

**PLAN OF ARRANGEMENT
UNDER DIVISION 5 OF PART 9 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE 1
INTERPRETATION**

Section 1.1 Definitions

Unless indicated otherwise, any capitalized term used herein but not defined shall have the meaning ascribed thereto in the Arrangement Agreement and the following terms shall have the respective meanings set out below (and grammatical variations of such terms shall have corresponding meanings):

“**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions.

“**Aggregate Conversion Number**” has the meaning set out in Section 2.3(i)(ii).

“**Amalco**” means Capstone Infrastructure Corporation, the amalgamated corporation under the BCBCA resulting from the amalgamation of the Company and MUC Amalco pursuant to Section 2.3(d).

“**Arrangement**” means an arrangement under Division 5 of Part 9 of the BCBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the consent of the Company and the Purchaser, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement made as of January 20, 2016 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Company Securityholders entitled to vote thereon pursuant to the Interim Order.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Bristol Water Entities**” means Bristol Water Holdings UK Limited, its Subsidiaries and Bristol Wessex Billing Services Limited.

“**Business Day**” means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Toronto, Ontario or London, England.

“**Change of Control Conversion Price**” means shall be calculated in accordance with the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times (c/t))) \text{ where:}$$

“COCCP” is the Change of Control Conversion Price;

“OCP” is \$5.00;

“CP” is 32.65%

“c” is the number of days from the Effective Date to but excluding December 31, 2017; and

“t” is the number of days from and including August 28, 2012 to but excluding December 31, 2017.

“**Class B Units**” means the Class B exchangeable limited partnership units of MPT LTC Holding LP, which are exchangeable for Common Shares.

“**Common Shareholders**” means the registered and/or beneficial holders of the Common Shares, as the context requires.

“**Common Shares**” means the common shares in the capital of the Company.

“**Company**” means Capstone Infrastructure Corporation, a corporation existing under the laws of British Columbia, Canada, and, following the completion of the step set out in Section 2.3(d), Amalco.

“**Company 2016 Debentureholder Approval**” means the approval of the Arrangement Resolution by holders of Company 2016 Debentures in accordance with the Interim Order.

“**Company 2016 Debenture Consideration**” means an amount equal to (i) 101% of the aggregate principal amount of the Company 2016 Debentures outstanding, together with (ii) any accrued and unpaid interest thereon up to and including the Effective Date, at the rate of interest specified in the Company 2016 Debenture Indenture.

“**Company 2016 Debenture Indenture**” means the trust indenture dated December 22, 2009 between Macquarie Power & Infrastructure Income Fund and Computershare Trust Company of Canada, as trustee, as amended by the supplemental indenture dated January 1, 2011 among Macquarie Power & Infrastructure Income Fund, Macquarie Power and Infrastructure Corporation and Computershare Trust Company of Canada, as trustee.

“**Company 2016 Debentures**” means the 6.50% convertible unsecured subordinated debentures of the Company due December 31, 2016.

“**Company LTIP**” means the Company’s long-term incentive plan.

“**Company Meeting**” means the special meeting of Common Shareholders, holders of Class B Units, holders of CPC 2017 Debentures and holders of Company 2016 Debentures including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“**Company Options**” means the outstanding options to purchase Common Shares issued by the Company in exchange for options to purchase common shares of Renewable Energy Developers Inc. pursuant to the plan of arrangement effective October 1, 2013 whereby the Company acquired Renewable Energy Developers Inc.

“**Company Securityholders**” means, collectively, the Common Shareholders, the holders of Preferred Shares, the holders of Class B Units, the holders of Company Options, the holders of Company 2016 Debentures, the holders of CPC 2017 Debentures, the holders of PSUs, the holders of RSUs and the holders of DSUs.

“**Company STIP**” means the Company’s short term incentive plan.

“**Consideration**” means \$4.90 in cash per Common Share or Class B Unit, without interest, subject to adjustment pursuant to Section 2.11 of the Arrangement Agreement.

“**Court**” means the Supreme Court of British Columbia, or other court as applicable.

“**CPC**” means Capstone Power Corp., a wholly-owned Subsidiary of the Company.

