



CAPSTONE INFRASTRUCTURE CORPORATION

**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON
JUNE 5, 2012**

AND

INFORMATION CIRCULAR

APRIL 23, 2012

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CAPSTONE INFRASTRUCTURE CORPORATION

Notice of Annual Meeting of Shareholders to be held on June 5, 2012

Notice is hereby given that the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Capstone Infrastructure Corporation (the “**Corporation**”) will be held at the TSX Broadcast Centre Gallery, 130 King Street West, Toronto, Ontario on June 5, 2012 at 10:00 a.m. (Toronto time) for the following purposes:

- (a) to receive the audited consolidated annual financial statements of the Corporation, as at and for the financial year ended December 31, 2011 and the auditors’ report thereon;
- (b) to set the number of Directors to be elected at six and to elect the Directors of the Corporation;
- (c) to re-appoint the auditors of the Corporation and to authorize the Directors of the Corporation to fix such auditors’ remuneration; and
- (d) to transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of the Information Circular, which includes specific details of the foregoing matters, together with either a form of proxy or a voting instruction form, depending upon the particular securities dealer or broker, bank, trust company or other intermediary through which your Common Shares are held, accompany this notice.

Shareholders are invited to attend the Meeting. Shareholders of record at 5:00 p.m. (Toronto time) on May 1, 2012 will be entitled to vote at the Meeting.

Shareholders are requested to complete and return either the accompanying (a) form of proxy to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to 48 hours prior to the Meeting or any adjournment thereof (or otherwise in accordance with the instructions printed on the accompanying form of proxy) or (b) voting instruction form in accordance with the instructions printed on the voting instruction form.

DATED the 23rd day of April, 2012.

By Order of the Directors of
Capstone Infrastructure Corporation

“*Stuart M. Miller*”

Stuart M. Miller
Executive Vice President,
General Counsel and Corporate Secretary

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CAPSTONE INFRASTRUCTURE CORPORATION

INFORMATION CIRCULAR FOR THE ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 5, 2012

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the directors (the “Directors”) of Capstone Infrastructure Corporation⁽¹⁾ (the “Corporation”) to be used at the annual meeting (the “Meeting”) of holders (“Shareholders”) of common shares (“Common Shares”) of the Corporation to be held at the TSX Broadcast Centre Gallery, 130 King Street West, Toronto, Ontario on June 5, 2012 at 10:00 a.m. (Toronto time), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting.

Except where otherwise indicated, the information contained in this Information Circular is stated as at April 23, 2012 and all references to dollar amounts and “\$” are to Canadian dollars. In this Information Circular, in the case of references to matters relating to the period prior to January 1, 2011, the “**Corporation**” refers to Macquarie Power & Infrastructure Income Fund (the “**Fund**”), the predecessor to the Corporation, and “**Directors**” refers to trustees of the Fund.

The solicitation of proxies will be made primarily by mail, but proxies may also be solicited by personal interview, telephone or by other means of communication on behalf of management of the Corporation by the Directors, officers, agents or employees of the Corporation, without special compensation, or by the Corporation’s transfer agent, Computershare Trust Company of Canada, at nominal cost. The Corporation has engaged Phoenix Advisory Partners (“**Phoenix**”) as proxy solicitation agent to assist in the solicitation of proxies by mail and telephone for estimated fees of \$25,000. The total cost of solicitation, including fees payable to Phoenix, will be borne by the Corporation. As well, the Corporation will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial and registered Shareholders and requesting authority to execute proxies.

If you have any questions about the information contained in this information circular or require assistance in completing your proxy form, please call Phoenix at 1-800-229-5716 toll free in North America or by email at inquiries@phoenixadvisorypartners.com.

YOUR VOTE IS IMPORTANT REGARDLESS OF HOW MANY COMMON SHARES YOU OWN — AS A SHAREHOLDER, IT IS VERY IMPORTANT THAT YOU READ THIS INFORMATION CIRCULAR CAREFULLY AND THEN VOTE YOUR COMMON SHARES.

VOTING BY BENEFICIAL SHAREHOLDERS

The information set forth in this section is of particular importance to beneficial holders of Common Shares (“**Beneficial Shareholders**”). Under the electronic book-based registration system through which the Common Shares are held, the only registered Shareholder is CDS & Co., as nominee for CDS Clearing and Depository Services Inc. (collectively, “**CDS**”). CDS acts as a clearing agent for its participants (each a “**CDS Participant**”), which include banks, trust companies, securities dealers or brokers and trustees of or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans. Common Shares registered in the name of CDS and held by a Beneficial Shareholder through a CDS Participant can only be voted (for, against or withheld from voting on resolutions, as applicable) upon instructions of the Beneficial Shareholder. Without specific instructions from a Beneficial Shareholder, CDS is prohibited from voting in respect of such Beneficial Shareholder’s Common Shares. Therefore, Beneficial Shareholders should ensure that their voting

(1) Macquarie Power & Infrastructure Income Fund was the predecessor of the Corporation. Pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) effective on January 1, 2011, Macquarie Power & Infrastructure Income Fund converted into Macquarie Power and Infrastructure Corporation. On April 15, 2011, the Corporation changed its name from Macquarie Power and Infrastructure Corporation to Capstone Infrastructure Corporation.

instructions in respect of their Common Shares are communicated in accordance with the procedures described below.

In addition to the Notice of Annual Meeting accompanying this Information Circular, each Beneficial Shareholder will also receive, depending on the particular CDS Participant through which such Beneficial Shareholder's Common Shares are held, either:

- (a) a voting instruction form which must be completed and returned by the Beneficial Shareholder in accordance with the directions printed on the form (in some cases, the completion of the voting instruction form by telephone, facsimile or over the Internet is permitted); or
- (b) a form of proxy which has already been signed or stamped with a facsimile signature of the CDS Participant and which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder. A Beneficial Shareholder who receives and wishes to submit such a form of proxy should properly complete the form of proxy and return it in accordance with the instructions therein provided.

Beneficial Shareholders who receive voting instruction forms, forms of proxy or other voting material from a CDS Participant (or its agent) should complete and return such material in accordance with the instructions accompanying the material in order to properly vote their Common Shares at the Meeting.

A Beneficial Shareholder receiving a voting instruction form or a form of proxy cannot use such form to vote Common Shares directly at the Meeting, as each type of form must be returned as directed in advance of the Meeting in order to have the Common Shares voted. Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of CDS, a Beneficial Shareholder may attend the Meeting as proxyholder for CDS and vote such Beneficial Shareholder's Common Shares in that capacity. A Beneficial Shareholder who wishes to attend the Meeting and vote such Beneficial Shareholder's Common Shares as proxyholder for CDS should enter the Beneficial Shareholder's own name in the appropriate space on the voting instruction form or the form of proxy and return the same in advance of the Meeting in accordance with the instructions therein provided.

APPOINTMENT OF PROXIES

The person named in the form of proxy or voting instruction form accompanying this Information Circular is a Director and will represent Shareholders who properly complete and return a form of proxy or voting information form and who do not appoint another proxyholder to represent them at the Meeting or at any adjournment thereof. A Shareholder may appoint another person (who need not be a Shareholder) to represent such Shareholder at the Meeting or at any adjournment thereof by inserting the name of the person to be appointed in the blank space provided in such form of proxy or voting instruction form or by completing another proper form of proxy. In either case, in order to be effective: (a) the completed form of proxy or other proper form of proxy must be received by Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to 48 hours prior to the Meeting or any adjournment thereof (or otherwise in accordance with the instructions printed on the form of proxy), or (b) the completed voting instruction form must be returned in accordance with the instructions printed on the form.

REVOCATION OF PROXIES

Beneficial Shareholders should contact the CDS Participants through which such Beneficial Shareholders' Common Shares are held for information on how to revoke such persons' voting instructions.

In addition to revocation in any other manner permitted by law, a proxy given by a registered Shareholder may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or if the registered Shareholder is a corporation under its corporate seal or by a duly authorized officer or attorney of the corporation, and returned to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to

and including 10:00 a.m. (Toronto time) on June 1, 2012 or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any reconvened meeting.

VOTING AND EXERCISE OF DISCRETION BY PROXIES

On any ballot that may be called for, the Common Shares represented by properly completed and delivered proxies given in favour of the person named in the accompanying form of proxy or voting instruction form will be voted for or withheld from voting as specified by the Shareholder and if the Shareholder specifies a choice with respect to any matter to be acted upon, such Common Shares will be voted accordingly.

If no choice is specified by a Shareholder with respect to the appointment of a proxyholder or to any matter to be acted upon at the Meeting, the Common Shares represented by such Shareholder's proxy or voting instruction form will be voted (i) FOR the increase in the number of Directors to six; (ii) FOR the election each of the candidates for Director named below and (iii) FOR the re-appointment of PricewaterhouseCoopers LLP as auditor of the Corporation and authorizing the Directors to fix such auditor's remuneration.

The accompanying form of proxy or voting instruction form confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the accompanying Notice of Annual Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As at the date of this Information Circular, the Directors are not aware of any such amendment, variation or other matters. However, if any amendments or variations to matters identified in the accompanying Notice of Annual Meeting or any other matters which are not now known to the Directors should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly completed and delivered proxies given in favour of the person named in the enclosed form of proxy or voting instruction form will be voted on such matters pursuant to such discretionary authority.

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

As at April 23, 2012, the Corporation had 71,663,646 Common Shares outstanding. The only registered holder of the Corporation's Common Shares is CDS. Each Common Share confers the right to one vote per share at any meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series. To the knowledge of the Directors and executive officers of the Corporation, as at April 23, 2012, no person beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the outstanding Common Shares.

All Shareholders of record at 5:00 p.m. (Toronto time) on May 1, 2012, the record date established for determining the Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment thereof, will be entitled to vote at the Meeting either in person or by proxy. Other than such Shareholders, no other holders of securities of the Corporation will have a right to vote at the Meeting.

As at April 23, 2012, 3,249,390 Class B exchangeable limited partnership units (the "**Class B Exchangeable Units**") of MPT LTC Holding LP, an indirect, wholly-owned subsidiary of the Corporation, were outstanding. The Class B Exchangeable Units have economic rights equivalent in all material respects to those of the Common Shares and, subject to certain conditions, are exchangeable on a one-for-one basis for Common Shares. Holders of the Class B Exchangeable Units are not entitled to vote at the Meeting.

As at April 23, 2012, the Corporation had 3,000,000 cumulative 5-year rate reset preferred shares, series A (the "**Preferred Shares**") outstanding. Holders of the Preferred Shares are not entitled to vote at the Meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited annual consolidated financial statements of the Corporation as at and for the financial year ended December 31, 2011, together with the auditors' report thereon, are contained in the Corporation's 2011 Annual Report which was previously mailed to Shareholders that requested such materials and will be presented to Shareholders at the Meeting. A copy of the Corporation's 2011 Annual Report is available under the Corporation's profile on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Election of Directors

The articles of the Corporation provide that the Corporation shall have a minimum of three Directors to be elected annually. The Board of Directors of the Corporation (the "**Board**") consists of the number of Directors set by the Shareholders from time to time. Currently, the number of Directors of the Corporation is fixed at five. The term of office of each Director currently in office expires at the close of the Meeting. Following its annual assessment and performance review (see "*Statement of Corporate Governance Practices — Committees — Governance Committee — Board Assessment and Performance Review*"), the Board has proposed that the number of Directors be increased from five to six in order to supplement the skills and expertise of the current Directors.

In accordance with the articles of the Corporation, the candidates named hereunder will be proposed at the Meeting for election as Directors of the Corporation. Each candidate has demonstrated the eligibility and willingness to serve as a Director. If, prior to the Meeting, any of the candidates becomes unable or unwilling to serve, the person named in the form of proxy or voting instruction form will have the right to use his discretion in voting for a properly qualified substitute. Each Director elected at the Meeting will serve as a member of the Board until the close of the next annual meeting of Shareholders, unless he or she resigns or his or her office becomes vacant for any reason.

The Board believes that each of the Directors should carry the confidence and support of the Shareholders. To this end, the Board unanimously adopted the Majority Voting Policy (see "*Statement of Corporate Governance Practices — Corporate Governance Guidelines — Majority Voting Policy*").

The candidates nominated for election as Directors have been nominated upon the unanimous recommendation of the Governance Committee of the Board (the "**Governance Committee**"). All of the individuals proposed for election as Directors are currently Directors, with the exception of Mr. Mornhed and Mr. Patava. Mr. James Cowan, who is currently a Director, is not seeking re-election at the Meeting. It is the intention of the Governance Committee to build a Board with a diversity of background, skills and experience. In the opinion of the Governance Committee and the Board, each of the candidates proposed for election as Directors is well-qualified to direct the Corporation's activities for the ensuing year.

The following table provides the name, age and background information for each candidate for Director, including present principal occupation and principal occupations during the past five years, the date each such person was first elected as a Director and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person (as furnished by the respective candidate) and the other public entities of which each currently serves as a director (or in a similar capacity):

**Name, Jurisdiction of Residence,
Age, Date elected as Director,
Ownership of Common Shares**

Principal Occupation and Employment

Derek Brown⁽¹⁾⁽²⁾⁽³⁾
Ontario, Canada
Age: 66
Director Since: March 15, 2004
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: 105,756

Derek Brown is a corporate director and currently sits on the boards of SNP Split Corp. and Sixty Split Corp. Mr. Brown is also a member of the finance committee of the Canadian Opera Foundation. From 1996 to 2005, Mr. Brown was a Professor of Finance (adjunct) at the University of Toronto, prior to which he was a Vice President and Director of RBC Dominion Securities Inc. From 1997 to 2003, Mr. Brown was a Commissioner of the Ontario Securities Commission. Mr. Brown earned a Bachelor of Commerce degree and a Juris Doctor degree from Dalhousie University as well as a Doctor of Laws, honoris causa. He is also a Chartered Business Valuator and was a Governor of the Canadian Institute of Chartered Business Valuators from 1998 to 2003. Mr. Brown was a director of DALSA Corporation from 2005 to 2010.

Patrick J. Lavelle⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
Ontario, Canada
Age: 73
Director Since: April 15, 2004
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: 3,493

Patrick J. Lavelle is the Chairman of the Governance Committee and is the Chairman and Chief Executive Officer of Patrick J. Lavelle and Associates, a strategic management consulting firm that he established in 1991. Mr. Lavelle is also the Chairman and a director/trustee, as applicable, of each of Catalyst Capital Group Inc. and Retrocom Mid-Market Real Estate Investment Trust. He also held the positions of Chairman and Chief Executive Officer of Unique Broadband Systems Inc. (until 2002) and the Chairman of Specialty Foods Group Income Fund (until 2009). He previously held the position of Chairman of Export Development Canada from 1998 to 2001 and he served a three-year term as Chairman of the Board of the Business Development Bank of Canada commencing in 1994.

