

**(H) Energy Savings Agreement ("ESA")**

In December 2014, Cardinal entered into a new ESA with Ingredion, which matures on December 31, 2034, reflecting the binding term sheet signed on March 26, 2014. Under the terms of the new ESA, Cardinal is required to provide O&M services, and supply steam and compressed air to Ingredion for its plant operations.

**(I) Guarantees**

Capstone has provided limited recourse guarantees on the project debt of the various wind projects totalling \$11,500 as at December 31, 2014.

**(J) Power Purchase Agreements ("PPA")**

A significant portion of the Corporation's electricity revenue is earned through long-term PPA's. The majority of these contracts include terms and conditions customary to the industry. For Cardinal's new contract, the nature of the material commitments includes: electricity capacity; availability; and production targets. For the remaining facilities in the power segment, Capstone is not obligated to deliver electricity; however, in certain circumstances if a facility or development project fails to meet the performance requirements under its respective PPA, liquidated damages may apply or the PPA may be terminated after a specified period of time.

**NOTE 27. RELATED PARTY TRANSACTIONS**

**(A) Management and Other Related Fees**

Management fees earned from Capstone's equity accounted investments are reported in the consolidated statements of income as revenue. During 2014, Capstone earned management fees of \$420 (2013 - \$115).

As at December 31, 2014, included in accounts receivable was \$16 (2013 - \$7), due from Fitzpatrick and included in accounts payable and other liabilities was \$984, due to Glen Dhu (2013 - \$980). All related party transactions were carried out at commercial terms.

**(B) Compensation of Key Management**

Key management includes the Corporation's directors, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Compensation awarded to key management consisted of salaries, directors' fees and short-term employee benefits. Eligible directors and senior management of the Corporation also receive forms of stock-based compensation as described in note 23.

The following table summarizes key management compensation:

	For the year ended	
	Dec 31, 2014	Dec 31, 2013
Salaries, directors' fees and short-term employee benefits <sup>(1)</sup>	1,456	1,494
Share based compensation	478	815
	<b>1,934</b>	<b>2,309</b>

(1) The short-term incentive plan component of this balance is based on amounts paid during the period.

**NOTE 28. SEGMENTED INFORMATION**

The Corporation has three reportable segments based on how management has organized the business to assess performance and for operating and capital allocation. Cash generating units included within each reportable segment have similar economic characteristics based on the nature of the products or services, type of customers, method of distributing their products or services and regulatory environment. Management evaluates the performance of these segments primarily on revenue and cash flows from operations.

Infrastructure segments consist of:	Geographical Location
<b>Power</b> The Corporation's investments in gas cogeneration, wind, hydro, biomass and solar power assets, as well as project development.	Canada
<b>Utilities – water</b> The regulated water services business (Bristol Water), in which the Corporation holds a 50% indirect interest.	United Kingdom
<b>Utilities – district heating ("DH")</b> The district heating business (Värmevärdén), in which the Corporation holds a 33.3% indirect interest.	Sweden