harvard Business School on a Frank Knox Memorial Fellowship, where he graduated as a Baker Scholar and winner of the John L. Loeb Fellowship in Finance, and he was the Gold Medalist in his graduating class at the University of Toronto, where he attended on the J.W. Billes Scholarship, earning a B.Sc. degree in computer science and economics. He was a 2003 recipient of "Canada's Top 40 Under 40" award, and was a recipient of the Ernst & Young Entrepreneur Of The Year® Award 2006. Mr. Palter has served as Chairman and as Director on more than 25 public and private company Boards, and is actively involved in a variety of community and philanthropic organizations. Mr. Palter's extensive financial experience, as well as his presence on numerous company Boards, make him a valued advisor and highly qualified to serve as a member of our Board of Directors.

Teresa M. Ressel: Ms. Ressel has been a Director of the Corporation since November 2014. Ms. Ressel has more than 25 years of experience within investment banking, finance, audit, nuclear power, engineering and U.S. Government service. Since 2012, she has served as a director of ON Semiconductor headquartered in Phoenix, Arizona. Ms. Ressel started her career at General Dynamics, Electric Boat Division from 1987 through 1990 within its Nuclear Construction Engineering Department. She then worked within Corporate Manufacturing at Hewlett Packard and subsequently at Kaiser Permanente from 1994 through 2000. From 2001 until 2004, Ms. Ressel served at the U.S. Treasury. Ms. Ressel was confirmed by the U.S. Senate as Assistant Secretary for Management and Budget & Chief Financial Officer, and was designated by Presidential Directive as the Chief Financial Officer of the U.S. Department of the Treasury. From 2004 until 2012, Ms. Ressel served in various capacities at UBS, including as Chief Executive

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Officer, UBS Securities LLC and Chief Operating Officer, The Americas, covering a broad array of banking and regulatory functions across the Americas region. From 2012 until January 2016, she served on the New York management team of Olayan America, a private multinational enterprise covering various investment asset classes. Ms. Ressel holds a Bachelor of Science in Engineering and a Masters of Science in Engineering from the University of Delaware and a Masters of Business Administration from Rensselaer Polytechnic Institute. Ms. Ressel has extensive experience in the financial industry as well as senior executive experience covering regulatory compliance and audit and reporting in the public, private and governmental sectors. Ms. Ressel's extensive experience across industry, finance, treasury and banking make her a valued adviser and highly qualified to serve on our Board of Directors and as Chair of our Compensation Committee.

James J. Moore, Jr.: Mr. Moore has been our President and Chief Executive Officer and a Director of the Corporation since January 2015. Mr. Moore has more than 30 years of experience in the energy industry, including previous CEO positions at two other independent power producer businesses. Prior to joining the Corporation, he served as the Chairman of the Board of Energy and Power at Diamond Castle Holdings LLC ("DCH"), a \$1.8 billion private equity firm in New York City, where he served on the Board of Directors of a solar portfolio company and as Chairman of the Board of a directional drilling services portfolio company. Prior to joining DCH in 2008, he served as President and CEO of Catamount Energy Corporation ("Catamount"). After joining Catamount in 2001, Mr. Moore's new strategy helped transform a small Vermont energy company into a wind-focused growth company, leading to the sale of the company to DCH in 2005 and later to Duke Energy in 2008. Prior to his tenure at Catamount, he served as CEO of American National Power from 1994 to 2001. Mr. Moore previously served on the boards of Comverge, Inc. in 2012, Green Mountain College from 2008 to 2011 and International Power PLC from 2000 to 2001. He earned a Bachelor of Arts from the College of the Holy Cross in Worcester, Massachusetts and a Juris Doctor from the University of Houston in Houston, Texas. Mr. Moore's extensive experience in the energy industry, as well as his in-depth knowledge of the Corporation through his position as President and Chief Executive Officer, make him highly qualified to serve as a member of our Board of Directors.

**The Board of Directors recommends a vote FOR each of the seven nominees
Discussed above and listed on the Form of Proxy.**

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of Common Shares of the Corporation according to the most recent filings available as of April 29, 2016 (determined pursuant to Rule 13d-3 under the Exchange Act) with respect to:

each person (including any "group" of persons as that term is used in Section 13(d)(3) of the Exchange Act) who is known to the Corporation to be the beneficial owner of more than 5% of the outstanding Common Shares;

each of the Directors of the Corporation;

each of the named executive officers of the Corporation; and

all of the Directors and the current executive officers of the Corporation as a group.

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Unless otherwise indicated in the footnotes to the following table, the address of each beneficial owner listed in the following table is c/o Atlantic Power Corporation, 3 Allied Drive, Suite 220, Dedham, Massachusetts 02026.

Except as otherwise indicated in the footnotes to the following table, the Corporation believes, based on the information provided to it, that the persons named in the following table have sole voting and investment power with respect to the shares they beneficially own, subject to applicable community property laws.

Name of beneficial owner	Number of Common Shares beneficially owned	Percentage of Common Shares beneficially owned(1)
12 West Capital Management, LP ⁽²⁾	7,308,076	6.0%
JP Morgan Chase and Company ⁽³⁾	6,865,000	5.6%
Mangrove Partners ⁽⁴⁾	6,513,514	5.3%
Directors and named executive officers		
Irving R. Gerstein	59,800 ⁽⁵⁾	*
R. Foster Duncan	15,105 ⁽⁵⁾	*
Kevin T. Howell	120,000 ⁽⁵⁾	*
Holli C. Ladhani	(5)	*
John A. McNeil ⁽⁶⁾	56,500 ⁽⁵⁾⁽⁷⁾	*
Gilbert S. Palter	400,000 ⁽⁵⁾	*
Teresa M. Ressel	31,000 ⁽⁵⁾	*
Joseph E. Cofelice	424,533 ⁽⁸⁾	*
Terrence Ronan	121,101 ⁽⁸⁾	*
James J. Moore, Jr.	350,253 ⁽⁸⁾	*
All Directors and current executive officers as a group (10 persons)	1,578,292	1.3%

*

Less than 1%

(1) The applicable percentage ownership is based on Common Shares issued and outstanding as of April 29, 2016.