Goran Mornhed
New York, United States
Age: 53
Director Since: N/A
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: 2,000

Goran Mornhed is a Partner with Mornhed and Company LLC, a company engaged in the development and application of quantitative investment strategies. From 2004 to 2007, Mr. Mornhed was the Chief Executive Officer of Countryside Ventures, Manager of Countryside Power Income Fund. Mr. Mornhed earned his Master of Business Administration degree from New York University and his Master of Science, Engineering from the University of Lund, Sweden Institute of Technology

**Name, Jurisdiction of Residence,
Age, Date elected as Director,
Ownership of Common Shares**

Principal Occupation and Employment

Jerry Patava
Ontario, Canada
Age: 58
Director Since: N/A
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: Nil

Jerry Patava is the Chief Executive Officer of the Great Gulf Group of Companies, a position he has held since July 2007. He is also Lead Director and a member of the Governance and Compensation Committee of Trimac Transportation Ltd. (formerly Trimac Income Fund) and a director and Chair of the Governance Committee of EnerCare Inc. Mr. Patava served as a trustee of Osprey Media Income Fund from December 2004 until August 2007 and as a director of TransAlta Power, L.P. from May 2005 until December 2007. Mr. Patava was Executive Vice President and Chief Financial Officer of Fairmont Hotels & Resorts Inc., a position he held from January 1998 to January 2005. Previously, he was Vice President and Treasurer of Canadian Pacific Limited from 1990 to 1997 and served as Vice President and Director of RBC Dominion Securities Inc. from 1986 to 1990. Mr. Patava holds a Bachelor of Arts degree from the University of Toronto and a Master of Business Administration degree from York University.

François R. Roy⁽¹⁾⁽²⁾⁽³⁾
Québec, Canada
Age: 56
Director Since: March 15, 2004
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: Nil

François R. Roy is a corporate director and the Chairman of the Audit Committee of the Board. He is currently the lead director and a member of the audit committee and the corporate governance and human resources committee of La Mancha Resources Inc. and a director or trustee (as applicable) and a member of the audit committees of Fibrek Inc., Transcontinental Inc., the Caisse de dépôt et placement du Québec and Noranda Operating Trust. He was the Vice-Principal (Administration and Finance) of McGill University from June 2007 to June 2010 and, in that capacity, he was McGill's Chief Financial Officer and Chief Administrative Officer. Mr. Roy earned his Bachelor of Arts and Master of Business Administration degrees from the University of Toronto. Mr. Roy was the Chief Financial Officer of Telemedia Corporation between 2000 and 2003.

**Name, Jurisdiction of Residence,
Age, Date elected as Director,
Ownership of Common Shares**

Principal Occupation and Employment

V. James Sardo⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
Ontario, Canada
Age: 68
Director Since: November 4,
2009
Common Shares beneficially
owned, or over which control or
direction is exercised, directly or
indirectly: 10,000

V. James Sardo is a corporate director with significant operational and corporate governance expertise and is the Chairman of the Board and the Chairman of the Compensation Committee of the Board. He is currently a director of New Flyer Industries Inc. (since 2005). Mr. Sardo earned his Bachelor of Arts degree at the University of Western Ontario and his Master of Business Administration degree at McMaster University. Mr. Sardo was a director of Consolidated Thompson Iron Mines Limited from 2010 to 2011, Hydrogenics Corporation from 2003 to 2009, SonnenEnergy Corp from 2008 to 2009, Royal Group Technologies Limited from 2003 to 2006 (serving as its interim Chief Executive Officer from 2004 to 2005) and Northstar Healthcare Inc. from 2008 to 2010. Mr. Sardo was also a trustee of Countryside Power Income Fund and its Chairman (from 2004 to 2007), UE Waterheater Income Fund (from 2003 to 2007) and Custom Direct Income Fund (from 2003 to 2007). Prior to these appointments, Mr. Sardo was President of the Canadian Operations of Moore Corporation Limited, a business forms and communications company, from 1999 to 2001 and President and Chief Executive Officer of SMK Speedy International Inc., an international automotive repair company, from 1997 to 1999. Mr. Sardo was Chief Executive Officer of Amre Inc., a Dallas based marketer of home improvement products, from 1994 to 1995 and Chief Executive Officer of SNE Inc., a manufacturer and marketer of windows and doors, from 1991 to 1994. Previously, he was Chairman and Chief Executive Officer of Firestone Canada Inc. Mr. Sardo is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Governance Committee of the Board.
- (3) Member of the Compensation Committee of the Board.
- (4) Member of the Nomination Sub-Committee of the Governance Committee.

To the knowledge of the Corporation, no proposed candidate for Director of the Corporation (or a personal holding company of such person) (A) is or has been subject to 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; (B) is or has been subject to 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 proposed Director; (C) is or has been in the last 10 years, a director, trustee, chief executive officer or chief financial officer of any issuer that (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days and that was issued while the person was acting in the capacity as director, trustee, chief executive officer or chief financial officer or (ii) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days and was issued after the person ceased to be a director, trustee, 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, trustee, chief executive officer or chief financial officer; (D) is or has been in the last 10 years, a director, trustee or executive officer of any issuer 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 (E) has in the last 10 years 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 such person's assets, except for the following:

Mr. Roy ceased to be a director of Pixman Nomadic Media Inc. on November 27, 2009. Between November 5, 2009 and February 17, 2010, the Alberta Securities Commission, British Columbia Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers issued cease trade orders in respect of Pixman Nomadic Media Inc. in connection with its failure to file annual audited financial statements for the year ended June 30, 2009 and interim unaudited financial statements for the interim period ended September 30, 2009, as well as related continuous disclosure documents. On February 2, 2010, Pixman Nomadic Media Inc. filed a notice of intention to make a proposal to creditors under the *Bankruptcy and Insolvency Act* (Canada).

Mr. Roy ceased to be a director of Komunik Corporation on April 1, 2008. Komunik Corporation filed for protection under the *Companies' Creditors' Arrangement Act* (Canada) (the "CCAA") in the fall of 2008.

Between April 3, 2006 and May 3, 2006, Mr. Sardo, who was then a director of Royal Group Technologies Limited, was prohibited from trading in securities of Royal Group Technologies Limited pursuant to a management cease trade order issued by the Ontario Securities Commission in connection with the delay in filing of certain of Royal Group Technologies Limited's financial statements.

Mr. Lavelle was a director of Slater Steel Inc. when it filed for protection on June 2, 2003 under the CCAA in Canada and under Chapter 11 of the U.S. Bankruptcy Code. Mr. Lavelle was also a director of SR Telecom Inc. when it filed for protection under the CCAA on November 19, 2007, and Tahera Diamond Corporation, which filed for protection under the CCAA on January 16, 2008.

Number of Board and Committee Meetings held between January 1, 2011 and December 31, 2011

<u>Board or Committee</u>	<u>Number of Meetings</u>
Board	16
Audit Committee	5
Governance Committee	5
Compensation Committee ⁽¹⁾	7
Special Committee ⁽²⁾	8
Total number of meetings held	<u>41</u>

Notes:

- (1) The Compensation Committee of the Board was established on March 4, 2011.
- (2) The Special Committee was established by the Board in connection with the Corporation's conversion from an income trust to a corporation that was completed on January 1, 2011 and the Internalization Transaction (as defined below). The Special Committee was dissolved following the completion of the Internalization Transaction.

Summary of Attendance of Directors for Board and Committee Meetings held between January 1, 2011 and December 31, 2011

<u>Director</u>	<u>Board Meetings Attended</u>	<u>Committee Meetings Attended</u>
Derek Brown	14 of 16	20 of 25
James Cowan ⁽¹⁾	12 of 12	12 of 14
Patrick J. Lavelle	16 of 16	25 of 25
Stephen S. Mentzines ⁽²⁾	3 of 4	—
François R. Roy	16 of 16	25 of 25
V. James Sardo	16 of 16	25 of 25

Notes:

(1) Mr. Cowan was appointed to the Board on April 18, 2011.

(2) During 2011, Mr. Mentzines was not a member of any committee of the Board and he resigned from the Board on April 15, 2011.

Appointment of Auditor

The Directors recommend that PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed at the Meeting as the Corporation’s auditor to hold office until the close of the next annual meeting of Shareholders or until a successor is appointed and that the Directors be authorized to fix PricewaterhouseCoopers LLP’s remuneration. PricewaterhouseCoopers LLP is the current auditor of the Corporation and was first appointed as the auditor of the Fund on March 15, 2004.

MANAGEMENT OF THE CORPORATION

The principal office of the Corporation is located at 155 Wellington Street West, Suite 2930, Toronto, Ontario, M5V 3H1. The registered office of the Corporation is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3.

Internalization of Management

On April 15, 2011, the Corporation and certain of its subsidiaries (Capstone Power Corp., Helios Solar Star A-1 Partnership and Cardinal Power of Canada, L.P, collectively, the “**Managed Subsidiaries**”) terminated all management and administrative agreements (collectively, the “**Management Agreements**”) with Macquarie Power Management Ltd. (“**MPML**”), an indirect wholly-owned subsidiary of Macquarie Group Limited (“**Macquarie**”), for aggregate consideration of approximately \$14 million (plus applicable tax), thereby internalizing the management of the Corporation (the “**Internalization Transaction**”).

Prior to the completion of the Internalization Transaction, MPML provided various management services to the Corporation and the Managed Subsidiaries, including legal, investor relations and financial accounting and administration services, and MPML assisted in and supervised the analysis of potential acquisitions and dispositions and carried out or supervised the making of acquisitions, dispositions or investments, in accordance with the terms of the Management Agreements. In connection with the Management Agreements, MPML supplied the services of persons to serve as the President and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Secretary of the Corporation and certain of its subsidiaries. These individuals provided services on an “as needed basis” and these offices were not full time positions.

Effective upon the termination of the Management Agreements, the senior management team of the Corporation, all of whom were employees of Macquarie Infrastructure and Real Assets Canada Ltd. (“**MIRACL**”), the parent company of MPML, became employees of the Corporation and continued in their previous roles, and certain employees of other affiliates of MPML who had provided services to the Corporation also became employees of the Corporation. Aggregate one-time costs related to the Internalization Transaction were approximately \$20 million (including the aggregate consideration paid to MPML). In connection with the Internalization Transaction, an affiliate of MPML subscribed for 855,746 Common Shares (at a price of \$8.18 per Common Share), then-valued at approximately \$7 million

(equivalent to approximately 50% of the consideration paid to terminate the Management Agreements). After completion of the Internalization Transaction, the Corporation changed its name to “Capstone Infrastructure Corporation”. Further information regarding the Internalization Transaction is contained in the Corporation’s Annual Information Form dated March 21, 2012, which is available under the Corporation’s profile on SEDAR at www.sedar.com.

From January 1, 2011 until the completion of the Internalization Transaction on April 15, 2011, MPML earned aggregate fees of approximately \$537,000 under the Management Agreements. In 2011, MPML was also reimbursed for an aggregate of \$1,881,000 in expenses pursuant to the Management Agreements. The Corporation did not reimburse MPML for compensation paid or payable by MPML to the persons supplied by MPML to serve as the President and Chief Executive Officer and the Executive Vice President, Chief Financial Officer and Secretary of the Corporation and certain of its subsidiaries. All cost recovery was on an “as incurred” basis without any margin or profit component.

Macquarie Power Management Ltd.

MPML’s principal and registered office is at Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario, M5J 2T3.

From January 1, 2011 until the completion of the Internalization Transaction on April 15, 2011, the following individuals were the directors and executive officers of MPML:

<u>Name and Jurisdiction of Residence</u>	<u>Office with MPML</u>	<u>Principal Occupation</u>
Michael Bernstein Ontario, Canada	Director, President and Chief Executive Officer	Senior Managing Director and President of MIRACL
Stephen S. Mentzines New York, USA	Director	Senior Managing Director and head of Macquarie’s Macquarie Infrastructure and Real Assets division in North America
Stuart M. Miller Ontario, Canada	Vice President and General Counsel	Senior executive officer and General Counsel of MIRACL
Michael Smerdon Ontario, Canada	Director, Vice President, Chief Financial Officer and Corporate Secretary	Managing Director of MIRACL

Neither MPML nor any above-named director or executive officer of MPML, nor any of their respective affiliates or associates, is, or was at any time between January 1, 2011 and the completion of the Internalization Transaction on April 15, 2011, indebted to the Corporation or its subsidiaries or been engaged in any significant transaction or arrangement with the Corporation except as described herein (see “— *Internalization of Management*”).

COMPENSATION DISCUSSION AND ANALYSIS

Compensation of Executive Officers prior to Completion of Internalization Transaction

The compensation of MPML from January 1, 2011 to the completion of the Internalization Transaction on April 15, 2011 was calculated in accordance with the terms of the Management Agreements and was not subject to the general discretion of the Directors, although any expense reimbursement for services provided by affiliates of MPML was subject to the approval of the Directors.

Prior to the completion of the Internalization Transaction on April 15, 2011, none of the executive officers of the Corporation were employed by the Corporation or any of its subsidiaries and neither the Corporation nor any of its subsidiaries provided any remuneration to the executive officers of the Corporation (or any other officers of MPML) or any of their respective associates and therefore the compensation that such officers

received from MPML and its affiliates was not within or subject to the discretion of the Directors. The individuals who were appointed to serve as the executive officers of the Corporation prior to completion of the Internalization Transaction were employees of MIRACL that were recommended by MPML and were appointed to serve as the executive officers of the Corporation by the Directors. Such executive officers served in such capacity on an “as needed basis”. Accordingly, the Governance Committee (which dealt with compensation matters prior to the establishment of the Compensation Committee of the Board (the “**Compensation Committee**”) on March 4, 2011) did not have a mandate to review any compensation other than Director compensation.

The persons serving as the executive officers of the Corporation prior to completion of the Internalization Transaction were employed by MIRACL, an indirect subsidiary of Macquarie and the parent company of MPML. Such persons acted in a variety of capacities on behalf of MIRACL and other investment funds with infrastructure investments in North America that are managed by MIRACL and its affiliates. Since the executive officers of the Corporation had additional roles and responsibilities as employees of MIRACL other than the services they provided to the Corporation on behalf of MPML during 2011, the compensation that such individuals received from MIRACL was not solely related to the services provided by these individuals in managing the Corporation.

The Corporation did not have an option plan or any other similar form of share-based or long-term incentive compensation plan or arrangement prior to completion of the Internalization Transaction. The Corporation did not have any defined benefit or actuarial plan pursuant to which retirement or similar benefits were paid to executive officers of the Corporation (or any other officers of MPML) or any of their respective associates.

