



**NOTICE OF ANNUAL GENERAL MEETING OF
SHAREHOLDERS OF ALTERRA POWER CORP**

to be held November 14, 2011

and

MANAGEMENT INFORMATION CIRCULAR

October 14, 2011

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ALTERRA POWER CORP

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the shareholders of Alterra Power Corp (the “**Company**”) will be held in the Connaught Room of the Metropolitan Hotel, 645 Howe Street, Vancouver, British Columbia on Monday, November 14, 2011 at 2:00 p.m. (Vancouver time) for the following purposes:

1. To receive the consolidated financial statements of the Company for the financial year ended June 30, 2011, together with the auditors’ report thereon.
2. To elect directors of the Company.
3. To appoint auditors for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors.
4. To transact such further and other business that does not have a material effect on the business of the Company as may be properly brought before the Meeting or any and all adjournments thereof.

Accompanying this Notice of Meeting are: (i) an Information Circular; (ii) an Instrument of Proxy and notes thereto; and (iii) a reply card for use by shareholders who wish to receive the Company’s interim and annual financial statements and management’s discussion and analysis thereon.

The record date for the Meeting has been fixed at October 5, 2011, and only shareholders of record as of that date will be entitled to vote at the Meeting.

If you are a registered shareholder and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and deposit it with Computershare Investor Services Inc., Attention: Stock Transfer Services, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1 before 5:00 p.m. (Toronto time) on November 10, 2011 or not less than 24 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting.

If you are a *non-registered shareholder* and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting.**

If you have any questions about the procedures to be followed to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253.

This Notice of Meeting, the Information Circular, the Instrument of Proxy and notes thereto and the reply card are first being sent to shareholders of the Company on or about October 18, 2011.

DATED at Vancouver, British Columbia, this 14th day of October, 2011.

BY ORDER OF THE BOARD

(signed) Ross J. Beaty

ROSS J. BEATY,
Chairman

MANAGEMENT INFORMATION CIRCULAR

Introduction

This Information Circular is furnished in connection with the solicitation by the management of Alterra Power Corp. (the “**Company**”) of proxies to be voted at the annual general meeting of the shareholders of the Company to be held at 2:00 p.m. (Vancouver time) on Monday, November 14, 2011, in the Connaught Room of the Metropolitan Hotel, 645 Howe Street, Vancouver, British Columbia, and any adjournments thereof (the “**Meeting**”).

Unless the context otherwise requires, references herein to “Alterra” mean the Company and its subsidiaries. The principal executive office of the Company is located at Suite 600 - 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4. The telephone number is (604) 669-4999 and the facsimile number is (604) 682-3727. The Company’s website address is www.alterrapower.ca. The information on that website is not incorporated by reference into this Information Circular. The registered and records office of the Company is located at Suite 600, 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4.

Unless otherwise indicated, all currency amounts stated in this Information Circular are stated in the lawful currency of the United States.

The date of this Information Circular is October 14, 2011, and it is first being sent to shareholders on or about October 18, 2011. The Annual Information Form disclosure required by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) can be found in the Company’s Annual Information Form for the year ended June 30, 2011, under the heading “Audit Committee”, a copy of which is available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

General Proxy Matters

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by management of the Company of proxies to be voted at the Meeting. Management’s solicitation of proxies will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company or by the Company’s registrar and transfer agent. The Company may retain other persons or companies to solicit proxies on behalf of management, in which event customary fees for such services will be paid. All costs of solicitation will be borne by the Company.

Appointment of Proxyholder

The persons named in the accompanying form of proxy for the Meeting are directors or officers of the Company, or both, and are proxyholders nominated by management of the Company. **A shareholder has the right to appoint some other person, who need not be a shareholder, to represent the shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting that other person’s name in the blank space provided in the proxy. A person appointed as proxyholder need not be a shareholder of the Company**

The instrument appointing a proxyholder must be signed in writing by the shareholder, or such shareholder's attorney authorized in writing. If the shareholder is a corporation, the instrument appointing a proxyholder must be in writing signed by an officer or attorney of the corporation duly authorized by resolution of the directors of such corporation, which resolution must accompany such instrument.

An instrument of proxy will only be valid if it is duly completed, signed, dated and received at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1, Attention: Stock Transfer Department, before 5:00 p.m. (Toronto time) on November 10, 2011 or not less than 24 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

If you have any questions about the procedures to be followed to vote at the Meeting or about obtaining, completing and depositing the required form of proxy, you should contact Computershare by telephone (toll free) at 1-800-564-6253.

Revocation of Proxy

A shareholder may revoke a proxy by delivering an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing, or where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or with the consent of the Chairman of the Meeting on the day of the Meeting, before any vote in respect of which the proxy is to be used has been taken. A shareholder may also revoke a proxy by depositing another properly executed instrument appointing a proxyholder bearing a later date with the Company's registrar and transfer agent in the manner described above, or in any other manner permitted by law.

Voting by Non-Registered Shareholders

Only registered shareholders or persons they appoint as their proxyholders are permitted to attend and/or vote at the Meeting. However, in many cases, common shares in the capital of the Company (the "**Shares**") beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares, such as a bank, trust company, securities dealer or broker or trustee or administrator of self-administered RRSPs, RRIFs, RESPs or similar plans; or
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of applicable securities laws, the Company has distributed copies of the Notice of Meeting, this Information Circular, the form of proxy, and the reply card for use by shareholders who wish to receive the Company's financial statements (collectively, the "**Meeting Materials**") to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders, unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies, such as Broadridge Financial Solutions, Inc. (“**Broadridge**”), to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will receive either:

- (a) **Voting Instruction Form.** This form is not signed by the Intermediary. When properly completed and signed by the Non-Registered Holder, and returned to the Intermediary or its designated service company, such as Broadridge, the intermediary must follow your voting instructions. There are directions on the form as to how to complete and deliver it, which may in some cases permit the completion of the voting instruction form by telephone or through the internet; or
- (b) **Form of Proxy.** This form, which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder, has already been signed by the Intermediary (typically by a facsimile, stamped signature), but is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. The Non-Registered Holder who wishes to submit a proxy should otherwise properly complete this form of proxy and deposit it as described above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the accompanying proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its service company.**

Voting of Proxies

Shares represented by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Shares represented by such proxies will be voted accordingly. **If no choice is specified, the persons designated in the accompanying form of proxy will vote FOR all matters proposed by management at the Meeting. If for any reason the instructions of a shareholder in a proxy are uncertain as they relate to the election of directors, the proxyholder will not vote the Shares represented by that proxy for any director.**

Exercise of Discretion

The accompanying form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the persons appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which 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 or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the accompanying form of proxy to vote in accordance

with their best judgment on such matters of business. At the date of this Information Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

Voting Securities and Principal Holders of Voting Securities

The Company is authorized to issue an unlimited number of Shares without par value, and as of October 8, 2011, there were 465,116,280 fully paid and non-assessable Shares issued and outstanding. The holders of Shares are entitled to one vote for each Share held. The Company has no other classes of voting securities.

Any holder of record of Shares at the close of business on October 5, 2011 will be entitled to receive notice of the Meeting. Any such shareholder who either personally attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his or her Shares voted at the Meeting. The failure of any shareholder to receive the Notice of Meeting does not deprive such shareholder of his or her entitlement to vote at the Meeting.

Except as disclosed below, to the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, more than ten percent of the issued and outstanding Shares.

As of October 14, 2011, Ross J. Beaty owned 122,079,861 Shares, being 26.25% of the issued and outstanding Shares. Mr. Beaty holds 100,000,000 Shares in trust for the benefit of the Sitka Foundation, a registered Canadian charity founded to advance environmental initiatives. In addition, 13,279,860 of the Shares are held by Kestrel Holdings Ltd. a private company owned by Ross J. Beaty. The above information was provided by management of the Company and Computershare.

Quorum

Under the Company's articles of incorporation (the "**Articles**"), a quorum for the transaction of business at a general meeting is one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued Shares entitled to be voted at the meeting. If there is only one shareholder entitled to vote at a meeting of shareholders: (1) the quorum is one person who is, or who represents by proxy, that shareholder; and (2) that shareholder, present in person or by proxy, may constitute the meeting.