(2) Based on Schedule 13G/A filed February 16, 2016 (the "**12 West Schedule 13G/A**") with the SEC by 12 West Capital Management, LP ("**12 West Management**"), 12 West Capital Fund ("**12 West Onshore Fund**") and 12 West Capital Offshore Fund LP ("**12 West Offshore Fund**") (each of the foregoing, collectively, "**12 West**"), with respect to 7,308,076 Common Shares owned by 12 West Onshore Fund and 12 West Offshore Fund. 12 West Management is the investment manager of each of 12 West Onshore Fund and 12 West Offshore Fund. Joel Ramin, as the sole member of 12 West Capital Management, LLC, the general partner of 12 West Management, possesses the voting and dispositive power with respect to all securities beneficially owned by 12 West Management. According to the 12 West Schedule 13G/A, (i) 12 West Onshore Fund beneficially owns 4,692,853 Common Shares and (ii) 12 West Offshore Fund beneficially owns 2,678,223 Common Shares. 12 West Management is deemed to beneficially own 7,308,076 shares of Common Stock. Each of the above has shared voting and investment power over Common Shares beneficially owned by it. The address of each 12 West entity is 90 Park Avenue, 41st Floor, New York, New York 10016.

(3) Based on Schedule 13G filed on January 26, 2016 (the "**JPMorgan 13G**") with the SEC by JPMorgan Chase & Co. ("**JPMorgan**") with respect to beneficial ownership of 6,865,000

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Common Shares, of which (i) JPMorgan Chase Bank, National Association, a wholly-owned subsidiary of JPMorgan and (ii) J.P. Morgan Investment Management Inc., a wholly-owned subsidiary of JPMorgan, is the beneficial owner of 6,865,000 Common Shares. According to the JPMorgan 13G, JPMorgan has sole voting power with respect to 6,099,650 Common Shares, and sole power to dispose of or to direct disposition of 6,775,400 Common Shares. JPMorgan's address is 270 Park Avenue, New York, New York 10017.

- (4) Based on Schedule 13D/A filed on April 1, 2016 (the "**Mangrove Schedule 13D**") with the SEC by The Mangrove Partners Master Fund, Ltd. ("**Mangrove Master Fund**"), The Mangrove Partners Fund, L.P. ("**Mangrove Fund**"), Mangrove Partners Fund (Cayman), Ltd. ("**Mangrove Fund Cayman**"), Mangrove Partners, Mangrove Capital and Nathaniel August (each of the foregoing, collectively, "**Mangrove**"), with respect to 6,513,514 Common Shares directly owned by Mangrove Master Fund. As the two controlling shareholders of Mangrove Master Fund, each of Mangrove Fund and Mangrove Fund Cayman may be deemed the beneficial owner of the Common Shares owned by Mangrove Master Fund. Mangrove Partners is the investment manager of each of Mangrove Master Fund, Mangrove Fund and Mangrove Fund Cayman. Mangrove Capital is the general partner of Mangrove Fund. Mr. August is the Director of each of Mangrove Partners and Mangrove Capital. By virtue of these relationships, each of Mangrove Partners, Mangrove Capital and Mr. August may be deemed to beneficially own Common Shares owned by Mangrove Master Fund. According to the Mangrove Schedule 13D, (i) Mangrove Master Fund beneficially owns 6,513,514 Common Shares, (ii) Mangrove Fund beneficially owns 6,513,514 Common Shares, (iii) Mangrove Fund Cayman beneficially owns 6,513,514 Common Shares, (iv) Mangrove Partners beneficially owns 6,513,514 Common Shares, (v) Mangrove Capital beneficially owns 6,513,514 Common Shares and (vi) Mr. August beneficially owns 6,513,514 Common Shares. Each of the above has shared voting and investment power over Common Shares beneficially owned by it. The address of each Mangrove entity and Mr. August is 645 Madison Avenue, 14th Floor, New York, New York 10022.
- (5) Common Shares beneficially owned exclude units held in the Corporation's DSU Plan of 52,717 for Irving R. Gerstein, 80,414 for R. Foster Duncan, 32,787 for Kevin T. Howell, 102,577 for Holli C. Ladhani, 40,695 for John A. McNeil, 23,178 for Gilbert S. Palter and 37,210 for Teresa M. Ressel.
- (6) John A. McNeil will not stand for re-election at the Meeting.
- (7) Common Shares beneficially owned exclude 22,518 of Common Shares available upon conversion of convertible debentures held by John A. McNeil.
- (8) Common Shares beneficially owned exclude 539,904 unvested notional shares held under the Transition Equity Grant Participation Agreement and 192,737 unvested notional shares granted under the LTIP for James J. Moore, Jr., President and Chief Executive Officer, 271,024 unvested notional shares granted under the LTIP for Terrence Ronan, Executive Vice President Chief Financial Officer, and 113,946 unvested notional shares granted under the LTIP for Joseph Cofelice, Executive Vice President Commercial Development

Table of Contents**Executive Officers Who are Not Directors**

The following table sets forth the names, ages and positions of the Corporation's executive officers of the Corporation other than Mr. Moore, who is a director of the Corporation.