Compensation of Executive Officers after Completion of Internalization Transaction

Introduction

This section of the Information Circular explains how the Corporation’s compensation program is designed and operated and what compensation was received by the following named executive officers⁽²⁾ (“**NEOs**”) of the Corporation in 2011 (after completion of the Internalization Transaction):

<u>Name</u>	<u>Title</u>
Michael Bernstein	President and Chief Executive Officer
Michael Smerdon	Executive Vice President and Chief Financial Officer
Stuart M. Miller	Executive Vice President, General Counsel and Corporate Secretary
Jack Bittan	Senior Vice President, Business Development
Rob Roberti	Senior Vice President, Power Generation

This section is divided into the following areas:

- Compensation Committee
- Independent Advice
- Compensation Objectives
- Components of Executive Compensation
- 2011 Performance Target and Compensation Decisions
- Summary Compensation Table
- Performance Graph
- Incentive Plan Awards

(2) The Corporation’s Chief Executive Officer, Chief Financial Officer and the next three most highly compensated executive officers.

- 2012 Executive Compensation
- Executive Employment Agreements
- Stock Ownership Guidelines

Compensation Committee

The Board established the Compensation Committee on March 4, 2011 in anticipation of the completion of the Internalization Transaction. The members of the Compensation Committee are Messrs. Sardo (Chairman), Brown, Cowan, Lavelle and Roy, each of whom is “independent” (an “**Independent Director**”) in accordance with the applicable provisions of Canadian Securities Administrators’ National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”).

The primary purposes of the Compensation Committee are to: (i) review and make recommendations with respect to all forms of remuneration to be paid to the Directors; (ii) review individual performance and make recommendations with respect to all forms of compensation to be granted to the President and Chief Executive Officer of the Corporation and (iii) review individual performance and approve the compensation of the other executive and senior officers of the Corporation. The duties and responsibilities of the Compensation Committee for determining such compensation are set out below under the heading “*Statement of Corporate Governance Practices — Committees — Compensation Committee*”.

As part of its annual review of the Corporation’s compensation policies and practices, the Compensation Committee considers any risks associated with such policies and practices. The Compensation Committee is satisfied that the current compensation policies and practices combined with the enterprise risk management of the organization offer a balanced combination that promotes adequate risk-taking with appropriate and reasonable compensation incentives. In particular, risk mitigation features include:

- Appropriate balance between short- and long-term (i.e., deferred) incentives with significant weight given to long-term incentives.
- A significant proportion of variable compensation is “at risk” and tied to target metrics aligned with the Corporation’s interests.
- Performance measures under the Corporation’s short-term incentive plan are primarily focused on cash flow generation (i.e., Adjusted EBITDA and AFFO/Common Share (each as defined under “— *Components of Executive Compensation — STIP*”)).
- The Corporation’s long-term incentive plan reflects the total return on the Common Shares.
- Limits are imposed on the maximum payouts available under the Corporation’s short-term incentive plan (maximum 150% in respect of business performance measures and 200% in respect of individual performance measures).

The Board has also adopted a policy prohibiting Directors and officers from purchasing financial instruments that hedge or offset a decrease in the market value of the Common Shares, which supports the applicable risk mitigation features described above.

Independent Advice

The Governance Committee, directly and independently of management, engaged Mercer (Canada) Limited (“**Mercer**”) in February 2011 to collect market data for compensation matters for the executive and senior officers of the Corporation after completion of the Internalization Transaction. Following its establishment in March 2011, the Compensation Committee considered this data in its assessment of the initial compensation for the executive and senior officers of the Corporation and to make compensation recommendations to the Board. The benchmark data acted only as a guide and point of reference and was not a substitute for the judgment of the Compensation Committee.

The market data collected by the Compensation Committee related to the following entities: Altgas Income Trust, Atlantic Power Corp., Boralex Inc., Capital Power Corp., Clarke Inc., Connacher Oil & Gas Ltd.,

Exchange Income Corp., Innergex Power Income Fund, Just Energy Group Inc., Maxim Power Corp., Pacific Northern Gas Ltd., Primary Energy Recycling Corp., Marsulex Inc. and Trinidad Drilling Ltd. (collectively, the “**Compensation Peer Group**”). The Compensation Peer Group was selected in consultation with Mercer and generally includes entities that are involved in the infrastructure and/or power sector, have a similar size and/or complexity as the Corporation or operate in a sector or are of a size which the Corporation has aspirations to operate in or attain.

In the future, Mercer or another compensation consultant may provide some or all of the following services to the Compensation Committee:

- assisting the Compensation Committee in reviewing and validating the Corporation’s compensation philosophy, including the selection of comparator groups;
- assessing desired competitive positioning and pay mix;
- assisting the Compensation Committee by ensuring the Compensation Committee members understand and are comfortable with executive remuneration;
- ensuring the Compensation Committee fully understands the current and any proposed compensation program and is comfortable with the potential range of pay outcomes;
- providing, annually, an overview of emerging trends and best practices; and
- undertaking other special projects on behalf of the Compensation Committee.

Mercer reports directly to the Compensation Committee, without management present, and acts solely in an advisory capacity. The Compensation Committee considers the advice of Mercer but relies on its own judgment and exercises its own discretion in making decisions on executive compensation matters.

The Compensation Committee will review the scope of activities of Mercer (or such other compensation consultant) each year and, if it deems appropriate, approve the corresponding budget. Any services and fees not related to executive compensation must be pre-approved by the Compensation Committee.

Compensation Objectives

Following the completion of the Internalization Transaction on April 15, 2011, the individuals who previously served as executive officers of the Corporation became employees of the Corporation and continued to serve the Corporation in their existing roles. As well, certain other individuals, who were previously employed by MIRACL and provided services to the Corporation pursuant to the Management Agreements, became employees of the Corporation and were appointed as senior officers of the Corporation. In accordance with new employment agreements entered into in conjunction with the Internalization Transaction, compensation of such executive and senior officers is comprised of a fixed salary as well as short-term and long-term incentive compensation.

Compensation plays an important role in achieving short- and long-term business objectives that ultimately drives the Corporation’s business success in alignment with long-term shareholder goals. The objectives of the Corporation’s compensation program are to:

- attract and retain highly qualified employees with a history of proven success;
- align the interests of the employees with shareholders’ interests and with the execution of the Corporation’s business strategy;
- establish performance goals that, if met by management, are expected to improve long-term shareholder value; and
- tie compensation to those goals and provide meaningful rewards for achieving them.

The Corporation’s compensation program is designed to provide adequate rewards for services and incentives for the executive and senior officers of the Corporation to implement both short-term and long-term strategies aimed at increasing shareholder value and aligning the interests of such officers with those of the

shareholders. Financial performance targets are set each year to incentivize improvements to yearly budgeted financial results and are therefore aligned with shareholder interests.

The Corporation’s compensation program has been designed to compete with remuneration practices of companies similar to the Corporation and those which represent potential competition for the Corporation’s executive officers and other employees. In this respect, the Corporation identifies remuneration practices and remuneration levels of public and private companies that are likely to compete for its employees. In designing the Corporation’s compensation program, the Compensation Committee focuses on remaining competitive in the market with respect to total compensation for each senior executive of the Corporation. However, the Compensation Committee does review each element of compensation for market competitiveness and it may weigh a particular element more heavily based on the senior executive’s role within the Corporation. The Compensation Committee aims to position total direct compensation (comprised of salary, short-term incentive plan (“**STIP**”) and long-term incentive plan (“**LTIP**”) compensation) consistent with the median of the Compensation Peer Group.

Components of Executive Compensation

Since completion of the Internalization Transaction, the Corporation’s executive and senior officer compensation program has comprised the following elements:

Component	Key Features	Purpose
Salary	<ul style="list-style-type: none"> initial amount specified in employment agreements assessed annually, with consideration to the scope and responsibilities of the position and the competitive market 	<ul style="list-style-type: none"> attract and retain officers provide guaranteed minimum level of compensation to officers for meeting the responsibilities of their positions
STIP	<ul style="list-style-type: none"> annual cash award based on assessment of performance against a set of pre-determined business and individual performance measures business performance measures and threshold, target and maximum values are established, having regard to the Corporation’s expected performance for the fiscal year individual performance measures and targets are agreed to with each officer 	<ul style="list-style-type: none"> motivate, attract and retain officers encourage and reward achievement of Corporation’s annual business objectives and individual targets
LTIP	<ul style="list-style-type: none"> awards of restricted stock units (“RSUs”) and performance stock units (“PSUs”) in equal parts RSUs vest at the end of the second year after the year of the grant PSUs vest at the end of the second year after the year of the grant based on certain performance hurdles once vested, paid in cash or through purchase of Common Shares on the open market, as elected by the Board or the Compensation Committee 	<ul style="list-style-type: none"> reward for long-term performance align interests of officers with securityholders encourages long-term service and loyalty

The Corporation does not offer option-based awards as a component of NEO compensation.

Salary

Salary is a fixed component of compensation that provides income certainty by establishing a base level of compensation for executives fulfilling their roles and responsibilities. Each executive's salary is reviewed annually by the Compensation Committee to ensure the salary reflects the executive's expertise and performance, as well as to ensure that the salary is competitive with market practices.

STIP

The STIP provides the possibility of an additional annual cash award based on the achievement of corporate and individual goals. This incentive is intended to link pay to annual performance that will increase Shareholder value. Each participant in the STIP is advised in advance of the relevant year of such participant's target STIP award (the "**Target STIP Award**"), which is expressed as a percentage of such participant's annual salary. The Target STIP Award is adjusted by the STIP payout ratio (the "**STIP Payout Ratio**"), which is comprised of the business and individual performance measures described below.

The STIP Payout Ratio and can range from 0% up to a maximum of 165% of the Target STIP Award based upon actual performance compared to target performance for the business and individual performance measures.

The STIP currently uses two business performance measures: Adjusted EBITDA⁽³⁾ and AFFO/Common Share⁽⁴⁾, each of which comprises a 35% weighting of the STIP Payout Ratio. For each of these two business performance measures, a target value is set for the relevant year by the Board (upon recommendation by the Compensation Committee). Actual business performance relative to the target values for each of these business performance measures has a corresponding payout multiplier represented in the table below:

<u>Category</u>	<u>Actual Performance as % of Target Business Performance Measure</u>	<u>Business Performance Measure Payout Multiplier</u>
Below Threshold	less than 90%	0%
Threshold	90%	50%
Target	100%	100%
Maximum	110%	150%

If the measure of actual business performance falls between the target value and either the threshold value or the maximum value, the value is interpolated.

The Compensation Committee believes that Adjusted EBITDA and AFFO/Common Share are useful measures for short-term compensation as these metrics capture the financial performance of the Corporation for the period.

Individual performance measures comprise an aggregate 30% weighting of the STIP Payout Ratio. The individual performance measures are agreed to between each participant and the President and Chief Executive Officer, subject to the approval of the Compensation Committee (or in the case of the President and Chief Executive Officer, as agreed to between the President and Chief Executive Officer and the Compensation Committee, subject to approval of the Board), in advance of the relevant year.

(3) The Corporation uses Adjusted EBITDA to measure the performance of its assets prior to the impact of financing costs, taxes and charges for depreciation and amortization. Adjusted EBITDA is calculated as revenue less operating and administrative expenses plus interest income and dividends/distributions received from equity accounted investments. Amounts attributed to any non-controlling interest are deducted.

(4) The Corporation uses AFFO/Common Share as a measure of cash generated during the period for distribution to shareholders. The Corporation defines AFFO as Adjusted EBITDA plus principal received from loans receivable on equity accounted investments less interest paid, dividends paid on the Corporation's preferred shares and income taxes paid, maintenance capital expenditures and scheduled repayment of principal on debt, net of changes to the Corporation's levelization liability. For its Utilities-Water segment, the Corporation defines maintenance capital expenditures as the amount, including adjustments for inflation, required by the UK water regulator for the Asset Management Period ("AMP") to maintain the productive capacity of the business. Differences between the regulatory required and actual maintenance capital expenditures are adjusted during the AMP when the difference is determined to be permanent.

The 30% weighting that the individual performance measures comprise of the STIP Payout Ratio is subject to a payout multiplier ranging from 0% to 200%, based on Compensation Committee and Board, as applicable, assessment of the achievement of the individual performance measures.

The Board (acting reasonably and in consultation with management) retains the right to adjust the targets for the business performance measures and individual performance measures to address major corporate transactions or other extraordinary events.

LTIP

LTIP awards are granted each year by the Compensation Committee (or in the case of the President and Chief Executive Officer, by the Compensation Committee, subject to approval of the Board) based on a percentage of a participant's base salary and each award comprises 50% of RSUs and 50% of PSUs. RSUs are subject to time-based vesting and PSUs are subject to both time-based vesting and performance-related vesting. In addition, accelerated vesting of LTIP awards may occur in certain circumstances (see "*— Executive Employment Agreements — Termination without Cause*", "*— Executive Employment Agreements — Termination by Executive for Good Reason*" and "*— Change of Control*").

RSUs have a vesting period of up to three years (with the specific vesting period for each issuance set by the Compensation Committee when the grant is made). PSUs also have a vesting period of up to three years, provided that the vesting of the PSUs will be adjusted based on the attainment of one or more performance conditions (such as Total Shareholder Return (as defined below)) set by the Compensation Committee (or in the case of the President and Chief Executive Officer, by the Compensation Committee, subject to approval of the Board) at the time of the PSU grant.

At the discretion of the Compensation Committee, RSUs and PSUs can be settled and paid in cash, through the purchase of Common Shares on the open market or a combination of these alternatives. In addition, at the discretion of the Compensation Committee, discretionary RSUs may be issued as rewards for exceptional performance or as a retention mechanism. To date, no discretionary RSUs have been granted.

Benefits and Executive Perquisites

The Corporation offers to all its employees various benefit programs, such as medical, dental, life, and short-and long-term disability insurance coverage and a group registered retirement savings plan. The Corporation does not have a pension plan or any other post-employment benefit program for employees. The Corporation does not provide its executive officers with any other benefits or perquisites and the benefits provided to all employees reflect competitive practices.

2011 Performance Targets and Compensation Decisions

Components of Compensation as a Percentage of 2011 Target Total Compensation

The Compensation Committee determines the relative proportion of each component of compensation to target total compensation for each NEO, based upon each such officer's role and responsibilities. The table below specifies the relative proportion of each component of each NEO's target compensation for 2011:

<u>Name</u>	<u>Salary (%)⁽¹⁾</u>	<u>Target STIP (%)</u>	<u>LTIP (%)</u>
Michael Bernstein President and Chief Executive Officer	33.3%	33.3%	33.3%
Michael Smerdon Executive Vice President and Chief Financial Officer	40.0%	30.0%	30.0%
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	64.5%	19.4%	16.1%
Jack Bittan Senior Vice President, Business Development	43.5%	26.1%	30.4%
Rob Roberti Senior Vice President, Power Generation	60.6%	18.2%	21.2%

Note:

(1) Represents annual salary which has not been pro-rated (see "— 2011 Salaries").