Annual Business of the Meeting

Presentation of Financial Statements

The consolidated financial statements of the Company for the financial year ended June 30, 2011, together with the auditors' report thereon (the "**Financial Statements**"), will be presented to shareholders at the Meeting. The Financial Statements are available on SEDAR at www.sedar.com. Copies of the Financial Statements will also be available at the Meeting.

Election of Directors

The Board presently consists of seven directors, and it is anticipated that seven directors will be elected for the coming year. The term of office for persons elected at the Meeting will expire at the next annual general meeting of shareholders of the Company, unless a director resigns or is otherwise removed in accordance with the Articles or the *Business Corporations Act*.

The persons named below will be presented at the Meeting for election as directors as nominees of management, and the persons named in the enclosed instrument of proxy intend to vote for the election of these nominees. All nominees are currently directors of the Company.

In the absence of instructions to the contrary, the accompanying form of proxy will be voted FOR the nominees herein listed.

The following table sets out the names of management's nominees for election as directors, the province in which he or she is ordinarily resident, all offices of the Company now held by each of them, each nominee's principal occupation, business or employment, the period of time for which each nominee has served as a director of the Company and the number of Shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each nominee exercises control or direction as at October 14, 2011.

Name and Residence	Current Office with the Company	Principal Occupation, Business or Employment Since 2005	Number of Shares Held
ROSS J. BEATY <i>British Columbia, Canada</i>	Chairman and Director (since January 22, 2008)	Chairman of Alterra (since January 22, 2008); Chairman of Pan American Silver Corp. (“ Pan American ”) (since 1994); former Chief Executive Officer of Alterra (from January 22, 2008 to August 31, 2011)	122,079,861 ⁽⁵⁾
DAVID W. CORNHILL ⁽²⁾⁽³⁾ <i>Alberta, Canada</i>	Director (since December 1, 2008)	Chairman and Chief Executive Officer of AltaGas Ltd. (formerly AltaGas Income Trust) (since 1994)	283,214 ⁽⁶⁾
DONALD SHUMKA ⁽¹⁾⁽²⁾⁽³⁾ <i>British Columbia, Canada</i>	Director (since January 22, 2008)	President of Walden Management Ltd. (since 2004)	560,000

<u>Name and Residence</u>	<u>Current Office with the Company</u>	<u>Principal Occupation, Business or Employment Since 2005</u>	<u>Number of Shares Held</u>
PAUL B. SWEENEY ⁽⁴⁾ <i>British Columbia, Canada</i>	Director (since September 11, 2008)	Former Executive Officer of Plutonic Power Corporation (“ Plutonic ”) (from April 2010 to May 2011); former President of Plutonic (from August 2009 to April 2010); former Executive Vice-President Business Development of Plutonic (from January 2007 to August 2009); financial consultant (from 2005 to January 2007);	1,441,150
DONALD A. MCINNES ⁽⁴⁾ <i>British Columbia, Canada</i>	Vice Chairman and Director (since May 13, 2011)	Chief Executive Officer and Director of Plutonic (since June 1999); Executive Vice-Chairman of Plutonic (since October 2007); former President of Plutonic (from 1999 to 2007)	3,346,580 ⁽⁷⁾
WALTER T. SEGSWORTH ⁽¹⁾⁽²⁾ <i>British Columbia, Canada</i>	Director (since May 13, 2011)	Self employed businessman and consulting engineer; Chairman of Plutonic (since June 2005)	2,573,970 ⁽⁸⁾
DAVID O’BRIEN ⁽¹⁾⁽³⁾ <i>Ontario, Canada</i>	Director (since May 13, 2011)	Retired business executive (since September 2009); former President and Chief Executive Officer of Toronto Hydro Corporation (from July 2004 to September 2009)	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Governance and Nominating Committee.
- (4) Member of the Health and Safety Committee.
- (5) Mr. Beaty holds 100,000,000 Shares in trust for the benefit of the Sitka Foundation, a registered Canadian charity formed to advance environmental causes. In addition, 13,279,860 of these Shares are held by Kestrel Holdings Ltd. a private company owned by Ross J. Beaty.

- (6) Mr. Cornhill is the Chairman and Chief Executive Officer of AltaGas Ltd., which owns 16,631,118 Shares.
- (7) 146,370 of these Shares are held by McGillicutty Management Ltd., a private company owned by Donald A. McInnes.
- (8) 1,666,000 of these Shares are held by Segsworth Family Trust, in trust for members of Mr. Segsworth's family.

The information as to the province of residence, principal occupation and business or employment is not within the knowledge of the directors or senior officers of the Company and has been furnished by the individual nominees. The number of Shares beneficially owned by each nominee or over which each nominee exercises control or direction set out in the above table has been obtained from publicly available insider reporting as at October 14, 2011, or has been provided by individual nominees.

To the best of the Company's knowledge, none of the nominees for election to the Board named above are, as at the date of this Information Circular, or was, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the Company access to any exemption under securities legislation that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, none of the nominees for election to the Board named above:

- (a) are, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, to the best of the Company's knowledge, none of the Board's nominees for election as a director of the Company named above has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a nominee as director.

Appointment of Auditors

The Board recommends that: (1) KPMG LLP, Chartered Accountants, of Vancouver, British Columbia, be appointed as the auditors of the Company to hold office until the close of the next annual general meeting of the Company; and (2) the Board be authorized to fix the remuneration to be paid to the auditors of the Company. KPMG LLP were first appointed auditors of the Company on June 9, 2011.

In the absence of instructions to the contrary, the accompanying form of proxy will be voted FOR the appointment of KPMG LLP as auditors and the authorization of the Board to fix the remuneration to be paid to the auditors.

Corporate Governance

The Board is required to supervise the management of the business and affairs of the Company. In June 2009 the Board adopted a formal written mandate which defined its stewardship responsibilities. This mandate was drafted in accordance with NI 52-110, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Instrument 58-201 - *Corporate Governance Guidelines* (“**NI 58-201**” and, together with NI 58-101, the “**Corporate Governance Disclosure Rules**”).

The Board believes that good corporate governance is important to the effective performance of the Company and plays a significant role in protecting shareholders’ interests and maximizing shareholder value.

The Corporate Governance Disclosure Rules have established guidelines for effective governance of listed companies. The Board is of the view that the Company’s system of corporate governance meets or exceeds these guidelines. The Company’s corporate governance practices are compared with the NI 58-101 guidelines for effective corporate governance in Appendix “A” to this Information Circular. The Board will review and assess the adequacy of the Company’s corporate governance practices at least annually or otherwise, as it deems appropriate, and make any necessary changes.

Composition of the Board

The Board currently consists of seven directors, a majority of whom are independent. David W. Cornhill, Donald Shumka, Walter Segsworth and David O’Brien qualify as independent directors under the Corporate Governance Disclosure Rules and are independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company. Ross J. Beaty, the Company’s Chairman, is not independent due to his management position with the Company and his ownership of 122,079,861 Shares representing 26.25% of the issued and outstanding Shares. Donald McInnes, the Company’s Vice Chairman, is not independent due to his management position with the Company. Paul Sweeney is not independent due to his former position as executive of the Company’s subsidiary, Plutonic. One of the independent directors, Walter Segsworth, has been appointed as Lead Director. The

primary responsibility of the Lead Director is to provide leadership to the independent directors and to ensure that the policies and procedures adopted by the Board allow the Board to function independently of management. The independent directors hold regularly scheduled meetings at which non-independent directors and management are not in attendance.

Board Committees

The Board has established four committees: the Audit Committee, the Compensation Committee, the Governance and Nominating Committee, and the Health and Safety Committee. Each committee operates in accordance with the Board's formal written mandate which defines its stewardship responsibilities. Committee members are appointed annually following the Company's annual general meeting.

The following is a description of the composition and mandate for each of the committees of the Board.