Name	Age	Position	Date Appointed as Officer
Terrence Ronan	56	Executive Vice President Chief Financial Officer, Principal Financial and Accounting Officer and Corporate Secretary	August 20, 2012
Joseph E. Cofelice	58	Executive Vice President Commercial Development	September 15, 2015

Terrence Ronan: Mr. Ronan joined Atlantic Power in August 2012. He is currently Executive Vice President Chief Financial Officer, Principal Financial and Accounting Officer and Corporate Secretary, with primary responsibility for all finance-related functions, as well as playing a central role in the development and execution of the Corporation's operational and strategic initiatives. Mr. Ronan is a financial professional with more than 20 years of management and capital-raising experience. From April 2011 through August 2012, Mr. Ronan served as Managing Director Finance and Assistant Treasurer at Plains All American Pipeline, L.P., a publicly traded master limited partnership engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related products. Prior to that, Mr. Ronan served as President and Chief Executive Officer of SemGroup, L.P. where he oversaw the operations of the privately held partnership engaged in the transportation, storage, terminalling and marketing of crude oil, LPG and natural gas. He was appointed Interim President and Chief Executive Officer of SemGroup, L.P. with the knowledge that bankruptcy proceedings would be filed in the United States and Canada in 2008 and led SemGroup, L.P. through its reorganization, with SemGroup, L.P. emerging from bankruptcy in November 2009. From 2006 through 2008, Mr. Ronan served as Managing Director at Merrill Lynch Capital where he co-founded the start-up Energy Finance practice, in which he was responsible for origination activities in the midstream and Exploration and Production ("E&P") sectors. Mr. Ronan also spent 14 years at Bank of America, and predecessors Fleet Boston and BankBoston, culminating in his role as Managing Director where he focused on financing industry leading E&P, midstream and refining and marketing companies. Mr. Ronan graduated with a Bachelor of Science from Bates College and later received a Masters of Business Administration from the University of Michigan Ross School of Business. He also served in the U.S. Navy from 1981 to 2007, active and reserve components, retiring after 26 years with the rank of Captain.

Joseph E. Cofelice: Mr. Cofelice joined Atlantic Power as Executive Vice President Commercial Development in September 2015 from General Compression, Inc., a compressed air energy storage technology company, where he had been CEO and served as a member of its Board of Directors since December 2012. From 2010 to April of 2013, Mr. Cofelice served as CEO and a member of the Board of Westerly Wind LLC, a provider of project development capital to the wind industry. Mr. Cofelice served as the Chairman of the Board of Westerly Wind LLC from April 2013 through September 2015. From December 2012 to April 2013, Mr. Cofelice served as CEO of both General Compression, Inc. and Westerly Wind LLC concurrently. Both General Compression and Westerly Wind are part of US Renewables Group's portfolio of investments. From 2002 to 2008, Mr. Cofelice was the President of Catamount Energy Corporation. Prior to his tenure at Catamount, he served in a number of management roles at American National Power from 1987 to 2002, including serving as CEO. Mr. Cofelice has more than 30 years of experience in the energy industry. Mr. Cofelice graduated with a Bachelor of Science in Business Administration from Northeastern University.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

In this summary, we provide the context for and the details of the executive compensation in 2015. Additional information follows in the balance of the Compensation Discussion and Analysis (the "CD&A").

Atlantic Power is focused on delivering long-term value to our shareholders. Attracting, retaining and motivating our people through our compensation program is extremely important to achieve this goal. Our executive compensation programs are carefully designed to align executives' interests with the interests of our shareholders and other stakeholders. Specifically, Atlantic Power has put in place compensation programs that emphasize pay for performance through short-term and long-term incentives that use performance measures which are designed to deliver both short- and long-term value to our shareholders. The following highlights important compensation principles and practices of Atlantic Power.

What we do:

Design compensation programs to attract, motivate and retain executives
Stock ownership guidelines
Clawback provision
Compensation Committee utilizes independent outside compensation consulting firm, Pearl Meyer.
Executive compensation targeted at market median
Majority of compensation is variable cash and equity linked to results

What we don't do:

Single trigger change-in-control vesting and payments
Tax gross-ups
Excessive perquisites for executives
Supplemental retirement plans
Guaranteed bonus payments for executives
Compensation programs that encourage inappropriate risk taking

Mission Statement

Guided by our values and beliefs about people, we are empowered to pursue our goals:

to be recognized for our excellence in power generation in North America;

to be proud of the accomplishments we achieve as part of the Atlantic Power team; and

to have a positive impact on all of our stakeholders.

Values

Integrity

We take pride in conducting business in a transparent, honest, fair and respectful manner. We build trustworthy relationships and maintain a credible reputation by standing by our commitments.

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Teamwork

We work collaboratively, by listening, encouraging varying points of view, having confidence that people will do the right thing, providing support, and recognizing the achievements of others. We believe these behaviors promote individual performance growth as well as continuous improvement within the entire organization.

Excellence

With a focus on safety, we strive to generate energy reliably, efficiently and in an environmentally responsible manner. We set high standards and empower our people to succeed. We communicate our best practices and are committed to optimize and innovate in all aspects of our business.

Engagement

We strive to develop and maintain positive relationships with both internal and external stakeholders, including our people and the communities in which we operate.

Our Named Executive Officers

Name	Title	Tenure at Atlantic Power
James J. Moore, Jr.	President and Chief Executive Officer	<i>Since January 2015</i>
Terrence Ronan	Executive Vice President, Chief Financial Officer, Principal Financial and Accounting Officer and Corporate Secretary	<i>Since August 2012</i>
Joseph E. Cofelice	Executive Vice President Commercial Development	<i>Since September 2015</i>
Edward C. Hall	Former Executive Vice President & Chief Operating Officer (departed by mutual agreement on February 3, 2015)	<i>Until February 2015</i>
Kenneth M. Hartwick	Former Interim President and Chief Executive Officer (from September 15, 2014 through January 26, 2015)	<i>Until January 2015</i>

The Named Executive Officers, along with other select members of the senior management team, participate in the compensation programs described in this CD&A.

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Corporate Strategy and Performance Achievements and Business Highlights

We remain focused on growing the intrinsic value per share of the Corporation and increasing our discretionary cash flow in order to allocate our capital in ways that provide for a good return to the Corporation. We continue to prioritize repurchases of our debt and equity, which are currently trading at compelling price-to-value levels. We continue to identify and make additional attractive investments in our fleet, some of which are linked to possible contract extensions. We value the environment and the health and well-being of our operations personnel and continue to make investments to maintain our fleet in a strong operational status at all times.