2011 Salaries

Salaries for each NEO were initially set out in the employment agreement the Corporation entered into with each NEO (each an "**Employment Agreement**") in connection with the Internalization Transaction. Actual amounts paid to the NEOs in 2011 in respect of salaries were pro-rated from April 15, 2011 (the date on which each NEO became an employee of the Corporation) to December 31, 2011 and were as follows:

<u>Name</u>	<u>Annual Salary</u>	<u>2011 Pro-rated Amount</u>
Michael Bernstein President and Chief Executive Officer	\$400,000	\$283,333
Michael Smerdon Executive Vice President and Chief Financial Officer	\$325,000	\$230,208
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	\$280,000	\$198,333
Jack Bittan Senior Vice President, Business Development	\$260,000	\$184,167
Rob Roberti Senior Vice President, Power Generation	\$235,000	\$166,458

2011 STIP

For 2011, the Target STIP Awards for Messrs. Bernstein, Smerdon, Miller, Bittan and Roberti were 100%, 75%, 30%, 60% and 30% of their salaries, respectively (see "— 2011 Salaries"). To determine the actual 2011 STIP awards, the Target STIP Awards were: (a) adjusted by the STIP Payout Ratio, which was based on two business performance measures, Adjusted EBITDA and AFFO/Common Share (each with a 35% weighting),

individual performance measures set for each NEO (30% weighting); and (b) pro-rated from April 1, 2011 to December 31, 2011 in accordance with each NEO's employment agreement with the Corporation.

The calculations of the payout multiplier for each of the business performance measures, which are applicable to each NEO, are as follows:

Business Performance Measure⁽¹⁾	Threshold	Target	Maximum	Actual 2011 Performance	Business Performance Measure Payout Multiplier
Adjusted EBITDA	\$62,801,000	\$69,779,000	\$76,756,900	\$75,348,000	140%
AFFO/Common Share	\$ 0.417	\$ 0.463	\$ 0.510	\$ 0.578	150%

Note:

(1) All figures exclude costs associated with the Internalization Transaction.

An overview of the key individual performance measures for each NEO in 2011 is outlined below, along with the assessment of each NEO's performance with respect to such measures.

Mr. Bernstein's key individual performance measures for 2011 included executing on the Corporation's growth strategy, re-contracting the Corporation's Cardinal gas co-generation facility and increasing market capitalization. The payout multiplier for his individual performance measures in 2011 was assessed to be 60%.

Mr. Smerdon's key individual performance measures for 2011 included executing on the Corporation's growth strategy, effective management of the Corporation's financial risks and completing the Internalization Transaction and related transition activities. The payout multiplier for his individual performance measures in 2011 was assessed to be 90%.

Mr. Miller's key individual performance measures for 2011 included general legal and corporate secretarial activities, overseeing legal matters related to the Corporation's various corporate finance and acquisition transactions during 2011, effective management of legal fees and completing the Internalization Transaction. The payout multiplier for his individual performance measures in 2011 was assessed to be 125%.

Mr. Bittan's key individual performance measures for 2011 included executing the Corporation's growth strategy, completing the Corporation's acquisition of an interest in Värmevärden, (the Swedish district heating business), and overseeing the completion of the Corporation's Amherstburg Solar Park. The payout multiplier for his individual performance measures in 2011 was assessed to be 150%.

Mr. Roberti's key individual performance measures for 2011 included achieving performance targets for the Corporation's power facilities and advancing the re-contracting the Corporation's Cardinal gas co-generation facility. The payout multiplier for his individual performance measures in 2011 was assessed to be 110%.

Based on the above, the STIP awards for 2011 are set out in the table below. Mr. Bernstein volunteered to receive RSUs with a fair value equal to 100% of his cash STIP entitlement for 2011 and Mr. Smerdon volunteered to receive RSUs with a fair value equal to 50% of his cash STIP entitlement for 2011 in lieu of

receiving payments in cash to ensure their alignment with Shareholders. The Board and the Compensation Committee determined that these RSU awards were appropriate and approved such grants.

Name	Business Performance Measures Payout Multipliers		Individual Performance Measures Payout Multiplier (30% weighting)	STIP Payout Ratio (% of Target)	Target STIP Award (% of Salary)	Actual 2011 STIP Award (\$) ⁽¹⁾
	Adjusted EBITDA (35% weighting)	AFFO/Common Share (35% weighting)				
Michael Bernstein President and Chief Executive Officer	140%	150%	60%	119.5%	100%	\$358,500 ⁽²⁾
Michael Smerdon Executive Vice President and Chief Financial Officer	140%	150%	90%	128.5%	75%	\$234,914 ⁽²⁾
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	140%	150%	125%	139%	30%	\$ 87,570
Jack Bittan Senior Vice President, Business Development	140%	150%	150%	146.5%	60%	\$171,405
Rob Roberti Senior Vice President, Power Generation	140%	150%	110%	134.5%	30%	\$ 71,117

Notes:

- (1) For 2011, STIP awards were pro-rated from April 1, 2011 to December 31, 2011 (i.e. pro-rated to 75%) in accordance with each NEO's Employment Agreement. STIP awards are paid in the year following the year in which such awards are earned.
- (2) Mr. Bernstein was granted 84,758 RSUs in lieu of 100% of his cash entitlement under the STIP for 2011 and Mr. Smerdon was granted 27,770 RSUs in lieu of 50% of his cash entitlement under the STIP for 2011. The number of RSUs granted to each of Mr. Bernstein and Mr. Smerdon was determined by dividing the applicable percentage of their cash entitlements under the STIP for 2011 by the volume-weighted average price for the Common Shares on the Toronto Stock Exchange ("TSX") for the five-trading day period prior to the date of the RSU issuance on March 23, 2012, being \$4.2297 per Common Share.

2011 LTIP

On June 17, 2011, the following awards were made to the NEOs under the LTIP:

Name	2011 LTIP Award (% of Salary) ⁽¹⁾	Total LTIP Award		RSUs		PSUs	
		(#) ⁽²⁾	(\$) ⁽³⁾	(#) ⁽²⁾	(\$) ⁽³⁾	(#) ⁽²⁾	(\$) ⁽³⁾
Michael Bernstein President and Chief Executive Officer	100%	50,848	\$400,000	25,424	\$200,000	25,424	\$200,000
Michael Smerdon Executive Vice President and Chief Financial Officer	75%	30,986	\$243,754	15,493	\$121,877	15,493	\$121,877
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	25%	8,900	\$ 70,012	4,450	\$ 35,006	4,450	\$ 35,006
Jack Bittan Senior Vice President, Business Development	70%	23,136	\$182,002	11,568	\$ 91,001	11,568	\$ 91,001
Rob Roberti Senior Vice President, Power Generation	35%	10,456	\$ 82,253	5,228	\$ 41,127	5,228	\$ 41,127

Notes:

- (1) 2011 LTIP Award was based upon each NEO's annual salary (which has not been pro-rated) in accordance with each NEO's Employment Agreement (see "— 2011 Salaries").
- (2) Does not include the 84,758 RSUs granted to Mr. Bernstein in lieu of 100% of his cash entitlement under the STIP for 2011 and the 27,770 RSUs granted to Mr. Smerdon in lieu of 50% of his cash entitlement under the STIP for 2011 (see "— 2011 STIP").
- (3) Represents the grant date fair value. The grant date fair value is determined by multiplying the number of awards granted by the volume-weighted average price for the Common Shares on the TSX for the five-trading day period prior to the date of their issuance on June 17, 2011, being \$7.8666 per Common Share for the 2011 LTIP awards.

The vesting period for both the RSUs and PSUs granted in 2011 is from June 17, 2011 to December 31, 2013 (the "Vesting Period").

The vesting of the PSUs granted in 2011 is also contingent on the Corporation's Total Shareholder Return (as defined below) relative to the Total Shareholder Return of the members of the Comparator Group (as defined below). The number of PSUs that become vested at the end of the Vesting Period, which may be more or less than 100% of the PSUs outstanding at the end of the Vesting Period, will be determined by multiplying the number of PSUs outstanding at the end of the Vesting Period by the applicable performance multiplier set out below.

Actual Performance vs. Comparator Group	Performance Multiplier
at or below 25 th percentile	0
37.5 th percentile	0.5
50 th percentile	1
at or above 75 th percentile	2

If performance falls between the defined performance levels, the performance multiplier used will be determined on a proportionate basis by the Compensation Committee.

“**Total Shareholder Return**” means, in the case of the Corporation, the difference, expressed in basis points, between (i) an initial hypothetical investment of \$100 in Common Shares on the first day of the Vesting Period (assuming re-investment of any dividends issued during the Vesting Period) and (ii) the Ending Share Value (as defined below). The initial investment of \$100 is expressed as a number of “**Investment Shares**” which is determined by dividing \$100 by the volume-weighted average trading price of the Common Shares on the TSX over the prior five trading days (the “**Share Price**”) determined as of the first day of the Vesting Period. The number of Investment Shares is increased from time to time on account of dividends paid on Common Shares during the Vesting Period by the number of Common Shares calculated by dividing the product of (i) the number of Investment Shares on the record date for such dividends and (ii) the cash dividends paid on each Common Share, by the Share Price on the dividend payment date. The “**Ending Share Value**” is the product of (i) the number of Investment Shares determined as provided above and (ii) the Share Price on the last day of the Vesting Period.

The Total Shareholder Return for each entity included in the Comparator Group (as defined below) will be calculated in the manner described above, based on the volume-weighted average trading price of each such entity’s common shares or units at the applicable time on the stock exchange or quotation system on which the highest volume of such shares traded over the five trading days prior to the applicable time. The Compensation Committee believes that Total Shareholder Return is a useful measure of performance for the PSUs as it supports the Corporation’s mission to deliver a superior total return to Shareholders by providing reliable income and capital appreciation.

The Comparator Group to which the performance of the Corporation shall be compared, as determined by the Compensation Committee, is currently: Algonquin Power & Utilities Corp., Altagas Income Trust, Atlantic Power Corp., Boralex Inc., Capital Power Corp., Innergex Renewable Energy Inc., Just Energy Group Inc., Maxim Power Corp., Northland Power Inc. and Primary Energy Recycling Corp. (collectively, the “**Comparator Group**”). The Comparator Group was selected in consultation with Mercer and includes entities that are involved in the infrastructure and/or power sector, have a similar size and/or complexity as the Corporation or operate in a sector or are of a size which the Corporation has aspirations to operate in or attain. The members of the Comparator Group are generally the same as those of the Compensation Peer Group, with certain adjustments in membership attributable to changes in the nature of the Compensation Peer Group since it was selected in February 2011.

If and when cash dividends are paid on the Common Shares after the grant date until the settlement of the 2011 LTIP awards, additional RSUs and PSUs (the “**Dividend Equivalent RSUs and PSUs**”) will be granted to the 2011 LTIP award recipients equal to the product of the amount of the cash dividend per Common Share and the number of RSUs and PSUs granted pursuant to the 2011 LTIP awards (including any Dividend Equivalent RSUs and PSUs granted after the original grant date but before the issuance of the cash dividend in question). The Dividend Equivalent RSUs and PSUs will be subject to the same terms and conditions, including vesting and settlement terms, as the original 2011 LTIP awards in respect of which such Dividend Equivalent RSUs and PSUs, as applicable, are granted.

Summary Compensation Table

The following table sets forth information concerning the compensation earned from the Corporation by each person who was a NEO of the Corporation during the fiscal year ended December 31, 2011, as well as, where indicated, the compensation earned from MPML (or its affiliates) during the fiscal years ended December 31, 2011, 2010 and 2009 that is attributable to the NEO’s work for the Corporation.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary⁽¹⁾</u>	<u>STIP</u>	<u>LTIP⁽²⁾</u>	<u>All Other Compensation⁽³⁾</u>	<u>Total Compensation</u>
Michael Bernstein⁽⁴⁾	2011	\$283,333	\$358,500 ⁽⁵⁾	\$400,000	\$1,349,167	\$2,391,000
President and	2010	—	—	—	\$ 539,200	\$ 539,200
Chief Executive Officer	2009	—	—	—	\$ 183,750	\$ 183,750
Michael Smerdon⁽⁶⁾	2011	\$230,208	\$234,914 ⁽⁵⁾	\$243,754	\$ 834,907	\$1,543,783
Executive Vice President and	2010	—	—	—	\$ 417,600	\$ 417,600
Chief Financial Officer	2009	—	—	—	\$ 103,125	\$ 103,125
Stuart M. Miller⁽⁷⁾	2011	\$198,333	\$ 87,570	\$ 70,012	\$ 393,229	\$ 749,144
Executive Vice President,	2010	—	—	—	\$ 308,700	\$ 308,700
General Counsel and	2009	—	—	—	\$ 247,500	\$ 247,500
Corporate Secretary						
Jack Bittan⁽⁸⁾	2011	\$184,167	\$171,405	\$182,002	\$ 649,987	\$1,187,561
Senior Vice President,	2010	—	—	—	—	—
Business Development	2009	—	—	—	—	—
Rob Roberti⁽⁸⁾	2011	\$166,458	\$ 71,117	\$ 82,253	\$ 319,546	\$ 639,374
Senior Vice President, Power	2010	—	—	—	—	—
Generation	2009	—	—	—	—	—

Notes:

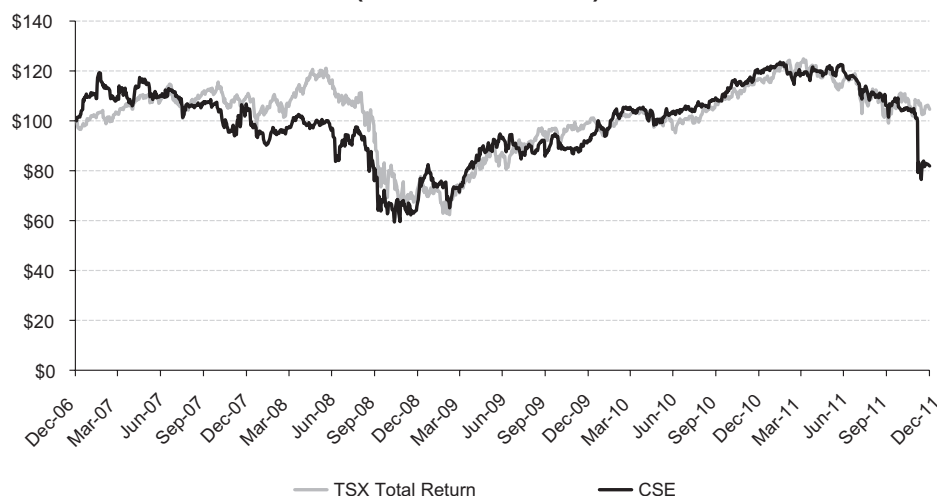
- (1) Salary for each NEO is pro-rated from April 15, 2011 (the date on which each NEO became an employee of the Corporation) to December 31, 2011. 2011 annual salary was \$400,000 for Mr. Bernstein, \$325,000 for Mr. Smerdon, \$280,000 for Mr. Miller, \$260,000 for Mr. Bittan and \$235,000 for Mr. Roberti.
- (2) Represents the grant date fair value of RSUs and PSUs granted pursuant to the LTIP. The grant date fair value of the RSUs and PSUs issued in 2011 is determined by multiplying the number of RSUs and PSUs granted by the volume-weighted average price for the Common Shares on the TSX for the five trading day period prior to the date of their issuance on June 17, 2011, being \$7.8666 per Common Share.
- (3) These amounts include one-time payments in connection with the Internalization Transaction of \$1,250,000 to Mr. Bernstein, \$750,000 to Mr. Smerdon, \$325,562 to Mr. Miller, \$620,195 to Mr. Bittan and \$251,005 to Mr. Roberti in accordance with each such NEO's employment agreement with the Corporation representing profit-share entitlements, amounts in lieu of vacation and/or retention amounts earned by the NEOs while employees of MIRACL. These amounts also include the portion of the total compensation paid by MIRACL to the each NEO, including salary, bonus and all other compensation including perquisites and other personal benefits, that can be attributed to services each provided to the Corporation and its subsidiaries on behalf of MPML from January 1, 2011 to April 14, 2011 and, in the case of Mr. Bernstein, Mr. Smerdon and Mr. Miller for the years ended December 31, 2010 and 2009, as applicable. Such allocation was determined solely for the purposes of this table, based on the role, responsibility and time spent by the respective officers to fulfil the requirements of their office.
- (4) Mr. Bernstein was appointed President and Chief Executive Officer of the Fund effective July 6, 2009, after serving as its President and Chief Executive Officer on an interim basis since April 15, 2009. In connection with the conversion of the Fund into the Corporation, effective January 1, 2011, Mr. Bernstein was appointed the President and Chief Executive Officer of the Corporation.
- (5) Mr. Bernstein was granted 84,758 RSUs in lieu of 100% of his cash entitlement under the STIP for 2011 and Mr. Smerdon was granted 27,770 RSUs in lieu of 50% of his cash entitlement under the STIP for 2011 (see "— 2011 Performance Targets and Compensation Decisions — 2011 STIP"). The number of RSUs granted to each of Mr. Bernstein and Mr. Smerdon was determined by dividing the applicable percentage of their cash entitlements under the STIP for 2011 by the volume-weighted average price for the Common Shares on the TSX for the five-trading day period prior to the date of the RSU issuance on March 23, 2012, being \$4.2297 per Common Share.
- (6) Mr. Smerdon was appointed Vice President, Chief Financial Officer and Secretary of the Fund effective August 14, 2009. In connection with the conversion of the Fund into the Corporation, effective January 1, 2011, Mr. Smerdon was appointed the Executive Vice President, Chief Financial Officer and Secretary of the Corporation. On March 10, 2011, Mr. Smerdon ceased to be the Secretary of the Corporation.
- (7) Prior to January 1, 2011, Mr. Miller was the Vice President and General Counsel of the Fund. In connection with the conversion of the Fund into the Corporation, effective January 1, 2011, Mr. Miller was appointed the Executive Vice President and General Counsel of the Corporation. On March 10, 2011, Mr. Miller was also appointed as the Corporate Secretary of the Corporation.
- (8) Mr. Bittan and Mr. Roberti each became employees of the Corporation on April 15, 2011 and were appointed as officers of the Corporation on April 18, 2011. Prior to April 15, 2011, both were employees of MIRACL.

Performance Graph

The Common Shares have been listed and posted for trading on the TSX since January 10, 2011. Prior to such date, the trust units (“Units”) of the Fund, the predecessor of the Corporation, were listed and posted for trading on the TSX. On January 1, 2011, pursuant to a plan of arrangement under the BCBCA, all of the outstanding Units were exchanged for Common Shares on the basis of one Common Share for each Unit.

The following graph compares the cumulative total return on a \$100 investment in Units/Common Shares with the cumulative total return on a \$100 investment in the S&P/TSX Composite Total Return Index for the period from January 1, 2007 to December 31, 2011. It is assumed that distributions and dividends, as applicable, are reinvested for the purpose of the calculation of the cumulative return on the Units/Common Shares. The Unit/Common Share performance as set out in this section does not necessarily indicate future price performance of the Common Shares.

**Five Year Total Return on \$100 Investment (Dividend Reinvestment)
CSE vs. S&P/TSX Composite — Total Return Index
(Jan. 1 2007=\$100)**



The compensation received by MPML in 2011 prior to the completion of the Internalization Transaction was calculated in accordance with the Management Agreements and therefore was not subject to the general discretion of the Directors. Compensation paid by MIRACL to the persons serving as the executive officers of the Corporation and its subsidiaries that can be attributed to the services they provided to the Corporation and its subsidiaries on behalf of MPML in 2011 prior to the completion of the Internalization Transaction was not within or subject to the discretion of the Directors. Accordingly, compensation paid to such executive officers was not based upon, and may not be comparable to, the total return of the Common Shares or Units relative to any particular index.

Following completion of the Internalization Transaction, as discussed above in “— *Components of Executive Compensation*”, the Compensation Committee implemented a compensation policy that includes the LTIP, which is linked to the share price performance of the Common Shares (and, in the case of the PSUs, to the Corporation’s performance against the Comparator Group), as the Compensation Committee and the Board believe that linking a portion of an NEO’s individual compensation to the performance of the Corporation creates long-term shareholder value. However, the Corporation’s determination of executive compensation is based upon the policies and procedures detailed above and is not based upon the total return of the Corporation’s Common Shares relative to any particular index.

Incentive Plan Awards

The table below shows all awards under the LTIP outstanding as at December 31, 2011:

Name	Year of Grant	Number of LTIP Awards Not Yet Vested ⁽¹⁾			Market Value of LTIP Awards Not Yet Vested ⁽²⁾		
		RSUs (#)	PSUs (#)	Total (#)	RSUs (\$)	PSUs (\$)	Total (\$)
Michael Bernstein President and Chief Executive Officer	2011	26,902	26,902	53,804	\$102,497	\$102,497	\$204,993
Michael Smerdon Executive Vice President and Chief Financial Officer	2011	16,394	16,394	32,788	\$ 62,461	\$ 62,461	\$124,922
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	2011	4,711	4,711	9,422	\$ 17,949	\$ 17,949	\$ 35,898
Jack Bittan Senior Vice President, Business Development	2011	12,241	12,241	24,482	\$ 46,638	\$ 46,638	\$ 93,276
Rob Roberti Senior Vice President, Power Generation	2011	5,535	5,535	11,070	\$ 26,623	\$ 26,623	\$ 42,147

Notes:

(1) Comprised of the LTIP grant made on June 17, 2011 plus Dividend Equivalent RSUs and PSUs granted to account for dividends issued since that grant. Does not include the 84,758 RSUs granted to Mr. Bernstein in lieu of 100% of his cash entitlement under the STIP for 2011 and the 27,770 RSUs granted to Mr. Smerdon in lieu of 50% of his cash entitlement under the STIP for 2011 as such grants occurred after December 31, 2011 (see “— 2011 Performance Targets and Compensation Decisions — 2011 STIP”).

(2) The market value is determined by multiplying the number of awards not vested by the closing price for the Common Shares on the TSX on December 30, 2011, being \$3.81 per Common Share. For the PSUs, it is assumed that the performance multiplier is 1.0.

The following is a summary of all share-based incentive plan awards that vested and all non-equity incentive plan compensation earned in 2011 with respect to each named executive officer.

Name	LTIP Awards — Value Vested During 2011 ⁽¹⁾			STIP Awards Earned During 2011 (\$)
	RSUs (\$)	PSUs (\$)	Total (\$)	
Michael Bernstein President and Chief Executive Officer	—	—	—	\$358,500 ⁽²⁾
Michael Smerdon Executive Vice President and Chief Financial Officer	—	—	—	\$234,914 ⁽²⁾
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	—	—	—	\$ 87,570
Jack Bittan Senior Vice President, Business Development	—	—	—	\$171,405
Rob Roberti Senior Vice President, Power Generation	—	—	—	\$ 71,117

Notes:

(1) The LTIP was established in 2011. No LTIP awards vested in 2011.

- (2) Mr. Bernstein was granted 84,758 RSUs in lieu of 100% of his cash entitlement under the STIP for 2011 and Mr. Smerdon was granted 27,770 RSUs in lieu of 50% of his cash entitlement under the STIP for 2011 (see “— 2011 Performance Targets and Compensation Decisions — 2011 STIP”). The number of RSUs granted to each of Mr. Bernstein and Mr. Smerdon was determined by dividing the applicable percentage of their cash entitlements under the STIP for 2011 by the volume-weighted average price for the Common Shares on the TSX for the five-trading day period prior to the date of the RSU issuance on March 23, 2012, being \$4.2297 per Common Share.

2012 Executive Compensation

The Compensation Committee, together with management, as part of their annual responsibilities, reviewed the Corporation’s compensation programs on November 29, 2011 and determined that no changes to the current compensation program were required for fiscal 2012, except that, effective January 1, 2012, the annual salary for the following NEOs was increased to: \$330,000 for Mr. Smerdon, \$288,000 for Mr. Miller, \$265,000 for Mr. Bittan and \$240,000 for Mr. Roberti.

Executive Employment Agreements

Each of the NEOs was an employee of MIRACL, an affiliate of MPML, prior to the completion of the Internalization Transaction. In connection with the Internalization Transaction, the Corporation hired each of these individuals and entered into an Employment Agreement with each of them. To assist in the structuring and negotiation of the Employment Agreements, the Compensation Committee engaged Mercer and Blake, Cassels & Graydon LLP to review and advise on the terms of the Employment Agreements, as described further above under “— *Independent Advice*”.

Termination for Cause

Under each Employment Agreement, the Corporation may terminate the employment of the NEO at any time for just cause by written notice to the NEO, which termination is effective on the date such notice is delivered. If the Corporation terminates the employment of the NEO for cause, the Corporation is not obligated to make any further payments under the Employment Agreement except for certain amounts due and owing to the NEO for salary, STIP compensation, LTIP compensation, benefits, certain perquisites, vacation and expenses incidental to employment that have been earned or properly incurred and are owing at the time of the termination. In the event of termination with cause, all unvested LTIP awards would be cancelled.

Termination without Cause

Under each Employment Agreement, the Corporation may terminate a NEO’s employment at any time without cause by providing the NEO with a notice in writing and certain compensation in lieu of notice. The compensation that must be provided to the NEO in such circumstances includes (a) all outstanding salary, STIP compensation, LTIP compensation, certain perquisites, vacation and expenses incidental to employment that have been earned and are owing (including any unpaid wages and an annual STIP payment pro-rated to the last day of employment calculated based on the average of the value of STIP payments made to the NEO in the two-year period prior to the termination or, if the NEO’s employment is terminated before a two year average is available, on the basis of the NEO’s STIP target in the year of termination) and the Corporation shall reimburse the NEO for all proper expenses incurred in connection with the Corporation’s business (“**Accrued Compensation**”); (b) a retiring allowance (the “**Retiring Allowance**”) equal to 12 months of Total Compensation (as defined below) plus one additional month of Total Compensation (as defined below) for each completed year of service (including years of service with MPML or its affiliates) to a maximum of 18 months (the “**Severance Period**”); and (c) the Corporation must continue the NEO’s benefits coverage for the Severance Period or the Corporation shall pay the NEO an amount equal to the premium cost or contributions the Corporation would otherwise have made. “**Total Compensation**” includes payment in lieu of salary plus payment in lieu of STIP compensation based on the average of the value of STIP awards to the NEO by the Corporation in the two-year period prior to any termination without cause (or, if the NEO’s employment is terminated before a two-year average is available, on the basis of the NEO’s STIP target in the year of termination). In the event of termination without cause, (a) RSUs granted in 2011 will fully vest and be paid out in full; (b) all other outstanding unvested RSUs issued under the LTIP will vest pro-rata to the

date on which notice of termination without cause was delivered to the NEO, with the RSUs that remain unvested being cancelled; and (c) outstanding PSUs issued under the LTIP will vest pro-rata at the end of the vesting period based on the date of termination (with vesting being dependent on the applicable performance multipliers) and the remaining unvested PSUs will be cancelled.

Termination by Executive for Good Reason

An NEO may terminate his employment at any time for Good Reason (as defined below). Upon such termination such NEO will be entitled to receive all the compensation and benefits such NEO would have been entitled to if the NEO had been terminated by the Corporation without cause (as discussed above).

For the purposes of the Employment Agreements, “**Good Reason**” means any event that would constitute constructive dismissal under Canadian law, including, among other things, (a) a change to the duties or status of the employee, (b) a reduction in the salary or a change to the Corporation’s incentive compensation plans that would have the effect of materially reducing the NEO’s aggregate target incentive compensation (including any change to the performance metrics that would produce this result), (c) the cessation of benefit plans or perquisites or (d) requiring the employee to relocate.

Change of Control

If an NEO’s employment is terminated by the Corporation without cause or the NEO terminates his employment for Good Reason, in either case in the six-month period prior to the public announcement of a Change of Control (as defined below) (applicable only if the Corporation has knowledge of the potential Change of Control) or in the 12-month period following a Change of Control, the NEO will be entitled to receive an amount equal to all Accrued Compensation plus one and one-half times the amount of the Retiring Allowance (subject to a maximum payment of 24 months of Total Compensation) and the NEO’s entitlement to benefit coverage or pay in lieu of benefits will be increased by a corresponding period of months. On a Change of Control, all unvested LTIP grants, if any, will vest immediately, with any PSUs vesting based upon a performance multiplier equal to 1.0.

For the purposes of the Employment Agreements, a “**Change of Control**” means (a) the acquisition of control in law (whether by sale, transfer, merger, consolidation or otherwise) of the Corporation by a third party (that is, the acquisition of control over 50.1% of the issued and outstanding voting shares of the Corporation), or (b) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation to a third party.

Confidentiality and Non-Solicitation Obligations

Under each Employment Agreement, the NEO agrees to not use for such NEO’s own account or disclose to anyone else any confidential or proprietary information or material relating to the Corporation’s operations or business which the NEO obtains from the Corporation or its officers, employees, agents, suppliers or customers or otherwise by virtue of the NEO’s employment by the Corporation or the Corporation’s predecessors. In addition, each NEO agrees, for a 12-month period following the end of such NEO’s period of active employment, not to, among other things, solicit business from any customer or client of the Corporation with whom the NEO dealt during his employment with the Corporation for the benefit of any business which competes with the Corporation or any of its subsidiaries, or induce or entice away or in any other manner persuade or attempt to persuade any officer, employee, or agent of the Corporation or its subsidiaries to discontinue or alter any one or more of their relationships with the Corporation or its subsidiaries.