Audit Committee

The Audit Committee has been structured to comply with the requirements of NI 52-110. The Audit Committee is currently composed of three independent directors, Donald Shumka, Walter T. Segsworth and David O'Brien. All members of the Audit Committee are financially literate. The Company considers "financial literacy" to be the ability to read and understand a company's fundamental financial statements, including a company's balance sheet, income statement and a cash flow statement. The Chair of the Audit Committee is Donald Shumka. Mr. Shumka has significant employment experience in finance and accounting - during the period between 1979 and 1989, Mr. Shumka was Vice-President and Chief Financial Officer of West Fraser Timber Co. Ltd. and from 1989 to 2004 he headed the Forest Products Group for two Canadian investment banks. Mr. Shumka was the Managing Director of Raymond James Ltd. until 2004, and he is currently the President of Walden Management Ltd. and a director of Eldorado Gold Corporation, Regalito Copper Corp., Paladin Energy Ltd., Lumina Copper Corp. and Anfield Nickel Corp.

The Audit Committee assists the Board in its oversight functions as they relate to the integrity of the Company's financial statements and accounting processes, and the independent auditors' qualifications and independence. In this regard the Audit Committee has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The Audit Committee will periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of the Board, and report to the Board, the results of its review and its recommendations regarding all material matters of a financial reporting and audit nature, including, but not limited to the following main subject areas: (i) financial statements, including management's discussion and analysis thereof; (ii) financial information in any annual information form, management proxy circular, prospectus or other offering document, material change report or business acquisition report; (iii) reports to shareholders and others; (iv) annual and interim press releases regarding financial results or containing earnings guidance; (v) internal controls; (vi) audits and reviews of financial statements of the Company and its subsidiaries; and (vii) filings to securities regulators containing financial information.

The Audit Committee will meet as many times per year as necessary to carry out its responsibilities. The Audit Committee will ensure satisfactory procedures for receipt, retention

and treatment of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters. The Board will be kept informed of the Audit Committee’s activities by reports delivered to the Board.

At least annually, the Audit Committee will review the qualifications and performance of the lead partners of our external auditors and determine whether it is appropriate to adopt or continue a policy of rotating the lead partner of our external auditors. In addition, the Audit Committee will review and approve our hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

Additional information relating to the Audit Committee is contained in the Company’s Annual Information Form for the year ended June 30, 2011 under the heading “Audit Committee” and in Appendix “A”.

As described above under the heading “Annual Business of the Meeting – Appointment of Auditors”, the auditors of the Company are KPMG LLP. Fees paid or accrued by the Company and its subsidiaries for audit and other services provided by KPMG LLP and its predecessor, Grant Thornton LLP, and its related entities during the years ended June 30, 2011 and 2010 were as follows:

	<u>Year ended June 30, 2011 (Cdn.\$)</u>	<u>Year ended June 30, 2010 (Cdn.\$)</u>
Audit Fees.....	\$501,850	\$60,100
Audit Related Fees.....	\$81,900	\$322,300
Tax-Related Fees ⁽¹⁾	\$71,485	\$104,877
Other Fees.....	\$119,320	Nil
Total: ⁽²⁾	\$774,555	\$484,277

Notes:

- (1) Includes fees for professional services rendered for tax compliance, tax advice, tax planning and other related services.
- (2) The Audit Committee approved all audit and non-audit services provided by Grant Thornton LLP and KPMG LLP to the Company in 2011 and by Grant Thornton LLP in 2010.

Compensation Committee

The Compensation Committee is currently comprised of three independent directors, Walter T. Segsworth, David W. Cornhill and Donald Shumka. The Chair of the Compensation Committee is Walter T. Segsworth. The Compensation Committee’s role is to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation and to establish a plan of continuity and development for senior management of the Company. Our Compensation Committee will determine and make recommendations with respect to all forms of compensation to be granted to our Chief Executive Officer, and reviewing the Chief Executive Officer’s recommendations respecting compensation of our senior executives. To fulfil the responsibilities and duties outlined in its charter, our Compensation Committee will review and approve corporate goals and objectives relevant to compensation, evaluate performance of executives in light of those corporate goals and objectives and make recommendations respecting appointment, compensation and other terms of employment. The Compensation Committee will

review executive compensation disclosure before we publicly disclose any information regarding compensation, and submit a report to the Board on human resources matters at least annually.

Governance and Nominating Committee

The Governance and Nominating Committee currently consists of three independent directors, David W. Cornhill, Donald Shumka and David O'Brien. The Chair of the Governance and Nominating Committee is David W. Cornhill. The Governance and Nominating Committee's charter provides that its responsibilities will include: (i) establishing and reviewing member characteristics and size of the Board; (ii) recommending the remuneration of directors; (iii) monitoring conflicts of interest of both the Board and management in accordance with our Code of Business Conduct; (iv) evaluating, identifying and recommending nominees to the Board and to the various committees thereof; (v) reviewing and developing corporate governance guidelines, policies and procedures for the Board; (vi) monitoring and reviewing the education and development of members of the Board; (vii) establishing and implementing evaluation processes for the Board, its committees and Chairs; (viii) reviewing the Board mandate and the mandates for each committee thereof, together with position descriptions, and ensuring that the Board and the committees function independently of management; and (ix) receiving reports from the executive directors regarding breaches of the Code of Business Conduct and reporting such breaches to the Board.

Health and Safety Committee

The Health and Safety Committee currently consists of two directors, Donald A. McInnes and Paul Sweeney. The Chair of the Health and Safety Committee is Donald A. McInnes. The Board of Directors has established a Health and Safety Committee to which it has delegated oversight responsibilities to ensure that the Company maintains the integrity of its health and safety policies and that the Company's activities are conducted in an environmentally responsible manner. The Health, and Safety Committee oversees management's health, safety and environmental decision making, encourages, assists and counsels management in maintaining and improving health, safety and environmental performance and refers to the Board any matter likely to require a decision by the Board.

Summary of Attendance of Directors

The following table sets out the attendance of directors at Board meetings and meetings of the committees of the Board of which they were members during the year ended June 30, 2011:

<u>Director</u>	<u>Board</u>	<u>Independent</u>	<u>Audit</u>	<u>Compensation</u>	<u>Governance and Nominating</u>	<u>Health and Safety</u>
	11 meetings	4 meetings	4 meetings	2 meetings	0 meetings	0 meetings
ROSS J. BEATY	11	-	-	-	-	-
DAVID W. CORNHILL	10	3	-	2	-	-
DONALD SHUMKA	10	3	4	-	-	-

<u>Director</u>	<u>Board</u>	<u>Independent</u>	<u>Audit</u>	<u>Compensation</u>	<u>Governance and Nominating</u>	<u>Health and Safety</u>
PAUL B. SWEENEY	8	4 ⁽²⁾	4	2	-	-
DONALD A. MCINNES ⁽¹⁾	-	-	-	-	-	-
WALTER T. SEGSWORTH ⁽¹⁾	-	-	-	-	-	-
DAVID O'BRIEN ⁽¹⁾	-	-	-	-	-	-

Notes:

⁽¹⁾ Appointed to the Board on May 13, 2011. No Board or committee meetings were held after their appointment.

⁽²⁾ Paul Sweeney was an independent director prior the Company's acquisition of Plutonic Power Corporation on May 13, 2011.

Code of Business Conduct

As part of its stewardship responsibilities, in August 2009 the Board adopted a "Code of Business Conduct" (the "**Code**") which was designed to deter wrong-doing and to promote honest and ethical conduct and full, accurate and timely disclosure. The Code is applicable to all of the Company's directors, officers and employees. The full text of the Code is available free of charge to any person upon request from the Executive VP Legal of the Company at 600 – 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4, Telephone: (604) 669-4999. The Board, through the Governance and Nominating Committee, monitors compliance with the Code and is responsible for the granting of any waivers from the Code to directors or executive officers. Disclosure will be made by the Company of any waiver from the requirements of the Code granted to the Company's directors or executive officers in the Company's quarterly report that immediately follows the grant of such waiver.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' Liability Insurance Policy covering a period of one year from May 13, 2011 (the "**Policy Year**") with an aggregate limit on liability of \$10,000,000 to cover the directors and officers of the Company and its subsidiaries, individually and as a group. The Company would bear the first \$100,000 of any loss.

The Company paid aggregate premiums of \$46,500 for such insurance for the Policy Year.