The Company's key accomplishments in 2015 were as follows:

Sale of Wind business. We sold our Wind business for approximately 13x expected cash distributions and used the proceeds to redeem our highest-cost debt (the \$310.9 million of remaining 9.0% Senior Unsecured Notes). This transaction was slightly accretive to our cash flow on an ongoing basis.

Debt reduction. We reduced debt by \$743 million as a result of the sale of our Wind business, debt amortization and discretionary debt repurchases. Since year end 2013, we have reduced debt by a total of \$833 million and lowered our annual interest expense by more than \$65 million (~50%). Leverage has been reduced to 5.8x at year end 2015 from 8.9x at year end 2013.

Overhead cost reduction. We reduced our overhead costs another \$13.5 million, to \$32 million. Since 2013, we have reduced our overhead approximately 50% from \$54 million to an expected level of \$27 million in 2016.

Investments in fleet. We continued our program of making attractive optimization investments in our fleet and have made \$22 million of such investments since 2013. In 2015, we realized a cash flow benefit of approximately \$6 million from these investments, which we expect will increase to \$10 million in 2016.

PPA extensions. In December, we announced an 11-year extension of and modifications to the Morris energy services agreement, which are expected to be modestly accretive to Project Adjusted EBITDA.

Shareholder litigation. The pending shareholder actions in the United States and the Province of Ontario were dismissed without any payments by us.

Credit rating upgrades. We received an upgrade from Moody's to B1 from B2 in October 2015; in March 2016, Moody's changed our outlook from "stable" to "positive". In February 2016, Standard & Poor's upgraded our corporate credit rating to B+ from B and now has a "stable" outlook for our credit.

Capital allocation strategy. In December 2015, we implemented a normal course issuer bid (NCIB) for up to 10% of each of our convertible debentures and common shares and up to 5% of Atlantic Power Preferred Equity Ltd.'s preferred shares, subject to limitations described in our December 22, 2015 press release. In February 2016, we announced the elimination of our common dividend as part of changes to our overall capital allocation strategy, which will prioritize repurchases of our convertible debentures and our common shares as long as they are trading at compelling price-to-value levels and investments in our

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existing fleet at attractive returns, either through optimization projects or related to PPA extensions.

Financial results. In 2015, we achieved results for Project Adjusted EBITDA, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow that were within our guidance ranges, as follows:

Achieved Project Adjusted EBITDA of \$209 million vs. \$229 million in 2014, which is in the upper half of the Corporation's 2015 guidance range of \$200 to \$215 million (results exclude Wind business that was sold in 2015)

Generated Adjusted Cash Flows from Operating Activities of \$105 million vs. \$92 million in 2014, which is at the upper end of the Corporation's 2015 guidance range of \$95 to \$105 million (results exclude Wind business and debt redemption costs)

Achieved Adjusted Free Cash Flow of \$2 million vs. approximately zero in 2014, which is at the lower end of the Corporation's 2015 guidance range of \$0 to \$10 million because of a delay in a \$6 million reimbursement for a customer-owned construction project that was received in February 2016

Insider purchases. During 2015, management and directors purchased approximately 1.05 million shares at an average price of US\$2.31.

Project Adjusted EBITDA, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP, and are therefore unlikely to be comparable to similar measures presented by other companies. Project Adjusted EBITDA and Adjusted Cash Flows from Operating Activities were used as performance metrics for our short-term incentive plan and are discussed below. A reconciliation from cash flows from operating activities (a GAAP measure) to Adjusted Free Cash Flow is included in Schedule C.

The following describes the Corporation's compensation policies and practices as they relate to our named executive officers included in this CD&A.

Executive Compensation Objectives

The primary objective of our executive compensation program is to provide a competitive, performance-based plan that enables the Corporation to attract, retain and motivate key individuals. Compensation plays an important role in achieving short-term and long-term business objectives that ultimately drive value creation and business success in alignment with long-term shareholder goals. The objectives of the Corporation's compensation program are to:

align the interests of the executive officers with Shareholders' interests and with the execution of the Corporation's business strategy;

attract, retain and motivate highly qualified executive officers with a history of proven success;

establish performance goals that, if met by the Corporation, are expected to improve long-term shareholder value; and

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tie compensation to performance with respect to those goals and provide meaningful rewards for achieving them.

The compensation program of the Corporation has been established in order to compete with remuneration practices of companies similar to the Corporation and those which represent potential competition for the Corporation's executive officers and other employees. In this respect, the Corporation identifies remuneration practices and remuneration levels of companies that are likely to compete for its talent. In designing the compensation program, the Board of Directors works to provide competitive market compensation opportunities for each of our named executive officers. The Board of Directors reviews each element of compensation for market competitiveness and may weigh a particular element more heavily based on the named executive officer's role.

Our executive compensation program is administered by our independent Compensation Committee.

2015 Say-on-Pay Vote

At the Corporation's Annual Meeting of Shareholders held on June 23, 2015, 91.03% of the votes cast on the Say-on-Pay proposal regarding the executive compensation of the Corporation's named executive officers identified in the Corporation's 2015 Information Circular and Proxy Statement voted in favour of the proposal. The Compensation Committee believes this strong affirmative vote confirms Shareholders' support of the Corporation's approach to executive compensation. The Compensation Committee will continue to consider the outcome of the Corporation's annual "say-on-pay" votes when making future compensation decisions for named executive officers.

Key Compensation Decisions in 2015

Overall 2015 was a successful year for the Corporation as demonstrated by the achievements listed in the executive summary to this report. Despite our strong financial and strategic performance in 2015, the valuation of our stock price lagged the market. As a result the value of our outstanding equity awards for all of our employees is below grant levels. The Board also reviews stock price performance when making compensation decisions. As a result the performance of our stock price, which is also heavily impacted by external market factors outside of management's control, has a substantial impact on our executive compensation program. The following chart reflects the target and actual incentive plan awards for 2015.