Estimated Payments Upon Termination

Assuming that each of the NEOs was terminated on December 30, 2011, each NEO would have been entitled under his Employment Agreement to receive the following total compensation from the Corporation in each of the scenarios listed below (not including amounts due and owing at the time of termination):

<u>Name</u>	<u>Termination for Cause (\$)</u>	<u>Termination Without Cause⁽¹⁾ (\$)</u>	<u>Termination due to Change of Control⁽¹⁾ (\$)</u>
Michael Bernstein President and Chief Executive Officer	—	\$1,325,641	\$1,804,994
Michael Smerdon Executive Vice President and Chief Financial Officer	—	\$ 929,690	\$1,262,422
Stuart M. Miller Executive Vice President, General Counsel and Corporate Secretary	—	\$ 537,669	\$ 763,898
Jack Bittan Senior Vice President, Business Development	—	\$ 681,169	\$ 925,276
Rob Roberti Senior Vice President, Power Generation	—	\$ 439,968	\$ 664,246

Notes:

(1) The value of RSUs and PSUs is determined by multiplying the number of awards vested upon the triggering event by the closing price for the Common Shares on the TSX on December 30, 2011, being \$3.81 per Common Share and, in the case of PSUs, assuming a performance multiplier equal to 1.0.

Stock Ownership Guidelines

The Board has adopted stock ownership guidelines under which the NEOs are required to own Common Shares or RSUs with a value equal to the following percentage of each such NEO's salary: 200% for the President and Chief Executive Officer, 150% for the Executive Vice President and Chief Financial Officer; and 100% in the case of all other NEOs. These guidelines require that each such officer acquire and hold within five years the date of commencement of employment with the Corporation such securities with a value based upon the greater of acquisition cost (or equivalent value) or market value (or equivalent value). The Compensation Committee may waive compliance with the stock ownership guidelines in certain circumstances. No waivers have been provided to date. The Corporation understands that each NEO intends to comply with the stock ownership guidelines within the specified period.

Director Compensation

The Compensation Committee is responsible for reviewing and making recommendations with respect to all forms of remuneration paid to the Directors. The Board determines the compensation of the Directors based on the recommendation of the Compensation Committee. The policies of the Compensation Committee for determining such compensation are set out below under the heading "*Statement of Corporate Governance Practices — Committees — Compensation Committee*".

In November 2010, the Governance Committee (which was responsible for Director remuneration matters prior to the establishment of the Compensation Committee on March 4, 2011) engaged Towers Watson Canada Inc. ("**Towers Watson**") to review market data and provide advice in connection with Director remuneration. Towers Watson used a comparator group comprised of: Algonquin Power & Utilities Corporation, Altagas Ltd., Atlantic Power Corp., Boralex Inc., Boralex Power Income Fund, Brookfield Renewable Power Fund, Canaccord Financial Inc., Connacher Oil and Gas Ltd., GMP Capital Inc., Capital Power Income L.P., Innergex Renewable Energy Inc., Maxim Power Corp., Northland Power Income Fund, Marsulex Inc., Trinidad Drilling Ltd. and Westaim Corporation. These entities were selected in consultation with the Governance Committee and include entities that are involved in the infrastructure and/or power

sector, have a similar size and/or complexity as the Corporation or operate in a sector or are of a size which the Corporation has aspirations to operate in or attain. Following the consideration of the report provided by Towers Watson, the Governance Committee recommended that the Board approve an increase in the retainer paid to the Chairman of the Board and that the Board approve a deferred share unit plan (the “**DSU Plan**”), both of which recommendations were approved by the Board with effect from January 1, 2011. The DSU Plan was implemented in order to: promote a greater alignment of interests between the Directors and the Shareholders; provide a compensation system for Directors that is reflective of the responsibility, commitment and risk accompanying Board membership; assist the Board to attract and retain individuals with experience and ability to serve as members of the Board; and allow the Directors to participate in the long-term success of the Corporation.

Each Director who is not a member of management of the Corporation (each a “**Non-Management Director**”) is entitled to an annual Board retainer equal to \$35,000 per year and \$1,500 per Board or committee meeting attended in person or by teleconference, with the exception that any Director that is an employee of MPML or one of its affiliates will not be entitled to any cash or other remuneration for any period prior to 12 months following the completion of the Internalization Transaction. The Chairman of the Board, the Chairman of the Special Committee, the Chairman of the Audit Committee, the Chairman of the Governance Committee and the Chairman of the Compensation Committee are each entitled to additional retainers equal to \$35,000, \$25,000, \$15,000, \$10,000 and \$10,000 per year, respectively. The Directors are also reimbursed for expenses incurred in attending board and committee meetings. During 2011, the Corporation paid the Directors a total of approximately \$514,000 on account of retainer and meeting attendance fees and approximately \$32,000 on account of reimbursement for out-of-pocket expenses incurred in connection with their attendance at meetings.

Pursuant to the DSU Plan, Non-Management Directors of the Corporation receive an additional annual retainer equal to \$15,000 in the form of deferred share units (“**DSUs**”). Each eligible Non-Management Director receives a grant of DSUs equal to \$3,750 on the first day of each fiscal quarter of the Corporation (calculated in the manner discussed below). The first grant of DSUs to eligible Directors was effective as of January 1, 2011. Directors are also entitled to elect to receive DSUs in full or partial satisfaction of their annual retainer, Board or committee chair retainer and/or meeting fees.

The number of DSUs to be granted is determined by dividing the amount of the retainer or other amount payable by the volume-weighted average price for the Common Shares on the TSX for the five-trading day period prior to the date of the grant (the “**value of a DSU**”). Each Director is required to hold any DSUs received, at a minimum, until the date the Director ceases to be a Director, following which each DSU will be redeemed for cash during a prescribed period at the value of a Common Share prevailing at the date of redemption. No Common Shares will be issuable pursuant to the DSU Plan and a Director who receives DSUs will receive additional DSUs in respect of dividends payable on Common Shares, based on the value of a DSU at that time. Upon the establishment of the Compensation Committee, that committee assumed responsibility for administering the DSU plan. In the view of the Compensation Committee and the Board, the DSU Plan further aligns the interests of Directors with those of Shareholders.

The following table outlines all amounts of compensation provided to the Directors for the Corporation's fiscal year ended December 31, 2011:

<u>Name</u>	<u>Board Retainer</u>	<u>Board Meeting Fees</u>	<u>Board/ Committee Chairman Retainer</u>	<u>Committee Meeting Fees⁽¹⁾⁽²⁾</u>	<u>DSUs⁽³⁾</u>	<u>All other compensation</u>	<u>Total⁽⁴⁾</u>
Derek Brown	\$35,000	\$21,000	\$15,577	\$27,000	\$15,000	—	\$113,577
James Cowan ⁽⁵⁾	—	—	—	—	—	—	—
Patrick J. Lavelle	\$35,000	\$24,000	\$35,000	\$34,500	\$15,000	—	\$143,500
Stephen S. Mentzines ⁽⁵⁾	—	—	—	—	—	—	—
François R. Roy	\$35,000	\$24,000	\$15,000	\$34,500	\$15,000	—	\$123,500
V. James Sardo	\$35,000	\$24,000	\$29,423	\$34,500	\$15,000	—	\$137,923

Notes:

- (1) Includes meeting fees of \$1,500 per meeting in 2011 paid to the members of each of the Audit, Governance, Compensation and Special Committees as well as the Nomination Sub-Committee of the Governance Committee (See "Statement of Corporate Governance Practices — Committees — Governance Committee").
- (2) During 2011, one Joint Board and Special Committee meeting and one Joint Board and Compensation Committee meeting were held and attendees were paid one meeting fee. The meeting fees for these joint meetings are included under Board Meeting Fees.
- (3) Represents the aggregate cash grant date fair value of DSUs.
- (4) Table does not include any amounts paid as reimbursement for expenses. The Directors may also elect to receive all or part of their annual cash retainer and meeting attendance fees in Common Shares instead of cash, which are purchased through the facilities of the TSX on their behalf.
- (5) Mr. Mentzines resigned as a Director on April 15, 2011 and Mr. Cowan was appointed by the Board as a Director on April 18, 2011. Neither Mr. Mentzines nor Mr. Cowan was entitled to receive any compensation from the Corporation in 2011 due to their employment by an affiliate of MPML. Mr. Mentzines was employed by Macquarie Holdings (U.S.A.) Inc. ("MUSA") and Mr. Cowan is employed by MIRACL, each affiliates of MPML, and acted or act in a variety of capacities on behalf of such employers, their affiliates and other funds with infrastructure investments in Canada and the United States that are managed by such employers and their affiliates. Because Mr. Mentzines and Mr. Cowan had additional roles and responsibilities as employees of MUSA and MIRACL, respectively, other than the services provided to the Corporation, the compensation that they received from their respective employers was not solely related to the services provided in their role as Directors. The Corporation estimates that the portion of the total compensation paid to Mr. Mentzines and Mr. Cowan by MUSA and MIRACL, respectively, to serve as Directors and that can be attributed to the services provided to the Corporation and its subsidiaries on behalf of MPML in 2011 is equal to \$14,569 and \$60,931, respectively. Such allocations were determined solely for the purposes of this table, based on the role, responsibility and time spent by Mr. Mentzines and Mr. Cowan to fulfil their obligations as Directors.

The following table shows the holdings of DSUs as at December 31, 2011 of each of the persons who acted as Directors of the Corporation during 2011:

<u>Name</u>	<u>DSUs⁽¹⁾ (#)</u>	<u>Market Value of DSUs⁽²⁾ (\$)</u>
Derek Brown	2,101.75	\$8,008
James Cowan ⁽³⁾	—	—
Patrick J. Lavelle	2,101.75	\$8,008
Stephen S. Mentzines ⁽³⁾	—	—
François R. Roy	2,101.75	\$8,008
V. James Sardo	2,101.75	\$8,008

Notes:

- (1) Comprised of all DSU granted plus additional DSUs issued in respect of dividends payable on Common Shares, based on the value of a DSU at that time.

- (2) Calculated using the closing price of Common Shares on the TSX on December 30, 2011 of \$3.81 per Common Share. DSUs vest on issuance but cannot be redeemed until after the holder ceases to be a Director.
- (3) Mr. Mentzines resigned as a Director on April 15, 2011 and Mr. Cowan was appointed to the board on April 18, 2011. Neither Mr. Mentzines nor Mr. Cowan was entitled to receive any DSUs in 2011 due to their employment by an affiliate of MPML.

Stock Ownership Guidelines

The Board has established minimum share ownership standards for Directors. All Directors are required to own the equivalent of three years' annual cash Board retainer (not including additional Chairman retainers or additional annual DSU retainer) in the form of Common Shares or DSUs within five years of becoming a Director or the approval of the Charter of Director Expectations in November 2011 (see "*Statement of Corporate Governance Practices — Charter of Director Expectations*"). For the purposes of satisfying this obligation, the aggregate value of the shares or deferred share units owned by a Director shall be deemed to be equal to the greater of the market value (or equivalent value) or the acquisition cost (or equivalent amount) of each such share or deferred share unit. The Corporation understands that each Director intends to comply with the stock ownership requirements within the specified period

Fees Paid to Compensation Consultants

The Governance Committee engaged Towers Watson in November 2010 and Mercer in February 2011 to provide advice in connection with compensation matters for the Directors and executive officers of the Corporation, respectively (see "*— Compensation of Executive Officers after Completion of Internalization Transaction — Independent Advice*" and "*— Director Compensation*"). Mercer is a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. ("**MMC**"). During 2010 and 2011, Marsh Inc. ("**Marsh**"), a separate independent operating company owned by MMC, was retained to provide insurance brokerage services to the Corporation.

The following fees were paid to consultants engaged to advise on executive and Director compensation and their affiliates in the last two fiscal years:

Consultant	2011		2010	
	(\$) ⁽¹⁾	% of Total	(\$) ⁽¹⁾	% of Total
Mercer and its MMC affiliates				
Executive compensation-related fees	\$ 25,905	4%	—	—
All other fees	\$689,302 ⁽²⁾	96%	\$1,814,422 ⁽²⁾	100%
Total fees	\$715,107	100%	—	—
Towers Watson				
Director compensation-related fees	—	—	\$ 16,696	100%
All other fees	—	—	—	0%
Total fees	—	—	\$ 16,696	100%

Notes:

- (1) All figures include applicable tax.
- (2) Includes (i) for 2010 and 2011, fees paid to Marsh for insurance brokerage services provided to the Corporation and (ii) for 2011 only, fees of \$565 paid to Mercer for advice provided to management in connection with the Corporation's employee share purchase plan. Please note that 2010 "All other fees" includes the prepayment of a portion of insurance brokerage fees related to 2011. In 2011, the Corporation did not prepay any 2012 insurance brokerage fees.

As a result of Mercer's and the Compensation Committee's policies and procedures, the Compensation Committee is confident that the advice it receives from Mercer is objective and not influenced by Mercer's or Marsh's relationships with the Corporation. These policies and procedures include:

- the individual Mercer consultant providing services to the Corporation (the "**Mercer Consultant**") receives no incentive or other compensation based on the fees charged to the Corporation for other services provided by Mercer or any of its affiliates;
- the Mercer Consultant is not responsible for selling other Mercer or affiliate services to the Corporation;
- Mercer's professional standards prohibit the Mercer Consultant from considering any other relationships that Mercer or any of its affiliates may have with the Corporation in rendering his or her advice and recommendations;
- the Compensation Committee has the sole authority to retain and terminate the Mercer Consultant;
- the Mercer Consultant has direct access to the Compensation Committee without management intervention;
- the Compensation Committee evaluates the quality and objectivity of the services provided by the Mercer Consultant each year and determines whether to continue to retain the Mercer Consultant; and

While it is necessary for the Mercer Consultant to interact with management to gather information and assemble recommendations, the Mercer Consultant is retained by and reports solely to the Compensation Committee. The Compensation Committee reaches decisions following discussions of the Mercer Consultant's presentation of conclusions and recommendations and after in camera sessions during which the Compensation Committee assures itself that the Mercer Consultant's recommendations are independent. This approach helps to ensure that the Compensation Committee receives objective advice from the Mercer Consultant so that it may make independent decisions about executive compensation.

INDEBTEDNESS OF DIRECTORS AND OTHERS

No Director or executive officer of the Corporation, nor any current or former executive officer, employee, Director or candidate for election as a Director of the Corporation or any of its subsidiaries, nor any of any such person's respective associates is currently, or has within the Corporation's most recently completed financial year been, indebted to the Corporation or its subsidiaries or has, or within the Corporation's most recently completed financial year has had, indebtedness that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, to the best of the knowledge of the Corporation, none of the executive officers of the Corporation, any informed person (as such term is defined under the Canadian Securities Administrators' National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Corporation, any Director or candidate for election as a Director, or any associate or affiliate of any such persons, had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction with the Corporation since the commencement of 2011 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation is subject to the rules and policies of the Canadian Securities Administrators regarding audit committees and the certification of certain annual and interim filings. In addition, the Corporation is subject to the Canadian Securities Administrators' National Instrument 58-101 — *Disclosure of Corporate Governance Practices* and guided by the Canadian Securities Administrators' National Policy 58-201 — *Corporate Governance Guidelines* (collectively, the "**Governance Rules**").

The following outlines the various procedures, policies and practices that the Corporation and the Board have implemented to address the requirements and guidelines of the Governance Rules and, where appropriate, to reflect best practices.