Executive Compensation

The Compensation Committee provides assistance to the Board in fulfilling its oversight responsibilities relating to matters of human resources and executive compensation and in establishing a plan of continuity and development for the senior management of the Company. The duties and responsibilities of the Compensation Committee are set out in this Information Circular under the heading "Corporate Governance – Board Committees – Compensation Committee".

Compensation Discussion and Analysis

The objectives of the Company's executive compensation program are to:

- Assist the Board to fulfill its oversight responsibilities relating to matters of human resources and executive compensation; and
- Establish a plan of continuity and development for the senior management of the Company.

The Company's compensation structure is designed to reward performance and to be competitive with the compensation arrangements of Canadian renewable power production companies with Canadian and international operations of similar size and scope. Each executive officer's position is evaluated to establish skill requirements and level of responsibility and this evaluation provides a basis for internal and external comparisons of positions. In addition to industry comparables, the Board and the Compensation Committee consider a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long term interests of the Company and its shareholders, overall financial and operating performance of the Company and the Board's and the Compensation Committee's assessment of each executive's individual performance and contribution towards meeting corporate objectives.

The Company's executive officer total compensation is composed of four major components: base salary, a short-term incentive program, long-term incentives and extended group benefits.

Base Salary

Base salary is the principal component of executive compensation. Base salaries are determined following a review of market data for similar positions in Canadian renewable power production companies with Canadian and international operations of comparable size and scope. The salary for each executive officer's position is then determined having regard to the incumbent's responsibilities, the financial capacity of the Company, potential for advancement, and the assessment of the Board and the Compensation Committee of such other matters as are presented by management, including industry comparable base salaries for similar positions.

Short-Term Incentive Plan

The second component of the executive officers' compensation is an annual cash bonus. At the present time the Company has not established performance goals or similar conditions with respect to quantitative or qualitative performance-related factors in the determination of annual cash bonuses. Annual cash bonuses are determined by the Company's Chief Executive Officer, in conjunction with the Compensation Committee, on the basis of Company and individual performance. Cash bonus awards are paid in the financial year following the year in which the recipient's performance is assessed. Cash bonus awards were paid in December, 2010 with respect to performance in the financial year ended June 30, 2010. As at September 30, 2011, no payments had been made in respect of the June 30, 2011 year end.

Long-Term Incentive Plan

The third component of the executive officers' compensation is the granting of options (“**Options**”) to purchase Shares and/or the direct issuance of Shares (“**Bonus Shares**”) pursuant to the terms of the Company's Stock Option and Stock Bonus Plan (the “**Stock Option Plan**”). The Compensation Committee or the Board may grant Options and Bonus Shares on an annual basis to senior managers and executive officers. The long-term incentive plan is intended to help attract and retain employees by providing them with an opportunity to participate in the future success of the Company and to align the interest of the employee with those of the Company and its shareholders. Participation is limited to key management positions who have responsibility for influencing the policy, strategy and long-term performance of the Company.

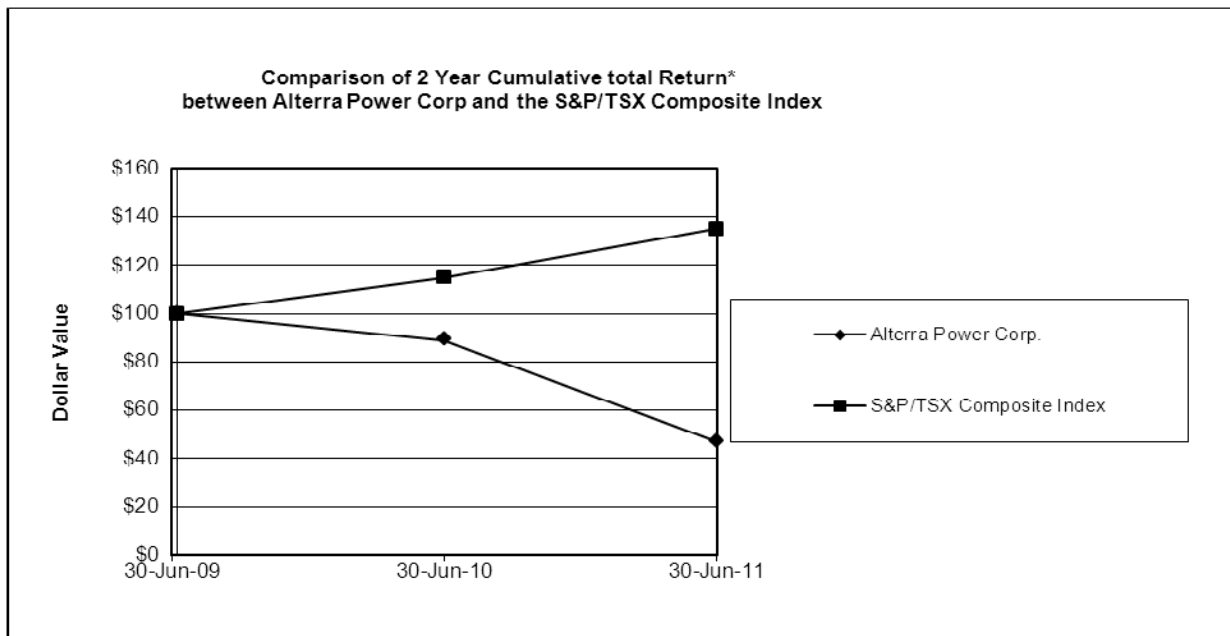
Extended Group Benefits

The fourth component of the executive officers' compensation is extended group benefits. The Company makes available an array of quality group benefit alternatives to address employee health and other needs, and those of their dependents.

Performance Graph

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Shares with the cumulative total return of the S&P TSX Composite Index, for the financial year ended June 30, 2011.

The Company was listed for trading on the TSX on July 7, 2009 and therefore has a short trading history. Prior to its acquisition of Plutonic in May 2011, the Company was a geothermal power producer. Management believes that during the period of time that its Shares have been trading, shareholder return has been comparable to other similar publicly-listed geothermal power producers. Although the Company's shareholder return has trended downwards, the Company has experienced significant growth during this period, and the Company's executive compensation has trended upwards at a modest rate in acknowledgement of this growth.



	7-Jul-09	30-Jun-10	30-Jun-11
Alterra Power Corp.	100	89	47
S&P/TSX Composite Index	100	115	135

Summary Compensation Table

The following table sets forth a summary of the total compensation paid to, or earned by, the Company's Chief Executive Officer, Chief Financial Officer and the three other most highly paid executive officers of the Company and any of its subsidiaries (each a "Named Executive Officer") during the financial year ended June 30, 2011.

Summary Compensation Table

Name and Principal Position	Year ⁽¹⁾	Salary (Cdn.\$)	Share-based awards (Cdn.\$)	Option-based awards (Cdn.\$) ⁽²⁾	Non-equity incentive plan compensation (Cdn.\$)		Pen-sion value (Cdn.\$)	All other compensation (Cdn.\$)	Total compensation (Cdn.\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
ROSS J. BEATY Chairman and Chief Executive Officer	2011	-	-	-	-	n/a	n/a	-	-
	2010	-	-	-	-	n/a	n/a	-	-
ANNETTE CUSWORTH Chief Financial Officer	2011	\$182,700	\$34,250	-	-	n/a	n/a	\$44,122 ⁽⁴⁾	\$261,072
	2010	-	-	-	-	n/a	n/a	-	-
JOHN CARSON Executive Vice President	2011	\$112,500	-	\$83,411	-	n/a	n/a	-	\$195,911
	2010	-	-	-	-	n/a	n/a	-	-
LYLE BRAATEN ⁽⁶⁾ Secretary and General Counsel	2011	\$261,362	\$150,000 ⁽⁴⁾	-	\$125,000	n/a	n/a	\$150,000 ⁽⁴⁾	\$686,362
	2010	\$253,328	-	\$144,000	\$37,500	n/a	n/a	\$50,000 ⁽⁵⁾	\$484,828
CATHERINE HICKSON Vice-President, Exploration and Chief Geologist	2011	\$203,000	\$34,250	-	-	n/a	n/a	-	\$237,250
	2010	\$175,000	-	\$72,000	\$37,500	n/a	n/a	-	\$284,500

Notes:

⁽¹⁾ Financial year ended June 30.