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2015 Annual Incentive Plan Target vs. Actual

Elements of Executive Compensation

Our compensation program for our named executive officers includes a base salary, cash bonus under the short-term incentive plan ("STIP") and eligibility for equity compensation awards under the long-term incentive plan ("LTIP"), as reflected in their respective employment agreements, all of which have been approved by the Compensation Committee and the Board of Directors. Mr. Hartwick's compensation during his tenure as Interim President and Chief Executive Officer was comprised of base salary only.

Base Salary

The base salaries for the named executive officers for 2015 were based on a review by the Compensation Committee with a goal of ensuring that the base salaries are appropriate and competitive. This review was based on the level of responsibility, the experience level, competitive salaries for similar positions in the market, and an individual's personal contribution to the Corporation's operating and financial performance.

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James J. Moore, Jr. On January 26, 2015, Mr. Moore was hired as President and Chief Executive Officer. Mr. Moore's annual salary was \$575,000 for 2015.

Terrence Ronan. In 2012, Terrence Ronan became the Corporation's Executive Vice President Chief Financial Officer, Principal Financial and Accounting Officer and Corporate Secretary. Mr. Ronan's annual salary was \$400,000 for 2015.

Joseph E. Cofelice. On September 16, 2015, Mr. Cofelice was hired as Executive Vice President, Commercial Development. Mr. Cofelice's annual salary was \$400,000 for 2015.

Edward C. Hall. From 2013 until February 3, 2015, Mr. Hall was the Corporation's Executive Vice President Chief Operating Officer. Mr. Hall's salary was \$425,000 in 2015.

Kenneth M. Hartwick. For September 16, 2014 through January 26, 2015, Mr. Hartwick was the Corporation's Interim President and Chief Executive Officer and his annual salary was \$500,000.

Short-Term Incentive Plan (STIP)

The named executive officers and other employees of the Corporation are eligible to participate in the short-term incentive plan ("STIP") as determined by the Board of Directors. The STIP is intended to compensate executives for achieving the Corporation's short-term business strategy based on the achievement of goals set by the board compensation committee.

The Corporation used three performance metrics in its STIP plan with weightings and descriptions provided as follows:

25% Project Adjusted EBITDA Project Adjusted EBITDA is used to assess the operating performance of the projects without the effects of depreciation and amortization expense, income tax expense or recoveries, interest expense, unrealized gains or losses on derivative financial instruments, non-cash write downs of intangibles and property, plant and equipment, gains or losses on foreign exchange, earnings or loss from discontinued operations and other infrequent items unrelated to normal ongoing operations. Project Adjusted EBITDA includes the Corporation's proportional share of equity method projects. Project Adjusted EBITDA does not include corporate G&A expense. The criteria used to determine this component consists of Project Adjusted EBITDA relative to the \$209 million approved budget.

25% Adjusted Cash Flows from Operating Activities Adjusted Cash Flows from Operating Activities is used to evaluate cash flows from operating activities without the effects of changes in working capital balances, acquisition expenses, litigation expenses, severance and restructuring charges, debt prepayment and redemption costs and cash provided by or used in discontinued operations. The intent is to reflect normal operations and remove items that are not reflective of the long-term operations of the business. The criteria used to determine this component consists of cash flow from operating activities relative to the \$104 million approved budget.

50% Discretionary The discretionary component of the award is based on the evaluation of the Corporation's overall performance, shareholder value, stakeholder value, optimization initiatives, environmental, health & safety (EH&S) and other qualitative measures including leadership, commitment and overall effectiveness.

Each performance metric is measured against pre-determined performance targets and awarded based on the following sliding scale.

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The Compensation Committee developed and approved the Corporation's STIP to determine the cash awards payable to James J. Moore, Jr., Terrence Ronan, and Joseph E. Cofelice. Payouts under the STIP to Messrs. Moore, Ronan and Cofelice are included in the column identified as "Non-equity incentive plan compensation" in the Summary Compensation Table on page 40; The Compensation Committee set target ranges for each named executive officer's cash award based on base salary. The same performance measures were chosen for all executives.

STIP Awards in respect of the 2015 Performance Year

In January 2016, the Compensation Committee determined that Messrs. Moore, Ronan and Cofelice were eligible for annual incentive awards under the pre-established performance criteria noted above. The Compensation Committee made these awards based primarily on the achievements of the Corporation relating to the three performance measures.

Measurement Category

Project Adjusted EBITDA (25%)

Actual Result

The criteria used to determine this component will consist of Project Adjusted EBITDA relative to the \$209 million approved budget. Actual Project Adjusted EBITDA for the year was \$209 million, resulting in a 100% payout of this component.

Adjusted Cash Flow from Operating Activities (25%)

The criteria used to determine this component will consist of cash flow from operating activities relative to the \$104 million approved budget. Actual Adjusted Cash flow from Operating Activities for the year was \$105 million, resulting in a 100% payout of this component.

Discretionary (50%)

The discretionary component of the award is based on the evaluation of the Corporation's overall performance, shareholder value, stakeholder value, optimization initiatives, EH&S and other qualitative measures.

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The Compensation Committee assessed Messrs. Moore, Ronan and Cofelice's performance in terms of their individual groups as well as the relationship of their achievements to the direction of the Corporation as a whole. It is the view of the Compensation Committee that 2015 was a successful year for Atlantic Power as it achieved many strategic objectives set earlier in the year as described above. The stock price did not reflect the many accomplishments achieved such as deleveraging, cost reductions, investment in the fleet and credit upgrades. The STIP measures and targets must be evaluated in context of the overall assessment of the Corporation's performance. The STIP awards approved by the Compensation Committee were a result of this approach and ultimately the awards to Messrs. Moore, Ronan and Cofelice reflect the fact that overall results were above expectations.

