

Whistleblower Policy

PROCEDURES FOR COMPLAINTS ABOUT TRANSALTA'S ACCOUNTING, INTERNAL ACCOUNTING CONTROLS, AUDITING OR FINANCIAL REPORTING MATTERS

This Whistleblower Policy is applicable to TransAlta Corporation and its subsidiaries, including TransAlta Renewables Inc. (collectively referred to as the "Corporation"). Employees, officers, directors and contractors of the Corporation are responsible for complying with this policy.

PURPOSE

The Corporation is committed to providing financial disclosure to the public and to its shareholders that is timely, full, true and plain. The Corporation employs internal controls to prevent or detect improper accounting activities that could affect reporting. Employees are expected to report any suspected wrongdoing in relation to these activities.

The Audit and Risk Committee ("ARC") is responsible for ensuring that the Corporation has appropriate procedures for the receipt, retention, and treatment of complaints about its accounting, internal accounting controls, auditing or financial reporting matters. In addition, the ARC must provide for confidential, anonymous submission by the Corporation's employees, contractors, shareholders and other stakeholders of concerns regarding accounting, auditing, ethical or legal violations.

Comparably, the Audit Committee of TransAlta Renewables (the "Audit Committee", each of the Audit Committee and the ARC, a "Committee") requires the Corporation to maintain procedures for the confidential receipt, retention and treatment of complaints by employees, officers, contractors or other stakeholders regarding accounting, internal accounting and disclosure controls, auditing or legal violation. Accordingly, any incidents, complaints or information pertaining to the accounting, internal accounting controls, auditing or financial reporting matters of TransAlta Renewables will also be reported to the Chair of the Audit Committee pursuant to this policy.

PROCEDURES

1. Complaints

1. **Accounting or financial statement irregularities.** Employees, officers, directors and contractors are expected to report any violations or suspected violations of accounting, internal accounting controls, auditing or financial reporting laws or policies to the attention of any one of: their supervisor, the Human Resources Department, the Legal Department, Internal Audit or directly to the Chair of the ARC or, in the case of TransAlta Renewables, the Chair of the Audit Committee (as described below). Unless such report is provided directly to the Chair of the ARC or, in the case of TransAlta Renewables, the Chair of the Audit Committee, the recipients of any

such report must forward such report promptly to the Managing Director, Legal and Compliance or the Chief Legal and Compliance Officer, and to Internal Audit. All such reports of potential or suspected violations will be promptly reported to the Chair of the ARC, and in the case applicable to TransAlta Renewables, also to the Chair of the Audit Committee, and will also be reported to the full Board of Directors or the Committees at the next scheduled Committee meeting as part of the whistleblower certification process required as part of the approval of financial statements.

2. **Potential Ethical or Legal Violations.** Employees, officers, directors and contractors are also expected to report any violations or suspected ethical or legal violations (that are not related to accounting or financial statement irregularities) to the attention of any one of: their supervisor, the Human Resources Department, the Legal Department, Internal Audit or directly to the Chair of the ARC or, in the case of TransAlta Renewables, the Chair of the Audit Committee (as described below). Unless such report is provided directly to the Chair of the ARC or, in the case of TransAlta Renewables, the Chair of the Audit Committee, the recipients of any such report must forward such report promptly to the Managing Director, Legal and Compliance or the Chief Legal and Compliance Officer, and to Internal Audit. The Managing Director, Legal and Compliance or the Chief Legal and Compliance Officer will review the alleged ethical or legal violation and will provide material complaints to the Chair of the ARC, or in the event pertaining to TransAlta Renewables, to the Chair of the Audit Committee.
3. **Anonymous Submission.** Employee complaints may be also submitted confidentially or anonymously through either:
 - (i) the Ethics Helpline, which can be reached at 1 (855) 374-3801 (Canada/US) and 1-800-3999276 (Australia) (a confidential, anonymous phone line with 24-hour voice mail), or via internet: transalta.ethicspoint.com
 - (ii) the interoffice mail (or regular mail or delivery, addressed to TransAlta Corporation), by which complaints may be submitted to the Chair of the ARC, as applicable, in a sealed envelope marked "Private and Confidential – Attention: Chair of the Audit and Risk Committee" which envelope shall be forwarded unopened to such Chair. Any complaints pertaining to TransAlta Renewables shall be forwarded to the Chair of the Audit Committee.
4. **Non-employee Submissions.** Non-employees may submit complaints by mail (or delivery) addressed to TransAlta Corporation, either to the attention of the Managing Director, Legal and Compliance or marked "Private and Strictly Confidential – Attention: Chair of the ARC of

TransAlta Corporation.". Envelopes so marked shall be forwarded unopened to the Committee Chair.

5. **No Retaliation.** No retaliation will be taken or pursued against an employee, director, officer, contractor or other stakeholder for providing good faith information in their complaints under this policy. "Good faith" information means information that, to your knowledge, is honest and complete. The making of any deliberately false or malicious allegations will be treated as a serious violation of this policy which, as it pertains to an employee, may result in disciplinary action, which may include dismissal for cause.
6. **TransAlta Values 003: Ethics Help Line Procedures.**TransAlta Values 003: Ethics Help Line Procedures provides further details and procedures regarding the reporting and investigation of any actual, possible or suspected violations of accounting, internal accounting controls, auditing or financial reporting laws or policies. A link to TransAlta Values 003: Ethics Help Line Procedures can be accessed below.

2. Treatment of Complaints

1. All complaints will be kept in confidence to the extent appropriate and permitted by policy and law. Information will only be shared to the extent necessary to completely and fairly investigate and resolve a complaint.
2. While anonymous complaints are accepted and can be resolved, remaining anonymous may make it difficult for the Corporation to pursue an investigation. An individual making an anonymous complaint may be advised that maintaining anonymity could hinder an effective investigation. Regardless of the situation, the anonymity of the person making the complaint shall not be divulged without the direct consent of the person involved.
3. Assessment, investigation, and evaluation of complaints may be conducted by an Ethics Investigation Committee in accordance with TransAlta Policy 132.09 or by, or at the direction of, the Committee. If the Committee deems it appropriate, the Committee may engage independent external advisors, at the Corporation's expense, to examine or seek to resolve any complaint. Such advisors may include external legal counsel or auditors (who are not affiliated with the Corporation's auditor), for the purpose of undertaking any investigation and/or recommending appropriate action. To the extent appropriate, the members of the Corporation's senior management team will be appraised of relevant issues as necessary.

4. Following investigation and evaluation of a Complaint, the Committee Chair shall report to the Committee the recommended disciplinary or remedial action, if any. The Committee may recommend action it considers to be appropriate, including disciplinary action up to and including dismissal for cause. The recommendation would be brought to the appropriate members of senior management for implementation.