- (2) Option-based awards for the financial year ended June 30, 2011, were granted pursuant to the Stock Option Plan.
- (3) Annual Incentive Plan awards are paid in the financial year following the financial year in which the employee's performance is assessed. For example, the Annual Incentive Plan award referenced was paid in respect of the year ended June 30, 2010.
- (4) Compensation paid in settlement of termination of employment on June 30, 2011, which resulted from Alterra's acquisition of Plutonic.
- (5) Bonus paid for successful Initial Public Offering.
- (6) Payments made to Lyle E. Braaten Law Corporation.

In the above table the largest single component to the Company's executive remuneration is option based awards, however, it is important to note that this is a non-cash form of compensation. In the above table the options granted to the Named Executive Officers have been valued in accordance with the Black-Scholes-Merton Model, a formula used to assign prices to option contracts by calculating the probability that an option will expire with the exercise price being lower than the then current market price. To do this the model assigns value to an option by considering a number of factors, including the volatility of the Company's share price, the time left until the option expires and interest rates.

Incentive Plan Awards

The following table summarizes all option based awards outstanding for each Named Executive Officer for the financial year ended June 30, 2011.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (Cdn.\$)	Option expiration date	Value of unexercised in-the-money options (Cdn.\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (Cdn.\$)
ROSS J. BEATY Chairman and former Chief Executive Officer	-	-	-	-	nil	nil
ANNETTE CUSWORTH Chief Financial Officer	200,000	\$1.40	June 22, 2015	nil	nil	nil
JOHN CARSON Executive Vice President	250,000	\$0.90	May 13, 2016	nil	nil	nil
LYLE BRAATEN Secretary and General Counsel	300,000	\$1.50	July 7, 2014	nil	nil	nil

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (Cdn.\$)	Option expiration date	Value of unexercised in-the-money options (Cdn.\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (Cdn.\$)
CATHERINE HICKSON Vice-President, Exploration and Chief Geologist	150,000	\$1.50	July 7, 2014	nil	nil	nil

Note:

⁽¹⁾ Value of unexercised in-the-money options calculated using the closing price of Cdn.\$0.71 for the common shares of the Company on the Toronto Stock Exchange on June 30, 2011, less the exercise price of in-the-money options.

The following table summarizes for each Named Executive Officer the value of all vested option-based awards and non-equity incentive plan compensation for the financial year ended June 30, 2011.

Incentive Plan Awards Table

Name	Option-based awards – Value vested during the year (Cdn.\$) ⁽¹⁾	Share-based awards – Value vested during the year (Cdn.\$)	Non-equity incentive plan compensation – Value earned during the year (Cdn.\$)
ROSS J. BEATY Chairman and Chief Executive Officer	n/a	n/a	-
ANNETTE CUSWORTH Chief Financial Officer	nil	\$34,250	-
JOHN CARSON Executive Vice President	nil	n/a	-
LYLE BRAATEN Secretary and General Counsel	nil	\$150,000	\$125,000
CATHERINE HICKSON Vice-President, Exploration and Chief Geologist	nil	\$34,250	-

Note:

⁽¹⁾ Value of unexercised in-the-money options calculated using the closing price of Cdn.\$0.71 for the common shares of the Company on the Toronto Stock Exchange on June 30, 2011, less the exercise price of in-the-money options.

Stock Option Plan

The Stock Option Plan, which governs the Company's issuance of Options and Bonus Shares, was established by the Board on May 19, 2009. The Plan contemplates (i) the granting of Options to purchase Shares and/or (ii) the direct issuance of Bonus Shares to executive officers, directors and service providers of the Company.

The purpose of granting such Options and/or Bonus Shares is to assist the Company in attracting, retaining and motivating executive officers, directors and service providers and to align the personal interests of such executive officers, directors and service providers to those of the Company's shareholders. The Stock Option Plan is intended to be competitive with the benefit programs of other companies in the renewable power production industries, and complies with the rules set forth for such plans by the TSX.

Any grant of Options under the Stock Option Plan will be within the discretion of the Board, and the term of any Options granted will also be at the discretion of the Board, but will not be in excess of ten years. The Stock Option Plan also gives authority to the Board to issue up to 1,000,000 Bonus Shares in each calendar year. The maximum number of Shares which may be issued pursuant to Options granted or Bonus Shares issued under the Stock Option Plan may be equal to, but will not exceed 15,000,000 Shares. The number of Shares which may be issuable to any one optionee under the Stock Option Plan together with all of the Company's other previously established or proposed share compensation arrangements, shall not exceed 5% of the total number of issued and outstanding Shares in the capital of the Company on a non-diluted basis. The number of Shares which may be issued to Insiders under the Stock Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, in aggregate, shall not at any time exceed 10% of the total number of issued and outstanding Shares in the capital of the Company on a non-diluted basis. In addition, the number of Shares which may be issuable under the Stock Option Plan, together with all the Company's other previously established or proposed share compensation arrangements, within a one year period: (i) to insiders of the Company in aggregate, shall not exceed 8% of the outstanding issue; (ii) to one optionee who is an insider of the Company or any associates of such insider, shall not exceed 5% of the outstanding issue; and (iii) to any non-employee director shall not exceed the lesser of: (i) an equity award value of \$100,000 (other than Options or Bonus Shares granted or taken in lieu of cash fees); and (ii) 1% of the outstanding issue.

The exercise price of Options granted under the Stock Option Plan will be the volume weighted average trading price of Shares on the TSX for the five trading days prior to the grant date. The Stock Option Plan provides for an optional cashless exercise mechanism where the optionee elects to relinquish the right to exercise their unexercised vested Options and receive, in lieu thereof, a number of fully paid Shares. The number of Shares issuable pursuant to any such cashless exercise is equal to the quotient obtained by dividing the product of the number of unexercised vested Options tendered for disposition multiplied by the difference between the market price and the option price of all Shares subject to the tendered unexercised vested Options by the market price of one Share. Under the Stock Option Plan, Options are non-assignable and non-transferable, and subject to such vesting provisions as the Board in their sole discretion shall determine. Where an option holder's employment with the Company is terminated, otherwise than for cause or by reason of death or disability, Options granted under the Stock Option Plan will terminate on the earlier of: (i) the expiry date of the Options; or (ii) 30 days after the optionee ceases to be a director, officer or service provider. In the event of termination for cause, the Options will terminate on the earlier of: (i) the expiry date of the

Options; or (ii) the date on which the individual ceases to be a director, officer or service provider. In the event the individual ceases to be a director, officer or service provider due to death or disability, the Options granted under the Stock Option Plan will terminate upon the earlier of: (i) the expiry date; and (ii) 12 months after the date of death or disability. The Stock Option Plan also contains an adjustment mechanism to alter the exercise price or number of shares issuable under the Stock Option Plan upon a share reorganization, corporate reorganization or other such event not in the ordinary course of business. In the event of a take-over bid or change of control: (i) all vested Options as of the completion date become exercisable in accordance with the terms of the option agreement; (ii) the vesting provisions governing unvested Options as of the completion date shall be accelerated and such Options will be exercisable immediately prior to the successful closing of the change of control transaction; and (iii) any Options that are unvested or unexercised by the completion of the take-over bid or change of control become null and void.

Except where not permitted by the TSX, where an Option expires during a time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of Options under the Stock Option Plan (the “**Black Out Period**”) or within ten business days following the end of such Black Out Period, the term of such Options will be extended to the end of day that is ten business days following the end of the applicable Black Out Period.

The Stock Option Plan provides that the Board may make certain limited amendments to the Stock Option Plan or any Option without shareholder approval, including.

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) accelerating the expiry date of Options;
- (c) amending the definitions contained within the Stock Option Plan;
- (d) amending or modifying the mechanics of exercise of Options as set forth in Section 4, provided however, payment in full of the option price for the Shares shall not be so amended or modified;
- (e) effecting amendments of a “housekeeping” or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Stock Option Plan or any option agreement;
- (f) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the TSX);
- (g) effecting amendments respecting the administration of the Stock Option Plan;
- (h) effecting amendments necessary to suspend or terminate the Stock Option Plan; and

- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the TSX).