For the STIP award paid in 2016 based on the 2015 performance year, Mr. Moore's award was determined to be \$740,000 based on the Compensation Committee's review of the components of the STIP, including the review of certain subjective factors. In particular, Mr. Moore contributed to the Corporation's achievement of its goals described above in the areas of strategy and leadership, specifically focusing on reducing G&A, the significant reduction of debt and increasing our intrinsic value per share.

Mr. Ronan's STIP award was determined to be \$400,000 based on the Compensation Committee's review of the components of the STIP, including the review of certain subjective factors. In particular, Mr. Ronan contributed to the Corporation's achievement of its goals described above in the areas of financial and risk management, specifically focusing on reshaping the balance sheet.

Mr. Cofelice's STIP award was determined to be \$106,400, prorated based on his hire date, based on the Compensation Committee's review of the components of the STIP, including the review of certain subjective factors. In particular, Mr. Cofelice contributed to the Corporation's achievement of its goals described above in the areas of commercial management and our recontracting efforts.

The table below shows the STIP awards paid to the Corporation's named executive officers in 2016 based on the 2015 performance year as a percentage of each officer's 2015 base salary. For comparison purposes, the table also includes the awards paid to the Corporation's named executive officers in 2015 based on the 2014 performance year as a percentage of each officer's 2014 base salary.

Named Executive Officer	2015 Base Salary	Target Ranges for STIP as % of 2015 Base Salary	2015 STIP	2014 STIP
			Award (US\$) (% of 2015 Base Salary)	Award (US\$) (% of 2014 Base Salary)
James J. Moore, Jr.	\$575,000	75-100%	\$740,000 (128%)	N/A
Terrence Ronan	\$400,000	50-100%	\$400,000 (100%)	\$175,000 (44%)
Joseph E. Cofelice	\$400,000	75-100%	\$106,400 (80%) ⁽¹⁾	N/A
Edward C. Hall	\$425,000	N/A	N/A	\$175,000 (41%)
Kenneth Hartwick	\$500,000	N/A	N/A	N/A

- (1) Mr. Cofelice received a prorated payout of 80% of the STIP award he would otherwise have received based on his hire date.

Long-Term Incentive Plan

The named executive officers and other employees of the Corporation are eligible to participate in the long-term incentive plan ("LTIP") as determined by the Board of Directors. The purpose of the LTIP is to align the interests of employees with those of the Shareholders by

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providing an opportunity to increase their share ownership over time and to assist in attracting, retaining and motivating key employees of the Corporation by making a significant portion of their incentive compensation directly dependent upon the achievement of strategic, financial and operational objectives critical to growing the Corporation and increasing its long-term value.

2015 awards made under the LTIP for the Corporation's executive officers were based on the following performance metrics and weightings:

Relative Total Shareholder Return ("**TSR**") 50%

Discretionary factors 50%

Up to 50% of the target award will be earned in respect of each performance measure subject to the Compensation Committee's exercise of discretion to take into account such other factors as it may deem appropriate. Awards will be granted annually based on the performance during the prior fiscal year and vest according to specific terms outlined in executive contract to one third over each of the three years following the year the award is granted. Although the LTIP uses relative TSR as one of the two performance measures, the Compensation Committee also looks at absolute TSR in the context of the entire award to ensure alignment.

TSR refers to the rate of return that a Shareholder would earn on an investment in Common Shares assuming the investment was held for the entire year and that monthly dividends, if any, were reinvested. For 2015, the Compensation Committee included the following companies in the peer group (the "**TSR Peer Group**") for the purpose of determining the Corporation's relative TSR performance:

Boralex, Inc.;

Brookfield Renewable Power Fund;

Northland Power, Inc.;

Capstone Infrastructure Corp.;

Innergex Renewable Energy, Inc.;

Algonquin Power & Utilities Corp.;

Maxim Power Corp;

50 U.S.-listed master limited partnerships in the Alerian Index; and

18 utilities in the S&P 400 Utility Index.

For each performance period, the Board of Directors establishes LTIP award amounts that each named executive officer is entitled to receive under the LTIP depending upon the Corporation's performance against specified criteria. If certain levels of target performance are achieved, the named executive officer will be eligible to receive a number of notional shares to be calculated by dividing an incentive amount by the market price per Common Share. The market price per Common Share is defined in the LTIP as the weighted average closing price of a Common Share on the TSX for the five trading days immediately preceding the applicable day and then converted to U.S. dollars based on the exchange rate for that day. Notional shares are meant to track the investment performance of Common Shares, including market prices and distributions. Any notional shares granted to a participant in respect of a

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performance period will be credited to a notional share account for each participant on the determination date for such performance period. Each notional share is entitled to receive distributions equal to the distributions on a Common Share, if any, to be credited in the form of additional notional shares immediately following such distribution on the Common Shares.

2016 LTIP Awards in respect of the 2015 Performance Year

For 2015, the possible quantum of awards under the LTIP ranged from zero to a cap of \$575,000 for the Chief Executive Officer and \$400,000 for each of the Executive Vice President Chief Financial Officer and Executive Vice President Commercial Development. For 2015, the midpoint target was relative TSR 60 to 75th percentile of the peer group. If this target range were achieved in 2015, and the Compensation Committee determined to award the full discretionary portion of the award, the recommended award for our Chief Executive Officer would be \$287,500 and for each of our Executive Vice President Chief Financial Officer and our Executive Vice President Commercial Development would be \$200,000, prorated based on hire date.

The following table indicates the thresholds established for each performance measure under the LTIP for 2015 and corresponding percentages of the target award at each level of performance, as well as the actual level of achievement for each performance measure. Up to 50% of the award would have been earned in respect of each performance measure, subject to the Compensation Committee's exercise of discretion to take into account such other factors as it may deem appropriate.

