



Shareholder Engagement Policy

The Board of Directors (the "**Board**") of TransAlta Corporation (the "**Corporation**") believes that it is important to have regular and constructive engagement directly with its shareholders. This includes allowing, encouraging and facilitating shareholders to express their views on governance and other matters directly to the Board.

The Board encourages shareholder participation at the Corporation's annual shareholder meetings. At each annual meeting, the Chair of the Board will be available to respond to shareholder questions. The Board encourages shareholders to attend the annual meeting as it provides a valuable opportunity to discuss the Corporation, its corporate governance and other important matters.

In between annual meetings, the Corporation supports an open and transparent process for shareholders to contact the Board, including the chairs of the Board committees, through the office of the Corporate Secretary or at the email listed below. The Corporate Secretary has been designated by the Board as its agent to receive and review communications and meeting requests addressed to the Board. The Corporate Secretary will determine whether the communication received is a proper communication to the Board or should be addressed by management.

This Shareholder Engagement Policy is subject to applicable law and the Corporation's disclosure policies, which prohibit the selective disclosure of undisclosed material facts or material changes. This Shareholder Engagement Policy is intended to promote and facilitate an interchange of views about governance and other corporate matters that are within the public domain.

The Governance, Safety and Sustainability Committee ("GSSC") will oversee this policy. The GSSC will review this policy annually to ensure that it is effective in achieving its objectives and continues to be representative of sound corporate governance practices. The Board will endeavor to respond to all appropriate correspondence in a timely manner. On a quarterly basis, the Corporate Secretary will report to the GSSC with respect to all communications sent to the Board.

Shareholders of the Corporation may communicate with the Board by mail (marking the envelope "Shareholder Engagement") or e-mail (marking the subject line as "Shareholder Engagement") as follows:

TransAlta Corporation
110 – 12th Avenue SW
Box 1900, Station "M"
Calgary, Alberta T2P 2M1
Attention: Corporate Secretary
E-mail: Corporate_Secretary@transalta.com