“**CPC 2017 Debentureholder Approval**” means the approval of the Arrangement Resolution by holders of CPC 2017 Debentures in accordance with the Interim Order.

“**CPC 2017 Debenture Indenture**” means the debenture indenture dated as of August 28, 2012 between Sprott Power Corp. and Equity Financial Trust Company, as trustee, as amended by the supplemental debenture indenture dated October 1, 2013 among the Company, Renewable Energy Developers Inc. and Equity Financial Trust Company, as trustee, the second supplemental indenture dated November 12, 2013 among the Company, Renewable Energy Developers Inc. and Equity Financial Trust Company, as trustee, and the third supplemental indenture dated February 15, 2014 among the Company, CPC and Equity Financial Trust Company, as trustee.

“**CPC 2017 Debentures**” means the 6.75% extendible convertible unsecured subordinated debentures of CPC due December 31, 2017.

“**CPC 2017 Debenture Conversion Ratio**” means that number of Common Shares into which each \$1,000 principal amount of CPC 2017 Debentures is convertible at the Change of Control Conversion Price.

“**CPC Cash Payment**” has the meaning ascribed thereto in Section 2.3(i)(i).

“**CPC Exchange Consideration**” has the meaning ascribed thereto in Section 2.3(n)(i).

“**CPD LTIP**” means the long-term incentive plan of Capstone Power Development (BC) Corp., a wholly-owned Subsidiary of the Company.

“**Depository**” means such Person as the Company may appoint to act as depository for the Common Shares and Class B Units in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“**Director DSU Plan**” means the deferred share unit plan for non-employee directors of the Company.

“**Director DSUs**” means the deferred share units issued under the Director DSU Plan.

“**Dissent Rights**” has the meaning ascribed thereto in Section 3.1.

“**Dissenting Holder**” means a registered Common Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Common Shares in respect of which Dissent Rights are validly exercised by such registered Common Shareholder.

“**DSUs**” means the Director DSUs, DSUs (PSU), DSUs (RSU) and DSUs (Bonus).

“**DSUs (Bonus)**” means deferred share units of the Company issued under the Company LTIP in lieu of cash awards under the Company STIP or the CPD LTIP.

“**DSUs (PSU)**” means performance-based vesting deferred share units of the Company issued under the Company LTIP in lieu of PSUs.

“**DSUs (RSU)**” means time-based vesting deferred share units of the Company issued under the Company LTIP in lieu of RSUs.

“**Effective Date**” means the date upon which the Arrangement becomes effective, as set out in Section 2.9 of the Arrangement Agreement.

“**Effective Time**” means 12:01 a.m., Vancouver time, on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“**Final Order**” means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Company and the Purchaser, each acting reasonably) on appeal.

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public body, authority or department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, ministry, governor-in-council, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the above; (iii) any quasi-governmental, administrative or private body, including any tribunal, commission, committee, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any stock exchange.

“**Incentive Securities**” means the Company Options, RSUs, PSUs and DSUs.

“**Interim Order**” means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“**Law**” means, with respect to any Person, any and all applicable law (statutory, common, civil or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, order, injunction, judgment, award, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“**Letter of Transmittal**” means the letter of transmittal sent to holders of Common Shares, Class B Units, Company 2016 Debentures and CPC 2017 Debentures for use in connection with the Arrangement.

“**Lien**” means any mortgage, charge, pledge, hypothec, security interest, prior claim, lien (statutory or otherwise), or restriction or adverse right or claim, or other encumbrance of any kind.

“**MUC**” means MPT Utilities Corp., a corporation existing under the laws of British Columbia, Canada.

“**MUC Amalco**” meant MPT Utilities Corp., the amalgamated corporation under the BCBCA resulting from the amalgamation of MUEL and MUC pursuant to Section 2.3(b).

“**MUEL**” means MPT Utilities Europe Ltd., a corporation existing under the laws of British Columbia, Canada.

“**New Common Shares**” has the meaning set out in Section 2.3(m).

“**Option Consideration**” means \$0.86, being the amount by which the Consideration exceeds the \$4.04 exercise price of a Company Option.

“**Parties**” means, collectively, the Company and the Purchaser and “**Party**” means any one of them.