Target and Actual Performance Measures under LTIP for Fiscal Year Ended December 31, 2015

(Each Performance Measure comprises 50% of potential LTIP award)

Discretionary

Relative TSR

In 2015, the Corporation's TSR of 24.5% (45th percentile) was in the bottom half of the Corporation's TSR Peer Group.

On December 18, 2015, the Compensation Committee determined to make the following awards for the 2015 performance year. The Compensation Committee made these awards based primarily on the achievements of the Corporation relating to the measures above and also by exercising its discretion under the LTIP. The Compensation Committee assessed Messrs. Moore, Ronan and Cofelice's performance in terms of their specific functions as well as the relationship of their achievements to the direction of the Corporation as a whole.

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Mr. Moore received a grant of \$345,000 or 192,737 notional shares, which represents approximately 60% of the award available under the LTIP. Under the terms of Mr. Moore's employment agreement, this grant shall vest upon the three-year anniversary of the date of grant, as follows, provided Mr. Moore remains employed by the Corporation upon the vesting date, and the portion of each award that does not so vest shall be immediately and automatically forfeited for no consideration: (i) at 150% of the original grant amount, if the Corporation's Relative TSR (as defined in the LTIP) is at the 75th percentile or higher, (ii) at 100% of the original grant amount, if the Corporation's Relative TSR is at the 50th percentile or higher, but below the 75th percentile, (iii) at 50% of the original grant amount, if the Corporation's Relative TSR is at the 25th percentile or higher, but below the 50th percentile or (iv) at 0% of the original grant amount, if the Corporation's Relative TSR is below the 25th percentile, or, regardless of the Corporation's Relative TSR, if, as of the vesting date, the Market Price per Common Share (as defined in the LTIP) is below the Market Price Per Common Share as of the date of grant.

Mr. Ronan received a grant of \$240,000 or 134,078 notional shares, which also represents approximately 60% of the maximum award available under the LTIP.

Mr. Cofelice received a grant of \$80,000 (prorated based on hire date) or 44,693 notional shares, which also represents approximately 60% of the maximum award available under the LTIP.

Mr. Hartwick was not eligible to receive an LTIP grant under the terms of his employment agreement entered into in September 2014.

It is the view of the Compensation Committee that 2015 was a successful year for Atlantic Power as evidenced by the following accomplishments:

Executed timely sale of Wind business at a high valuation and used proceeds to redeem our highest-cost debt, without any dilution of cash flow

Reduced leverage ratio to 5.8x at year end 2015 from 8.9x at year end 2013, as a result of debt reduction from asset sales, amortization and discretionary repurchases

Reduced corporate overhead costs by 30%, achieving a cumulative reduction of approximately 41% from 2013 to 2015

Realized 26% cash-on-cash return from optimization investments we made in our fleet in 2013 through 2015

Signed first significant PPA extension in more than two years; 11-year extension at Morris is also modestly accretive to Project Adjusted EBITDA

Achieved financial results within our 2015 guidance ranges for Project Adjusted EBITDA, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow

Received credit rating upgrades from Moody's and Standard & Poor's to B1 / B+, respectively

Resolved pending shareholder litigation in the United States and the Province of Ontario without any payments by us

Our Committee believes the LTIP measures and targets must be evaluated in context of the overall assessment of the Corporation's performance. The LTIP awards approved by the

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Compensation Committee were a result of this approach and ultimately the awards to Messrs. Moore, Ronan and Cofelice reflect the fact that management had very good execution in 2016, but relative TSR was below the minimum threshold set above. The notional shares awarded will each vest as to one third over each of the three years following the year in which the award was granted, subject to continued employment of the officer.

The Compensation Committee also used the following criteria to determine the nature and amount of the award while considering TSR in context of the entire award to ensure alignment:

alignment with shareholders in regards to past performance and future requirements; and

fairness, retention and motivation of the employee.

Pursuant to SEC rules and Canadian securities laws, these awards will be reported in the Summary Compensation Table in the Information Circular and Proxy Statement for the Corporation's 2017 Annual Meeting of Shareholders.

Compensation Allocation

The following provides the overall mix of actual compensation for 2015 for each of our named executive officers. Overall, approximately 60-65% of our total compensation package for our named executive officers is considered incentive (variable) compensation that changes year to year based on actual company and individual performance achievement.

Employment Agreements

Effective January 26, 2015, the Corporation entered into an employment agreement with Mr. Moore. The employment agreement provides Mr. Moore with (i) an initial annual base salary, which is subject to annual review and pro-rated for 2015; (ii) eligibility to participate in the STIP adopted by the Board of Directors from time to time, pro-rated for 2015; (iii) eligibility to participate in the LTIP as it may be amended by the Board of Directors from time to time; (iv) benefits under the Corporation's welfare plans; (v) a one-time cash bonus of \$150,000, a pro-rata portion of which Mr. Moore must repay if his employment with the Corporation is terminated during his first 18 months of employment under certain circumstances; and (vi) a

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one-time grant of notional shares, each corresponding to one Common Share of the Corporation, with an initial grant value of \$1,350,000 subject to certain vesting requirements outlined in the agreement.

Effective April 15, 2013, the Corporation entered into an employment agreement with Mr. Ronan. The agreement provides Mr. Ronan with benefits including the following: (i) an initial annual base salary, which is subject to annual review and if increased may not be subsequently decreased without the executive officer's consent during the term of the agreement; (ii) eligibility to participate in the STIP adopted by the Board of Directors from time to time, provided that the STIP may not be altered to the material detriment of the executive officer without his consent; (iii) eligibility to participate in the LTIP as it may be amended by the Board of Directors from time to time, provided that the LTIP may not be altered to the material detriment of the executive officer without his consent; and (iv) benefits under the Corporation's welfare plans. This employment agreement has an initial three year term ending March 31, 2016. Beginning in 2014, on January 1 of each year this three-year employment agreement extends automatically for an additional one-year term unless notice is given by the Corporation or the officer that the agreement will not be renewed.