Corporate Governance Guidelines

To enhance the Corporation's commitment to maintaining a high standard of corporate governance, the Board adopted a comprehensive set of corporate governance guidelines (the "**Guidelines**"). The Guidelines assist the Board with respect to meeting its corporate governance responsibilities. Among other things, the Guidelines address the following matters:

- **Board Organization and Membership** — including the requirement for a majority of the Directors to be Independent Directors and the Majority Voting Policy (as described below).
- **Board Committees** — including the requirement that each of the Board's Audit Committee, Governance Committee and Compensation Committee be composed entirely of Independent Directors.
- **Board's Relationship with Management** — including the requirement for the Board to support and encourage the members of the Corporation's management in the performance of their duties and the requirement for the Governance Committee to review and assess the Board's relationship with the Corporation's management.
- **Director Responsibilities and Performance** — including the requirement to assess the overall performance and effectiveness of the Board, each committee thereof, the Chairman of the Board, the Chairman of each of the Board's committees and each Director on an annual basis.

Majority Voting Policy

The Guidelines include a majority voting policy (the "**Majority Voting Policy**"). Pursuant to the Majority Voting Policy, a Director is required to submit his or her resignation to the Board for consideration if, in an uncontested election of Directors, such nominee for Director receives a greater number of votes "withheld" from his or her election than votes "for" such election. The Board, with the assistance of the Governance Committee, will evaluate the facts and circumstances and determine whether it is appropriate for the Director to remain a member of the Board under such circumstances. A resignation will only become effective if and when it is accepted by the Board. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by the members of the Board including, without limitation, the stated reasons why Shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the Director whose resignation has been tendered, such Director's contributions to the Corporation and the Guidelines. The Board's decision to accept or reject a resignation will be disclosed to the public promptly in accordance with applicable securities regulations.

Code of Business Conduct and Ethics

To encourage and promote a culture of ethical business conduct, the Board has adopted a written Code of Business Conduct and Ethics (the "**Code of Ethics**"). The Code of Ethics is applicable to all directors, officers, employees, contractors and agents (collectively referred to in the Code of Ethics as "**Employees**") of the Corporation and any subsidiary of the Corporation (the "**Capstone Infrastructure Group**"). The Code of Ethics generally outlines standards of conduct that must be met in the carrying out of an Employee's duties with the Corporation, including: (i) guidelines on the acceptance or offering of gifts, entertainment or other advantages in the conduct of business; (ii) guidelines relating to dealings with public officials; and (iii) prohibitions on the inappropriate gathering of competitive information. The Code of Ethics also provides detailed guidelines with respect to the identification and declaration of conflicts of interest, the protection of confidential information and the appropriate use of computer and communications systems.

To ensure that Directors exercise independent judgment in considering transactions and agreements in respect of which Employees may have a material interest, the Code of Ethics requires such Employees to

avoid all situations in which their personal interests conflict or might conflict with their duties to the Capstone Infrastructure Group by avoiding acquiring any interests or participating in any activities that could:

- deprive the Capstone Infrastructure Group of the time or attention required to perform their duties properly; or
- create an obligation or distraction which would affect their judgment or ability to act solely in the best interests of the Capstone Infrastructure Group.

In addition, directors and officers of the Capstone Infrastructure Group are required to follow the procedures contained in the Guidelines and the Code of Ethics in respect of material contracts or transactions to which they are a party or in which they have a material interest, including the requirement: (i) to disclose in writing all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict of interest; and (ii) for the individuals in question to abstain from voting on such matters, as applicable.

The Board has delegated its responsibility for monitoring compliance with the Code of Ethics to the Governance Committee which, among other things, reviews the Code of Ethics annually, is responsible for granting any waivers from the Code of Ethics and oversees management's implementation and monitoring of the Code of Ethics. Each year, each Employee is required to provide a written acknowledgement of his or her compliance with the Code of Ethics. To date, no waivers of the Code of Ethics have been granted. A copy of the Code of Ethics is available under the Corporation's profile on SEDAR at www.sedar.com.

Board of Directors

The Board is presently composed of five Directors, with the number of Directors to be elected at the Meeting proposed to be six. The Board has concluded that each of the candidates nominated for election as Directors would be Independent Directors. Specifically, each of Messrs. Sardo (Chairman of the Board), Brown, Lavelle, Mornhed, Patava and Roy meet the definition of independence under NI 52-110.

Certain Directors are also directors of (or serve in similar capacities on behalf of) other public entities in Canada and in other jurisdictions. Please see "*Matters to be Acted Upon at the Meeting — Election of Directors*" for (i) the names of those Directors who serve as directors of (or serve in similar capacities on behalf of) other public entities and (ii) the names of those other public entities. The biography of each Director set forth under such heading also outlines such Director's relevant experience and expertise. No Director sits on the board of a public entity (other than the Corporation) on which another Director also sits. For information regarding the compensation of Directors, please see "*Compensation Discussion and Analysis — Director Compensation*".

Board and Committee Meetings

The Board meets at least once each quarter, with additional meetings as the Board deems advisable, to review the business operations and financial results of the Corporation. Meetings of the Board include regular meetings with management of the Corporation to review and discuss specific aspects of the operations of the Corporation. Mr. Sardo is the Chairman of the Board and is an Independent Director. The Independent Directors hold in-camera sessions with only the Independent Directors present at each quarterly meeting of the Board and periodically during the year at other meetings. Between January 1, 2011 and December 31, 2011, the Independent Directors have met five times without management present.

Mandate of the Board

The Board has a written mandate (the "**Mandate of the Board**") which specifies the Board's ongoing responsibility for stewardship of the Corporation. The Board annually assesses the Mandate of the Board. A copy of the Mandate of the Board is attached to this Information Circular as Schedule "A". The Board is ultimately responsible for supervising the activities and managing the investments and affairs of the Corporation and, in doing so, is required to act in the best interests of the Corporation. The Board generally

discharges its responsibilities either directly or through the Audit Committee, the Governance Committee or the Compensation Committee. Responsibilities of the Board set out in the Mandate of the Board include:

- oversight of the Corporation's corporate governance;
- monitoring of the Corporation's financial performance and other financial reporting matters;
- approving the Corporation's policies and procedures; and
- oversight of the Corporation's communications and reporting.

Charter of Director Expectations

A Charter of Director Expectations (the "**Charter**") has also been developed to supplement the Guidelines and the Mandate of the Board by specifying certain expectations that the Board places on its members. The Board annually assesses the Charter. A copy of the Charter is attached to this Information Circular as Schedule "B".

Committees

Each of the Board's standing committees (the Audit Committee, the Governance Committee and the Compensation Committee) and the Special Committee is composed entirely of Independent Directors. The Corporation does not have a Nominating Committee, as the functions that would otherwise be performed by such committee are performed by the Governance Committee, and in particular the Nomination Sub-Committee of such committee.

Audit Committee

The members of the Audit Committee are Messrs. Roy (Chairman), Brown, Cowan, Lavelle and Sardo. In accordance with applicable securities laws, each of the members of the Audit Committee is an Independent Director and "financially literate" in accordance with the applicable provisions of NI 52-110. The Audit Committee corresponds directly with the Corporation's finance and accounting staff to review issues as appropriate and meets directly with PricewaterhouseCoopers LLP, the Corporation's external auditors, on a regular basis. The Audit Committee charter (the "**Audit Committee Charter**"), is attached as a schedule to the Corporation's Annual Information Form for the financial year ended December 31, 2011 (the "**AIF**"), which is available under the Corporation's profile on SEDAR at www.sedar.com. The Audit Committee Charter is assessed annually and updated as required. The Audit Committee Charter outlines, among other things, the mandate of the Audit Committee to:

- oversee the integrity of the Corporation's financial statements and financial reporting process;
- oversee the qualifications and independence of the Corporation's external auditors;
- oversee the work of the Corporation's financial management and external auditors; and
- provide an open avenue of communication between the external auditors, the Board and management of the Corporation.

Further disclosure relating to the Audit Committee and its members, as required by NI 52-110, can be found in the AIF, which is available under the Corporation's profile on SEDAR at www.sedar.com.

Compensation Committee

The Board has a Compensation Committee that is composed of Messrs. Sardo (Chairman), Brown, Cowan, Lavelle and Roy, each of whom is an Independent Director. The charter for the Compensation Committee (the "**Compensation Committee Charter**") outlines, among other things, the responsibilities of the Compensation Committee with respect to:

- reviewing and making recommendations to the Board with regard to all forms of remuneration to be paid to the Directors;

- reviewing and making recommendations to the Board with respect to all forms of compensation to be granted to the President and Chief Executive Officer of the Corporation; and
- reviewing the President and Chief Executive Officer's proposals regarding the compensation of the other senior executives of the Corporation.

In fulfilling its responsibilities and duties under the Compensation Committee Charter, the Compensation Committee is required to, among other things: review corporate goals and objectives relevant to the President and Chief Executive Officer's compensation; evaluate the President and Chief Executive Officer's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the President and Chief Executive Officer's compensation level based on its evaluation; approve the compensation of the Corporation's senior management team (excluding the President and Chief Executive Officer), including any compensation based upon the value or price of the Corporation's securities; submit a report to the Board on human resources matters at least annually; periodically review the terms of and experience with the Corporation's executive compensation programs for the purpose of determining if they are properly co-ordinated and achieving the purpose for which they were designed and administered; and on a periodic basis, establish a committee work plan that is disclosed publicly.

Mr. Sardo is the Chairman of the Compensation Committee, the Chairman of the Board and has served as a Director since 2009, providing him with the necessary familiarity with the Corporation and its management to guide the Compensation Committee in making executive compensation decisions and developing executive compensation policies and practices. Mr. Sardo has also relevant experience and skills gained in his role as the Chairman of the Human Resources, Compensation and Governance Committee of New Flyer Inc. and his previous roles as the Chief Executive Officer of several public companies and major subsidiaries of public companies. Mr. Brown has had a number of other board and advisory appointments which have provided him with experience in determining executive compensation. Mr. Lavelle was previously the Chairman and Chief Executive Officer of Unique Broadband Systems Inc. where he gained relevant experience in determining executive compensation as well as previously serving on a number of compensation committees for both public and private companies. As the Vice-Principal (Administration and Finance) of McGill University and Chief Financial Officer of Telemedia Corporation as well as previously serving on a number of compensation committees for both public and private companies, Mr. Roy gained relevant experience in determining executive compensation.

The Board determines the compensation of the Directors based on the recommendation of the Compensation Committee. The Compensation Committee has determined that the Directors should be compensated in a form and amount which is appropriate and which is customary for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director compensation. The Compensation Committee is mandated to review the compensation of the Directors annually. This review includes consideration of all forms of compensation that a Director receives, directly or indirectly, including any consulting contracts or charitable contributions to organizations in which a Director is affiliated. Please see "*Compensation Discussion and Analysis — Director Compensation*" for a description of the Director's current remuneration.

The Compensation Committee reviews and reassesses the adequacy of the Compensation Committee Charter at least annually and recommends changes to the Board. The performance of the Compensation Committee is evaluated with reference to the Charter annually.

Governance Committee

The Board has a Governance Committee that is composed of Messrs. Lavelle (Chairman), Brown, Cowan, Roy and Sardo, each of whom is an Independent Director. The Governance Committee oversees and assesses the functioning of the Board and its committees, establishes the Corporation's corporate governance principles and guidelines and identifies and recommends qualified candidates for election to the Board. The charter for the Governance Committee (the "**Governance Committee Charter**") outlines, among other things, the responsibilities of the Governance Committee with respect to:

- identifying and recommending to the Board qualified candidates to nominate for election as Directors;

- annually reviewing and revising (as applicable) the Corporation's approach to governance issues;
- succession planning in respect of senior management and the Directors to ensure the orderly succession of responsibilities; and
- overseeing compliance with the Code of Ethics.

The Governance Committee also periodically assesses the appropriateness of the size of the Board with a view to facilitating effective decision making and annually assesses the Governance Committee Charter and the competencies, skills and personal qualities required of the Board as a whole and each Director to add value to the Corporation. Based on these assessments, the Governance Committee will consider whether to recommend any changes to the Governance Committee Charter or the composition of the Board. The Board has delegated the identification of candidates to nominate for election as Directors to the Governance Committee which, as noted above, is composed entirely of Independent Directors, to help ensure an objective nomination process. When required, the Governance Committee will recruit and consider potential candidates for Directors, having regard to the background, employment and qualifications of possible candidates including, among other things, the competencies, skills, business and financial experience, leadership roles and level of commitment required to fulfill Board responsibilities. After considering the qualifications that existing Directors possess and that each potential candidate would be expected to bring to the Board, the Governance Committee identifies qualified candidates and recommends to the Board those candidates to be placed before the Shareholders at the next annual general meeting. In accordance with the Governance Committee Charter and the Guidelines, the Directors and the Board as a whole may engage outside advisors at the expense of the Corporation with the approval of the Chairman of the Board.

On November 14, 2011, the Governance Committee approved the creation of a Nomination Sub-Committee composed of Mr. Lavelle (Chairman) and Mr. Sardo. The mandate of the Nomination Sub-Committee is to identify and make recommendations to the Governance Committee of qualified Director nominees for election at the Corporation's annual meeting of shareholders and to fill any vacancies on the Board. All duties and actions of the Nomination Sub-Committee are governed by, and must be in accordance with, the Governance Committee Charter. The President and Chief Executive Officer of the Corporation acts as an advisor to the Nomination Sub-Committee, and in such capacity attends all meetings of the Nomination Sub-Committee and provides all such assistance to the Nomination Sub-Committee as may be determined by the members of the Nomination Sub-Committee.

Position Descriptions

The Board has approved position descriptions for the Chairman of the Board, the Chairman of each of the Board's committees and the President and Chief Executive Officer of the Corporation. In accordance with the Governance Committee Charter, the Governance Committee is responsible for annually reviewing and making recommendations to the Board regarding the foregoing position descriptions.

The Chairman of the Board is responsible for, among other things, overseeing the Board's discharge of its duties, governing the conduct of the Board, assisting the Board's committees and acting as a liaison between the Board and management. The Chairman of each of the Board's committees is responsible for, among other things, providing leadership to the respective committee to enhance its effectiveness. The President and Chief Executive Officer is responsible for managing the underlying business within the structure of the Corporation. The President and Chief Executive Officer's specific responsibilities include developing a long-term corporate strategy for the Corporation, reporting to the Board on succession planning and consulting with the Chairman of the Board.