The Stock Option Plan expressly requires shareholder approval for: (i) amendments that increase the number of Shares issuable under the Stock Option Plan, except in certain circumstances as contemplated in the Stock Option Plan; (ii) any reduction in the option price of an Option if the optionee is not an insider of the Company at the time of the proposed amendment; and (iii) amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the TSX).

The Stock Option Plan expressly requires disinterested shareholder approval for: (i) amendments to the Stock Option Plan that could result at any time in the number of Shares reserved for issuance under the Stock Option Plan to insiders of the Company exceeding 10% of the outstanding issue; (ii) any reduction in the option price of an Option if the optionee is an insider of the Company at the time of the proposed amendment; and (iii) amendments requiring disinterested shareholder approval under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the TSX).

Termination of Employment, Changes in Responsibility and Employment Contracts

Two of our Named Executive Officers have agreements with the Company pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

The Company entered into an employment agreement with Dr. Catherine Hickson, Vice-President, Exploration and Chief Geologist, effective August 2008. Pursuant to the terms of her employment agreement, Dr. Hickson was paid a base salary of Cdn.\$150,000 per year. In January, 2010, Dr. Hickson's base salary was increased to Cdn.\$200,000 per year. In January, 2011, Dr. Hickson's base salary was increased to Cdn.\$206,000 per year. The Company may terminate or unilaterally alter Dr. Hickson's employment agreement with one month's notice in writing in the first year of employment and an additional one month's notice for each completed year of service, to a maximum of twelve months, or provide payment in lieu of notice of a lump sum amount equal to one-twelfth of her annual salary in the first year of employment and an additional one-twelfth of her annual salary for each completed year of service to a maximum of her entire annual salary. If Dr. Hickson's employment was terminated in these circumstances on June 30, 2011, she would be entitled to a lump sum payment in the amount of Cdn.\$33,333.

The Company entered into an employment agreement with John Carson, Executive Vice-President, effective February 12, 2011. Pursuant to the terms of his employment agreement, Mr. Carson is paid a base salary of Cdn.\$300,000 per year. The Company may terminate or unilaterally alter Mr. Carson's employment agreement with one month's notice in writing in the first year of employment and an additional month's notice for each completed year of service, to a maximum of 12 months, or provide payment in lieu of notice of a lump sum amount equal to one-twelfth of his annual salary and annual bonus in the first year of employment and an additional one-twelfth of his annual salary and annual bonus for each completed year of service to a maximum of his entire annual salary and annual bonus. The Company may also terminate or

unilaterally alter Mr. Carson's employment agreement at any time prior to February 12, 2012 upon payment of 75% of his annual salary. In the event that the Company is subject to an acquisition or a similar transaction of 50% or more of the voting rights attached to the outstanding Shares by transfer or by issuance of Shares from treasury, or if the Company sells all or substantially all of its assets, or any other transaction that could be deemed to be a change of control of the Company, and if Mr. Carson elects not to accept a position with the Company or is not offered a position with the Company following the change of control, Mr. Carson is entitled to payment in an amount that is two times his annual salary. If Mr. Carson's employment was terminated unilaterally on June 30, 2011, he would be entitled to payment in the amount of Cdn.\$225,000. If Mr. Carson's employment was terminated on June 30, 2011 following a change of control of the Company, he would be entitled to payment in the amount of Cdn.\$600,000.

Director Compensation

Other than the Chairman and the Vice Chairman, each non-executive director of the Company receives an annual Board retainer fee of US\$15,000. The retainer is paid once annually in advance effective after the Company's annual general meeting. In addition, the Chair of the Audit Committee receives US\$2,000 annually, and directors serving as Chair of other committees will receive US\$1,000 annually. No additional fees, including meeting fees, are paid to directors. Each director is also entitled to participate in any security-based compensation arrangement or other plan adopted by us from time to time, with the approval of the Board, and directors are reimbursed for expenses incurred on the Company's behalf.

The following table summarizes the compensation provided to the directors for the Company's financial year ended June 30, 2011, with the exception of the Company's Chairman, Ross J. Beaty, and Vice Chairman, Donald A. McInnes, who do not receive compensation for services as a director of the Company.

Director Compensation Table

Name	Fees earned (Cdn.\$)	Share-based awards (Cdn.\$)	Option-based awards (Cdn.\$)	Non-equity incentive plan compensation (Cdn.\$)	Pension value (Cdn.\$)	All other compensation (Cdn.\$)	Total (Cdn.\$)
DAVID W. CORNHILL	\$21,083 ⁽¹⁾	-	-	-	n/a	-	\$21,533
ROBERT PIROOZ ⁽²⁾	\$22,488 ⁽¹⁾	-	-	-	n/a	-	\$22,968
DONALD SHUMKA	\$23,894 ⁽¹⁾	-	-	-	n/a	-	\$24,404
PAUL B. SWEENEY	\$22,488 ⁽¹⁾	\$114,000 ⁽⁴⁾	\$58,350 ⁽⁴⁾	-	n/a	\$100,000 ⁽⁴⁾	\$295,318
WALTER T. SEGSWORTH ⁽³⁾	\$1,808	-	-	-	n/a	-	\$69,381

Name	Fees earned (Cdn.\$)	Share-based awards (Cdn.\$)	Option-based awards (Cdn.\$)	Non-equity incentive plan compensation (Cdn.\$)	Pension value (Cdn.\$)	All other compensation (Cdn.\$)	Total (Cdn.\$)
DAVID O'BRIEN ⁽³⁾	\$1,808	-	-	-	n/a	-	\$44,419

Notes:

- (1) Includes Board annual retainer fees, plus committee retainer fees. Exchange rate based upon Bank of Canada rate on November 16, 2010.
- (2) Mr. Pirooz resigned from the Board on April 27, 2011.
- (3) Appointed to the Board on May 13, 2011, fees calculated from that date. Exchange rate based upon Bank of Canada rate on June 30, 2011.
- (4) Paid to Mr. Sweeney as part of termination of his employment with Plutonic. The share based award value was based on 150,000 common shares and the option based award value was based on 150,000 options issued to Mr. Sweeney.

Director Incentive Plan Awards

The following table summarizes all option-based and share-based awards outstanding for each of the directors for the financial year ended June 30, 2011.

Outstanding Share-Based Awards and Option-Based Awards Table

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (Cdn.\$)	Option expiration date	Value of unexercised in-the-money options (Cdn.\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (Cdn.\$)
ROSS J. BEATY	-	-	n/a	-	-	-
DAVID W. CORNHILL	240,000	\$1.50	July 7, 2014	nil	-	-
DONALD SHUMKA	240,000	\$1.50	July 7, 2014	nil	-	-
PAUL B. SWEENEY	240,000	\$1.50	July 7, 2014	nil	-	-
	119,000	\$1.18	Dec. 17, 2011	nil	-	-
	267,750	\$1.79	Mar. 28, 2012	nil	-	-
	147,560	\$0.88	Mar. 24, 2014	nil	-	-
	142,800	\$1.45	Jan. 28, 2015	nil	-	-
	150,000	\$0.72	Jun. 22, 2016	nil	-	-

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (Cdn.\$)	Option expiration date	Value of unexercised in-the-money options (Cdn.\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (Cdn.\$)
DONALD A. MCINNES	1,071,000	\$1.79	Mar. 28, 2012	nil	-	-
	147,560	\$0.88	Mar. 24, 2014	nil	-	-
	142,800	\$1.45	Jan. 28, 2015	nil	-	-
WALTER T. SEGSWORTH	89,250	\$1.79	Mar. 28, 2012	nil	-	-
	71,400	\$0.88	Mar. 24, 2014	nil	-	-
	71,400	\$1.45	Jan. 28, 2015	nil	-	-
DAVID O'BRIEN	297,500	\$1.44	Sept. 27, 2014	nil	-	-
	71,400	\$1.45	Jan. 28, 2015	nil	-	-

Note:

⁽¹⁾ Value of unexercised in-the-money options calculated using the closing price of Cdn.\$0.71 for the common shares of the Company on the Toronto Stock Exchange on June 30, 2011, less the exercise price of in-the-money options.

The following table summarizes the value of all vested option-based awards and non-equity incentive plan compensation earned by each of the directors for the financial year ended June 30, 2011.