Effective on September 16, 2015, the Corporation entered into an employment agreement with Mr. Cofelice. The employment agreement provides Mr. Cofelice with (i) an initial annual base salary, which is subject to annual review and pro-rated for 2015; (ii) eligibility to participate in the STIP adopted by the Board of Directors from time to time, pro-rated for 2015; (iii) eligibility to participate in the LTIP as it may be amended by the Board of Directors from time to time, pro-rated for 2015; (iv) benefits under the Corporation's welfare plans; (v) a one-time grant of notional shares with a grant date value of \$200,000, subject to the terms and conditions of the LTIP.

Clawback

Messrs. Moore, Ronan and Cofelice agree to be subject to a Financial Restatement and Clawback policy under which, in the event the Corporation's financial results are restated or are found to be inaccurate in a manner that materially affects the calculation of compensation for the executive officers, the independent directors of the Corporation may, subject to certain conditions, direct that the Corporation recover all or a portion of bonus or incentive compensation paid to the executive officer or gains realized by the executive officer with respect to equity-based awards or other incentive payments or cancel all or a portion of the stock-based awards granted to the executive officer that is related to a restatement of, or inaccuracy in, the Corporation's financial results due to intentional fraud or misconduct by the executive officer, and may take other disciplinary action in addition to remedies imposed by third parties, such as law enforcement agencies, regulators or other authorities, and any right of recoupment under Section 304 of the Sarbanes-Oxley Act of 2002, or otherwise required by law or stock exchange requirements. In the event of an inaccuracy that does not give rise to a restatement, any amount recovered, cancelled or recouped under the policy will not exceed the amount by which the compensation based on the inaccurate financial results exceeded the compensation calculated under the accurate financial results.

Each executive officer's employment agreement also contains certain provisions regarding termination of employment and change in control benefits. For a description of these provisions and post-employment restrictive covenants, see the section of this Information Circular and Proxy Statement titled "Potential Payments Upon Termination or Change in Control." None of our employment agreements provides for any excise tax or gross-ups for the benefit of our executive officers.

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For a description of Mr. Hall's severance agreement, please see Potential Payments Upon Termination or Change in Control beginning on page 43.

Retirement Benefits

The Corporation does not sponsor a defined benefit retirement plan or any supplemental or enhanced retirement benefits for its named executive officers. The Corporation makes annual matching contributions to each named executive officer's 401(k) plan account based upon a predetermined formula that applies to all its employees. The matching contributions supplement employee's personal savings toward future retirement.

Perquisites

The Corporation does not provide any material perquisites to its named executive officers.

Share Ownership Policy

The Board of Directors has adopted a share ownership policy for the Corporation's executive officers in order to further align the interests of the Corporation's executive officers and directors with the long-term interests of the Shareholders. The Policy provides that within five years of appointment the CEO must own shares at 3 times his annual base salary and 2 times for the other executives.

For purposes of the Policy, share ownership includes any shares owned, directly or indirectly, by an executive or his or her immediate family members or held by such person or his or her immediate family members as part of a tax or estate plan, and unvested notional shares or other equity securities issued under an equity or equity-based compensation plan of the Corporation. In the event of a decline in the price of the Corporation's Common Shares by 25% or more in any year such that the value of an executive officer's Common Shares falls below the requirements of the Policy, the executive officer will have a period of one year to acquire additional Common Shares to comply with the Policy. If the share ownership Policy for any executive officer is not met within the required time frame, the executive officer will be required to have 100% of his or her notional shares or equity-based compensation vest into Common Shares (in both cases, less Common Shares withheld or sold to pay taxes) until the requirements of the Policy are met.

For purposes of determining compliance with the Policy, the value of a share means an assumed per share value based on the average of the closing price of a Common Share on the New York Stock Exchange on the last trading day of each of the previous four fiscal quarters. The Policy went into effect on April 1, 2013, and the five-year grace period under the Policy, as described above, is still in effect for each of the Corporation's executive officers.

Compensation Committee Report

The Compensation Committee of the Board of Directors of the Corporation has reviewed and discussed the Compensation Discussion and Analysis ("CD&A") required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the CD&A be included in this Information Circular and Proxy Statement.

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Submitted by the following independent directors who comprise the Compensation Committee:

Teresa M. Ressel, Chair
 John A. McNeil*
 Kevin T. Howell
 Holli C. Ladhani
 Gilbert S. Palter

*
 Mr. McNeil will not stand for re-election at the Meeting.

Summary Compensation Table

The following table sets forth a summary of salary and other compensation for 2015, 2014 and 2013 of each named executive officer (in US\$).

Name and principal position	Year	Salary	Bonus(1)	Non-equity incentive		All other compensation(4)	Total Compensation
				Stock Awards(2)	plan compensation(3)		
James J. Moore(5) Director, President and Chief Executive Officer	2015 2014 2013	530,769	150,000	1,350,000	740,000	41,437	2,812,206
Terrence Ronan(6) Executive Vice President	2015 2014	400,000 400,000		350,000 350,000	400,000 175,000	30,068	1,180,068
						X	10-K April 101.29, 2019
		X 10-K	April 29, 2019	101.SCH			
		X 10-K	April 29, 2019	101.CAL			

	XBRL			
	Taxonomy		April	
DEF	Definition	X 10-K	29,	101.DEF
	Linkbase		2019	
	Document			

	XBRL			
	Taxonomy		April	
LAB	Label	X 10-K	29,	101.LAB
	Linkbase		2019	
	Document			

	XBRL			
	Taxonomy		April	
PRE	Presentation	X 10-K	29,	101.PRE
	Linkbase		2019	
	Document			

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DGSE COMPANIES, INC.

By: */s/ JOHN R. LOFTUS*

Dated: April 29, 2019

John R. Loftus
Chairman of the Board,
Chief Executive Officer,
(Principal Executive Officer)
President