Board Assessment and Performance Review

The Governance Committee is responsible for annually assessing the effectiveness of the Board as a whole and each committee of the Board and making recommendations to the Board thereon. The Governance Committee is also responsible for evaluating the performance of the Chairman of the Board and the Chairman of each of the Board's committees, as well as the performance and contribution of individual Directors. The Governance Committee conducts an annual survey of the Directors with respect to their views

on the effectiveness of the Board, the Chairman of the Board, the Board's committees, the Chairman of each of the Board's committees and individual Directors. The results of this annual survey are reported to the Board. In addition, the Governance Committee annually prepares a skills and expertise matrix to assist with reviewing the skill set of Directors. A copy of the 2011 skills and expertise matrix prepared by the Governance Committee is attached to this Information Circular as Schedule "C". Following its annual assessment and performance review, the Board has proposed that the number of Directors be increased from five to six in order to supplement the skills and expertise of the current Directors.

Orientation and Continuing Education

Pursuant to the Governance Committee Charter, the Governance Committee is mandated to oversee an orientation and education program for new Directors and to provide ongoing educational opportunities for all Directors. To assist in familiarizing new Directors with the role of the Board and its committees and Directors, new Directors are provided with a Director Reference Manual, which includes the Guidelines, the Code of Ethics, the Mandate of the Board, the Audit Committee Charter, the Governance Committee Charter, the Compensation Committee Charter, the foregoing position descriptions as well as other information relevant to their office. New Directors are also provided with a comprehensive orientation on the Corporation and the nature and operations of its businesses and have the opportunity to meet with management of the Corporation and other members of the Board.

To ensure that the Directors maintain the knowledge and skill necessary to meet their obligations as directors, the Governance Committee from time to time arranges for presentations by key personnel or qualified outside consultants concerning topics related to the Corporation's business, changes to the Corporation's legal and regulatory framework and corporate and board governance matters. Management regularly advises the Directors of opportunities for continuing education and the Directors are encouraged to attend external continuing education programs at the expense of the Corporation.

The table below lists the internal and external continuing education programs that Directors attended during the year.

<u>2011</u>	<u>Topic</u>	<u>Presented/Hosted By</u>	<u>Attended By</u>
March 24	Sustainable development and corporate social responsibility	Institute of Corporate Directors	François R. Roy
May 12	Seminar on executive compensation trends and compensation discussion and analysis	Torys LLP	V. James Sardo
July 21	Tour of Amherstburg Solar Park and presentation on solar technology	Corporation	V. James Sardo
August 18	Tour of Erie Shores Wind Farm and presentation on wind technology	Corporation	V. James Sardo

Special Committee

In connection with the Corporation's conversion from the Fund to the Corporation and the Internalization Transaction, the Board established a Special Committee composed of Messrs. Lavelle (Chairman), Brown, Roy and Sardo, each of whom is an Independent Director, with the mandate to oversee these activities. Upon completion of the Internalization Transaction, the Special Committee's mandate was completed and the committee was dissolved.

ADDITIONAL INFORMATION

Financial information about the Corporation is provided in the audited consolidated annual financial statements of the Corporation and the Corporation's management's discussion and analysis for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available under the Corporation's profile on SEDAR at www.sedar.com. Additional information regarding the Corporation's Audit Committee, including descriptions of its members and their applicable education and experience, can be found under the heading "*Management of the Corporation — Audit Committee Information*" in the AIF, which is available on SEDAR under the Corporation's profile. A copy of the Audit Committee Charter is also included in the AIF as Schedule "A".

Upon written request, a copy of the audited consolidated annual financial statements of the Corporation for the year ended December 31, 2011 contained in the Corporation's 2011 Annual Report, together with the auditors' report thereon and the related management's discussion and analysis, and one copy of any unaudited consolidated interim financial statements of the Corporation, together with the related management's discussion and analysis, subsequent thereto, in each case as filed with the applicable securities regulatory authorities, will be provided to any person. Any request for any such documents should be made to the Corporation's Investor Relations department at 155 Wellington Street West, Suite 2930, Toronto, Ontario, M5V 3H1 (telephone 1 (855) 649-1300 (North America toll-free)). The Corporation may require the payment of a reasonable charge when a request is made by someone who is not a shareholder of the Corporation.

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS

The term "**Corporation**" herein shall refer to Capstone Infrastructure Corporation and the term "**Board**" shall refer to the Board of Directors of the Corporation. "**Capstone Infrastructure Group**" means, collectively, the Corporation and each subsidiary entity of the Corporation (a "**Subsidiary**"). The term "**Management**" herein shall refer to senior management of the Corporation and all Subsidiaries.

The Board is elected by the common shareholders and is responsible for the stewardship of the affairs of the Corporation. The directors shall act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board seeks to discharge such responsibility by supervising and reviewing the Corporation's investments, conducting the affairs of the Corporation and monitoring the stewardship of any Subsidiaries.

The Board is responsible for establishing and maintaining a culture of integrity in the conduct of the Corporation's affairs. The Board seeks to discharge this responsibility by satisfying itself as to the integrity of Management and by overseeing Management to ensure a culture of integrity is maintained.

Although directors may be elected by the common shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

The Corporation is a publicly listed vehicle which must comply with the applicable securities laws and the Board is responsible for overseeing such compliance by the Corporation.

INDEPENDENCE OF DIRECTORS

Each of the directors, other than members of Management, must be independent of the Corporation and the business of Capstone Infrastructure Group. In order to be independent, the director must qualify as "independent" as defined in National Instrument 52-110—*Audit Committees* and as set out in the Corporation's Corporate Governance Guidelines. However, the fact that a director is also a director of a Subsidiary shall not disqualify the director from being considered to be an "independent director" of the Corporation if the director would otherwise meet the foregoing tests.

The Chairman of the Board shall be an independent director. The Chairman shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

MEETINGS

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chairman is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by, any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The independent directors will hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

DUTIES OF DIRECTORS

The Board discharges its responsibilities both directly and through its committees: the Audit Committee, the Governance Committee and the Compensation Committee. In addition to these standing committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In

addition to the Board's primary roles of supervising the activities and managing the investments and affairs of the Corporation, principal duties include, but are not limited to, the following categories:

Oversight of the Corporation's Governance

1. The Board is responsible for acting for, voting on behalf of and representing the Corporation as a holder of shares, notes and other securities of Subsidiaries.
2. The Board is responsible for reviewing the performance of the directors of the Corporation and at least annually conducts an effective evaluation of the directors of the Corporation. As part of the annual performance evaluation, the directors of the Corporation will collectively review and, if appropriate, update this mandate.
3. The Board is responsible for ensuring the directors of Subsidiaries provide annual reviews of operational matters pertaining to the Corporation's investments to the Board and reports on performance matters pertaining to the management of the Corporation's investments.
4. The Board is responsible for conducting an annual review of the performance of the Corporation against the goals and objectives as set out in the strategic plan and budget of the Corporation.
5. The Board may delegate to Board committees matters it is responsible for, but the Board retains its oversight function and ultimate responsibility for all delegated responsibilities.
6. The Board is responsible for reviewing, at least annually, the succession plans of the Corporation for the Chairman, President and Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.
7. The Board is responsible for ensuring that the composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; meeting procedures and notices of meetings comply with the requirements of the *Business Corporations Act* (British Columbia), the *Securities Act* (Ontario) and the Articles of the Corporation, subject to any exemptions or relief that may be granted from such requirements.
8. The Board is responsible for ensuring that each director has an understanding of the Corporation's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership.

Monitoring of Financial Performance and Other Financial Reporting Matters

9. The Board will review and may question the Corporation's strategic plan and budget.
10. The Board is responsible for considering appropriate measures it may take on behalf of the Corporation if the performance of Capstone Infrastructure Group and its assets under Management's authority to manage, supervise and/or operate do not meet the Corporation's goals or other special circumstances warrant.
11. The Board shall be responsible for approving the Corporation's annual and interim financial statements and the notes and management's discussion and analysis accompanying such financial statements, the annual report, management proxy circular and annual securities law filings.
12. The Board is responsible for reviewing and approving material transactions involving the Corporation and the Board is required to approve the payment of dividends, the purchase and issuance of securities, acquisitions and dispositions of material assets by the Corporation and material expenditures by the Corporation.

Policies and Procedures

13. The Board is responsible for:
 - (a) maintaining records on the Corporation's affairs and investments;
 - (b) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;
 - (c) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
 - (d) enforcing obligations of the directors respecting confidential treatment of the Corporation's proprietary information and Board deliberations.
14. The Board is responsible for approving an External Communications Policy respecting communications to the public and an Insider Trading Policy respecting insider trading and reporting matters.

Communications and Reporting

15. The Board is responsible for:
 - (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
 - (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting or other applicable standards and related legal disclosure requirements;
 - (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - (d) reporting annually to shareholders on its stewardship for the preceding year;
 - (e) overseeing the provision to shareholders of all such information as is required by applicable law, prior to each meeting of shareholders;
 - (f) overseeing the investor relations and communications strategy of the Corporation; and
 - (g) overseeing the Corporation's ability to accommodate feedback from shareholders.

SCHEDULE "B"

CHARTER OF DIRECTOR EXPECTATIONS

The roles, responsibilities, qualifications and procedures of the board of directors of the Corporation (the "**Board**") are set out in the Mandate of the Board of Directors of the Corporation (the "**Mandate**") and the Corporation's Corporate Governance Guidelines (the "**Guidelines**"). This Charter supplements the Mandate and the Guidelines by specifying certain expectations the Board places on its directors.

1. Personal Attributes

The Board considers a diverse group of candidates in the evaluation incumbent directors and potential candidates for election to the Board. The Board believes that the best directors exhibit the following qualities:

- (a) they have demonstrated integrity and high ethical standards;
- (b) they have a proven track record of sound business judgment and good business decisions; and
- (c) they have loyalty to the Corporation and are dedicated to its success.

2. Professional Standards

In discharging his or her responsibilities, each director must act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In keeping with these standards, the directors should demonstrate the following key traits:

- (a) the director brings outstanding and relevant business or other valuable experience, such as:
 - (i) holds or has recently held a position of high-level responsibility;
 - (ii) has experience operating a major public company;
 - (iii) preferably has experience in the infrastructure sector or a related or similar industry;
 - (iv) has a broad exposure to or understanding of the funding environment in which customers of the Corporation operate; and/or
 - (v) possesses a high level of expertise in areas that are important to the Corporation,
- (b) the director effectively contributes to the development of the Corporation's strategic plan and businesses; and
- (c) the director understands and effectively contributes to the broad range of issues that the Board and its committees must consider.

3. Compliance with Laws, Rules and Regulations

Directors must comply with laws, rules, regulations and Stock Exchange requirements applicable to the Corporation from time to time, including insider trading laws. "Stock Exchanges" means, at any time, those stock exchanges on which any securities of the Corporation are listed for trading. Directors must comply with the Corporation's Insider Trading Policy.

4. Share Ownership

The Board believes that directors who have an equity position in the Corporation can better represent the interests of shareholders, and, as such, the Board has established minimum share ownership standards for directors. All directors are required to own the equivalent of three (3) years' annual cash retainer in the form of shares or deferred share units within five (5) years of becoming a director or the approval of the Guidelines. For the purposes of the foregoing provision, the aggregate value of the shares or deferred share units owned

by a director shall be deemed to be equal to the greater of the market value (or equivalent value) or the acquisition cost (or equivalent amount) of each such share or deferred share unit.

5. Conflicts of Interest

Directors are expected to identify in advance any conflict of interest regarding a matter coming before the Board or its committees and to refrain from voting on such matters. If a director is uncertain of the nature or extent of a potential conflict, he or she should seek a ruling on the matter in advance with the Chairman or, at the time of the meeting with the chairman of the meeting.

In addition to the statutory responsibilities of directors to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest, the director must recuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

6. Resignation Events

A director is required to submit his or her resignation to the Board for consideration if any of the following events occur:

- (a) the director becomes unable to attend at least 75% of the regularly scheduled meetings of the Board or of the committees on which he or she serves;
- (b) the director becomes involved in a legal dispute, regulatory or similar proceeding that could materially impact his or her ability to serve as a director and negatively impact the reputation of the Corporation;
- (c) the director takes on new responsibilities in business, politics or the community which may conflict with the goals of the Corporation and materially reduce his or her ability to serve as director;
- (d) the director makes a major change in principal occupation;
- (e) In an uncontested election of directors, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (the "**Majority Voting Policy**"); or
- (f) there is any other change in the director's personal or professional circumstances that impact the Corporation or such director's ability to serve the Corporation;

Upon the occurrence of any of the foregoing, the Board, with the assistance of the Governance Committee, will evaluate the facts and circumstances, and determine whether it is appropriate for the director to remain a member of the Board under such circumstances. A resignation will only become effective if and when it is accepted by the Board. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by the members of the Board including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee (in the case of a resignation under the Majority Voting Policy), the length of service and the qualifications of the director whose resignation has been tendered, such director's contributions to the Corporation and the Guidelines. The Board's decision to accept or reject a resignation will be disclosed to the public promptly in accordance with applicable securities regulations. If a resignation is accepted, the Board may appoint a new director to fill the vacancy.

SCHEDULE “C”

DIRECTOR SKILLS AND EXPERTISE MATRIX

Skill		D. Brown	J. Cowan	P. Lavelle	F. Roy	J. Sardo
1.	Experience on public company boards (current or within past 5 years)	•	•	•	•	•
2.	Business acumen	•	•	•	•	•
3.	Financial literacy (including familiarity with IFRS)	•	•	•	•	•
4.	Experience assessing risks	•	•	•	•	•
5.	Experience dealing with securities and/or industry regulators (current or within past five years)	•	•	•	•	•
6.	M&A knowledge and experience (current or within past ten years)	•	•	•	•	•
7.	Experience with investors and investment community	•	•	•	•	•
8.	General management experience (i.e. CEO/President of companies) (current or within past ten years)	•	•	•	•	•
9.	Financial management experience (current or within past ten years)	•	•	•	•	•
10.	Experience with companies in growth mode		•	•	•	•
11.	Experience with strategic business planning	•	•	•	•	•
12.	Knowledge of audit/accounting (current or within past ten years)	•	•	•	•	•
13.	Corporate governance experience	•	•	•	•	•
14.	Experience in power, P3 and/or infrastructure industry		•	•	•	•
15.	Former cabinet minister/member of parliament/public policy or government experience		•	•		
16.	Qualified to act as Chairman of the Compensation Committee (or combined Compensation and Governance Committee)	•		•	•	•
17.	Experience within energy infrastructure sector (within past five years)	•	•	•		•
18.	Experience with renewable assets (within past five years)	•	•	•	•	•
19.	Experience within broader infrastructure sector (within past five years)	•	•	•	•	•
20.	Operating expertise that would be relevant to Capstone’s current assets	•	•	•	•	•
21.	Ability to contribute relations/knowledge that may advance favourable public policy environment for Capstone’s business	•	•	•	•	
22.	Ability to promote corporate interests externally	•	•	•	•	•

Legend: • Meets criteria

Any questions and requests for assistance may be directed to Capstone Infrastructure Corporation's Proxy Solicitation Agent:



LINK GROUP network

North American Toll Free Phone:

1-800-229-5716

Banks, Brokers and collect calls: 201-806-2222

Toll Free Facsimile: 1-888-509-5907

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