Incentive Plan Awards Table

Name	Option-based awards – Value vested during the year (Cdn.\$) ⁽¹⁾	Share-based awards – Value vested during the year (Cdn.\$)	Non-equity incentive plan compensation – Value earned during the year (Cdn.\$)
ROSS J. BEATY	n/a	-	-
DAVID W. CORNHILL	nil	-	-
DONALD SHUMKA	nil	-	-
PAUL B. SWEENEY	nil	-	-
DONALD A. MCINNES	nil	-	-
WALTER T. SEGSWORTH	nil	-	-
DAVID O'BRIEN	nil	-	-

Note:

⁽¹⁾ Value of unexercised in-the-money options calculated using the closing price of Cdn.\$0.71 for the common shares of the Company on the Toronto Stock Exchange on June 30, 2011, less the exercise price of in-the-money options.

Equity Compensation Plan Information

The following table sets forth information concerning the issuance of Shares under equity compensation plans for the financial year ended June 30, 2011. The Company's only equity compensation plan is the Stock Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (Cdn.\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	-	n/a	-
Equity compensation plans not approved by securityholders	3,775,000	\$1.41	11,225,000
Total:	3,775,000	\$1.41	11,225,000

Note:

⁽¹⁾ The Stock Option Plan was adopted at the time of the Company's Initial Public Offering, which closed on July 7, 2009.

Management Contracts

Management functions of the Company are not, to any substantial degree, performed by a person other than the directors or senior officers of the Company through consulting contracts.

Interest of Certain Persons in Matters to be Acted Upon

Except as disclosed herein, no director or executive officer of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

Other Matters

Management of the Company knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting. Should any other matters, which do not have a material effect on the business of the Company, properly come before the Meeting, the Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company's financial information is provided in its comparative financial statements and management's discussion and analysis ("MD&A") for the most recently completed financial year. Copies of the financial statements and MD&A are available upon request to the Secretary of the Company at Suite 600 – 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4.

Copies of the above documents will be provided free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or Company who is not a shareholder of the Company and who requests a copy of any such document.

DATED at Vancouver, British Columbia, this 14th day of October, 2011.

BY ORDER OF THE BOARD

(signed) Ross J. Beaty

ROSS J. BEATY,
Chairman

APPENDIX “A”

CORPORATE GOVERNANCE DISCLOSURE

The governance practices of Alterra Power Corp. (the “**Company**”) in relation to the disclosure requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Instrument 58-201 – *Corporate Governance Guidelines* (“**NI 58-201**”) and, together with NI 58-101, the “**Corporate Governance Disclosure Rules**”) are set out below:

Governance Guideline	Comments
1. Board of Directors	
(a) Disclose the identity of directors who are independent.	<ul style="list-style-type: none">▪ David W. Cornhill▪ Donald Shumka▪ Walter T. Segsworth▪ David S. O’Brien
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	<p>Ross J. Beaty – not independent – due to his position as an officer of the Company and ownership of 122,079,861 Shares representing 26.25% of the issued and outstanding Shares of the Company.</p> <p>Donald A. McInnes – not independent – due to his position as an officer of the Company.</p> <p>Paul B. Sweeney – not independent – due to his position as a former officer of the Company’s subsidiary, Plutonic.</p>
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	<p>A majority of the Company’s directors are independent.</p>
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in the same jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	<ul style="list-style-type: none">▪ Ross J. Beaty – Pan American Silver Corp., Amerigo Resources Ltd., Lumina Royalty Corp. and Nord Resources Corporation.▪ David W. Cornhill – AltaGas Ltd.▪ Donald Shumka – Eldorado Gold Corporation, Regalito Copper Corp., Paladin Energy Ltd.,

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	<p>Lumina Copper Corp. and Anfield Nickel Corp.</p> <ul style="list-style-type: none">▪ Paul B. Sweeney –Pan American Silver Corp., Mongolia Growth Group Ltd., Tahoe Resources Inc. and Polaris Minerals Corporation.▪ Donald A. McInnes –Blackstone Ventures Inc., Blue Gold Mining Inc. and Pilot Gold Inc.▪ Walter T. Segsworth – Heatherdale Resources Ltd., Gabriel Resources Ltd. and Pan America Silver Corp.
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.</p>	<p>In-camera meetings of the independent directors without members of management present are generally held immediately preceding meetings of the full Board. The independent directors held four in-camera meetings during the most recently completed fiscal year.</p>
<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>Ross J. Beaty is the Chairman of the Board and is not independent, however Walter Segsworth, an independent director, has been appointed Lead Director.</p> <p>The primary responsibility of the Lead Director is to provide leadership to the independent directors and to ensure that the policies and procedures adopted by the Board allow the Board to function independently of management.</p>

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(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

For the financial year ended June 30, 2011, the Board held 11 meetings of the full Board. The attendance records of each of the directors for the most recently completed financial year are set out on page 11 of the Information Circular.

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board has adopted a formal written mandate which defines its stewardship responsibilities. The terms of the Mandate of the Board of Directors are attached hereto as Exhibit "A" (the "**Board Mandate**").

3. Position Descriptions

(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has adopted a written position description for the Chairman of the Board, which is contained in the Board Mandate. The Chairman of the Board, with the assistance of the Lead Director, will chair Board meetings and be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting, for communicating periodically with committee Chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole as well as individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

Due to the fact that Chairman of the Board does not qualify as independent for the purposes of the Corporate Governance Disclosure Rules, a Lead Director has been appointed and given a mandate (see 1(f) above).

The Chair of each committee has been provided with a mandate for the committee and has accepted leadership responsibilities for ensuring fulfilment of the applicable mandate. Each Chair is sufficiently skilled through education and experience to lead the respective committee.

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(b) Disclose whether or not the board and chief executive officer have developed a written position description for the chief executive officer. If the board and chief executive officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the chief executive officer.

The Board has adopted a written position description for the Chief Executive Officer, titled “Mandate of the Chief Executive Officer”.

4. Orientation and Continuing Education

(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.

In order to ensure that any new directors fully understand the role of the Board, its committees and its directors and the nature and operation of the Company’s business, the Board will conduct site tours and ensure that the new directors meet with management of the Company to discuss and better understand the business of the Company. In addition, the directors will be advised by Executive VP Legal to the Company of their legal obligations as directors of the Company.

(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The directors will be provided with regular updates to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors.

In addition, the Executive VP Legal of the Company has the responsibility of circulating to the Board members new and evolving corporate governance developments applicable to directors of public companies with respect to their conduct, duties and responsibilities.

5. Ethical Business Conduct

- (a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

As part of its stewardship responsibilities, the Board has approved a formal "Code of Business Conduct" (the "**Code**") that is designed to deter wrong-doing and to promote honest and ethical conduct and full, accurate and timely disclosure. The Code is applicable to all the Company's directors, officers and employees. The Board monitors compliance with the Code by ensuring that all employees have read and understand the Code and by charging management with bringing to the Board's attention any issues that arise with respect to the Code. The Board is responsible for the granting of any waivers from the standards of the Code to directors or executive officers. Disclosure will be made by the Company of any waiver from the requirements of the Code granted to the Company's directors or executive officers in the Company's quarterly report that immediately follows the grant of such waiver.

There has been no conduct of a director or executive officer that constitutes a departure from the Code, and no material change report in that respect has been filed.

The full text of the Code is available free of charge to any person upon request from the Executive VP Legal of the Company at 600 – 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4, Telephone: (604) 669-4999.

- (b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

If a director is in a conflict or potential conflict of interest, whether due to a material interest or otherwise, in any matter being considered by the Board, the director must immediately report the conflict or potential conflict to the Chairman of the Board and the Chair of the Governance and Nominating Committee. If the conflict or potential conflict cannot be avoided or resolved, the director must disclose the conflict or potential conflict to all of the directors of the Company and abstain or recuse, as the case may be, from any vote or meeting in connection with the subject matter of the conflict.

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- (c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Company's Governance and Nominating Committee is responsible for setting the standards of business conduct contained in the Code and for overseeing and monitoring compliance with the Code. The Code also sets out mechanisms for the reporting of unethical conduct.

The Board sets the tone for ethical conduct throughout the Company by considering and discussing ethical considerations when reviewing the corporate transactions of the Company.

6. Nomination of Directors

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- (a) Describe the process by which the board identifies new candidates for board nomination.

The Board is responsible for approving directors for nomination and election and filling vacancies among directors. In connection with the nomination or appointment of individuals as directors, the Board will consider the competencies and skills required by the Board, the competencies and skills of the existing directors and the appropriate size of the Board. In all cases the Board will consider the recommendations of the Governance and Nominating Committee.

- (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Governance and Nominating Committee identifies, reviews the qualifications of and recommends to the Board possible nominees for election or re-election to the Board at each annual general meeting of the Company and identifies, reviews the qualifications of and recommends to the Board possible candidates to fill vacancies on the Board between annual general meetings. The Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to the composition of the Board.

- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Governance and Nominating Committee currently consists of three independent directors, David W. Cornhill, Donald Shumka and David O'Brien. The Governance and Nominating Committee's charter provides that its responsibilities will include: (i) establishing and reviewing member characteristics and size of the Board; (ii) recommending the remuneration of directors; (iii) monitoring conflicts of interest of both the Board and management in accordance with our Code; (iv) evaluating, identifying and recommending nominees to the Board and to the various committees thereof;

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(v) reviewing and developing corporate governance guidelines, policies and procedures for the Board; (vi) monitoring and reviewing the education and development of members of the Board; (vii) establishing and implementing evaluation processes for the Board, its committees and Chairs; (viii) reviewing the Board mandate and the mandates for each committee thereof, together with a position descriptions, and ensuring that the Board and the committees function independently of management; and (ix) receiving reports from the executive directors regarding breaches of the Code and reporting such breaches to the Board.

7. Compensation

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Company's Chief Executive Officer and the Compensation Committee review overall compensation policies, compare them to the overall industry, and make recommendations to the Board on the compensation of executive officers.

(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is currently comprised of three independent directors, Walter T. Segsworth, David W. Cornhill and Donald Shumka. The Compensation Committee's role is to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation and to establish a plan of continuity and development for senior management of Alterra. The Compensation Committee will determine and make recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer, and reviewing the Chief Executive Officer's recommendations respecting compensation of the senior executives. To fulfil the responsibilities and duties outlined in its charter, the Compensation Committee will review and approve corporate goals and objectives relevant to compensation, evaluate performance of executives in light of those corporate goals and objectives and make recommendations respecting appointment, compensation and other terms of employment. The Compensation Committee will review executive compensation disclosure before we publicly disclose any information regarding compensation, and submit a report to the Board on human resources matters at least annually.

(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

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(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

Alterra has not retained a compensation consultant or advisor at any time since the beginning of the Company's most recently completed financial year to assist in determining compensation for any of the Company's directors and officers.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has established a Health and Safety Committee to which it has delegated oversight responsibilities to ensure that the Company maintains the integrity of its health and safety policies.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board is responsible for assessing the effectiveness of the Board and its committees. The Board and its committees will be assessed with reference to their respective mandates or charters, while individual directors will be assessed with reference to any applicable position descriptions, as well as the competencies and skills that each individual director is expected to bring to the Board.

The Board has also appointed a Governance and Nominating Committee, which is responsible for establishing and implementing evaluation processes for the Board, its committees and Chairs and which proposes and makes recommendations to the Board with respect to: (i) the composition of the Board; (ii) the appropriateness of the committees of the Board, their mandates and responsibilities and the allocation of directors to the committees; (iii) the appropriateness of the terms of the mandate and responsibilities of the Board; and (iv) the corporate objectives which the Chairman of the Board is responsible for meeting, the assessment of the Chairman of the Board against these objectives and

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the appropriateness of the duties and responsibilities of the Chairman of the Board.

The Board and the Governance and Nominating Committee have assessed the effectiveness of each member of the Board, and have determined that each Board member is significantly qualified through their current or previous professions. Each member fully participates in each meeting having in all cases been specifically canvassed for their input.

EXHIBIT “A”

ALTERRA POWER CORP.

(the “Company”)

MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The purpose of the board of directors (the “Board”) is to supervise the management of the business and affairs of the Company. The Board seeks to discharge this responsibility by developing and determining policies by which the business and affairs of the Company are to be managed and by overseeing the management of the Company.

2. CHAIRMAN AND COMPOSITION

The Board is elected by the shareholders at the annual general meeting of the shareholders of the Company. The Governance and Nominating Committee will recommend to the Board nominees for election to the Board and the Board will propose a slate of nominees to the shareholders for election as directors for the ensuing year. The Board will be comprised of not less than three members and a majority of the Board shall be, in the determination of the Board, “independent” for the purposes of National Instrument 58-101 - Disclosure of Corporate Governance Practices.

Following each annual general meeting, the Board shall elect a chairman of the Board. The chairman of the Board with the assistance of the lead director, if any, will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting, for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole as well as individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

3. MEETINGS

Meetings of the Board will be scheduled to facilitate the Board in carrying out its responsibilities. Additional meetings will be held as deemed necessary by the chairman of the Board. The independent directors of the Board shall hold regularly scheduled meetings at which non-independent directors and management are not in attendance. Any director of the Company may request the chairman of the Board to call a meeting of the Board.

The quorum necessary for the transaction of the business at any Board meetings may be set by the directors and, if not so set, is deemed to be set at two directors. A director may participate in a meeting of the directors in person or by telephone or other communications medium.

Each director is entitled to one vote and questions arising at any Board meetings are decided by a majority of votes. In the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

4. DUTIES AND RESPONSIBILITIES

Subject to the provisions of applicable law and the Articles of the Company, the Board may discharge its responsibilities for overseeing the management of the Company's business both directly and through its senior executives and its committees. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Company's strategic objectives, principal duties include the following:

- (a) selection, appointment, evaluation and, if necessary, the termination of the chief executive officer and all other senior executives, and approving their compensation, following a review of the recommendations of the Compensation Committee;
- (b) satisfying itself as to the integrity of the senior executives of the Company and as to the culture of integrity throughout the Company;
- (c) succession planning, including appointing, counselling and monitoring the performance of senior executives;
- (d) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees and that they understand the nature and operation of the Company's business;
- (e) adoption of an annual strategic planning process, approval of annual strategic plans and monitoring corporate performance against those plans;
- (f) approval of periodic capital and operating plans and monitoring corporate performance against those plans;
- (g) oversight of the policies and processes which identify the Company's principal business risks, and ensuring the implementation of appropriate systems to effectively monitor and manage such risks;
- (h) approval of policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees of the Company;
- (i) oversight of the policies and processes for the implementation and integrity of the Company's internal control and management information systems and its financial reporting;

- (j) assessment of the effectiveness of the Board and its committees and overseeing the establishment of an appropriate orientation program for new directors and a continuing education program for all directors;
- (k) definition of the duties and the limits of authority of senior executives, including approving a position statement for the chief executive officer;
- (l) policies for disclosure of corporate information to facilitate effective communications with shareholders, other stakeholders and the public;
- (m) health and safety and environmental policies and oversight of systems to enable compliance with these policies and all relevant laws and regulations;
- (n) corporate governance, including the relationship of the Board to management and taking reasonable steps to ensure the Company has appropriate structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities;
- (o) calling meetings of shareholders and submission to the shareholders of any question or matter requiring approval of the shareholders;
- (p) approval of directors for nomination and election, and recommendation of the auditors to be appointed at shareholders' meetings, and filling a vacancy among the directors or in the office of the auditor;
- (q) enforce policies respecting confidential treatment of the Company's proprietary information and Board deliberations;
- (r) approval of the annual audited financial statements, quarterly financial statements and quarterly reports, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms and other disclosure documents required to be approved by the directors of a company under securities laws, regulations or rules of any applicable stock exchange;
- (s) review and approval of material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Company's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures; and
- (t) other corporate decisions required to be made by the Board, or as may be reserved by the Board, to be made by itself, from time to time and not otherwise delegated to a committee of the Board or to the management of the Company.

5. AUTHORITY TO ENGAGE OUTSIDE ADVISORS

The Board and its committees may at any time retain outside financial, legal or other advisors at the expense of the Company.



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