“**Person**” includes any individual, partnership, limited partnership, association, body corporate, organization, joint venture, trust, estate, trustee, executor, administrator, legal representative, government (including a Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the consent of the Company and the Purchaser, each acting reasonably.

“**Preferred Shares**” means the cumulative five-year rate reset preferred shares, series A in the capital of the Company.

“**PSUs**” means performance share units of the Company issued under the Company LTIP.

“**Purchaser**” means Irving Infrastructure Corp., a corporation existing under the laws of the Province of British Columbia.

“**RSUs**” means restricted share units of the Company issued under the Company LTIP.

“**Subsidiary**” has the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions, except that, with respect to the Company, the Bristol Water Entities will not be considered Subsidiaries.

“**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

Section 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to “dollars” or to “\$” are references to Canadian dollars, unless specified otherwise.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

- (4) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation”, (ii) “or” is not exclusive, (iii) “day” means “calendar day”, (iv) “hereof”, “herein”, “hereunder” and words of similar import, shall refer to this Plan of Arrangement as a whole and not to any particular provision of this Plan of Arrangement, (v) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, (vi) “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply “if”, and (vii) unless stated otherwise, “Article” or “Section” followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.
- (5) **Statutes and Rules.** Any reference to a statute or to a rule of a self-regulatory organization, including any stock exchange, refers to such statute or rule and all rules, resolutions and regulations, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

Section 2.2 Binding Effect

At the Effective Time, this Plan of Arrangement and the Arrangement will become effective, and be binding on the Purchaser, the Company, CPC, MUEL, MUC, all Common Shareholders (including Dissenting Holders), all holders of Class B Units, all holders of Incentive Securities, all holders of Company 2016 Debentures, all holders of CPC 2017 Debentures, the registrar and transfer agent of the Company, the trustee for the Company 2016 Debentures, the trustee for the CPC 2017 Debentures, the Depositary and all other Persons at and after the Effective Time, without any further act or formality required on the part of any Person.

Section 2.3 Arrangement

Commencing at the Effective Time, each of the following events shall occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at one minute intervals starting at the Effective Time:

- (a) the aggregate amount of the capital for the common shares in the capital of MUEL held by MUC will be reduced to \$1.00, without any distributions made in respect of such common shares.
- (b) MUEL and MUC will be amalgamated as MUC Amalco and will continue as one corporation under the BCBCA and the provisions of Section 2.5 will apply to MUC Amalco.

- (c) the aggregate amount of the capital for the common shares in the capital of MUC Amalco held by the Company will be reduced to \$1.00, without any distributions made in respect of such common shares.
- (d) MUC Amalco and the Company will be amalgamated as Amalco and will continue as one corporation under the BCBCA and the provisions of Section 2.6 will apply to Amalco.
- (e) Simultaneously:
 - (i) each Company Option, issued and outstanding immediately prior to the Effective Time, whether vested or unvested, will be transferred by the holder thereof to the Company, free and clear of all Liens, and each such Company Option will be cancelled in exchange for the payment by the Company of the Option Consideration, less any applicable Taxes required to be withheld with respect to such payment, to the holder thereof (without interest) as soon as reasonably practicable after such time;
 - (ii) (A) any vesting conditions applicable to each RSU, PSU or DSU shall, automatically and without any required action on the part of the holder thereof, accelerate in full (with PSUs and DSUs (PSU) vesting using a performance multiplier of 1.0), and (B) each such RSU, PSU and DSU shall, automatically and without any required action on the part of the holder thereof, be cancelled and shall only entitle the holder of each such RSU, PSU or DSU to receive (without interest), as soon as reasonably practicable after such time, an amount in cash from the Company equal to the Consideration, less any applicable Taxes required to be withheld with respect to such payment; and
 - (iii) with respect to each Incentive Security, the holder thereof will cease to be the holder of such Incentive Security, will cease to have any rights as a holder in respect of such Incentive Security or under the Director DSU Plan, Company STIP or Company LTIP, as applicable, such holder's name will be removed from the applicable register, and all agreements, grants and similar instruments relating thereto will be cancelled;
- (f) each outstanding Class B Unit will be transferred to, and acquired by the Purchaser, free and clear of all Liens, in exchange for the right to receive the Consideration from the Purchaser and, in respect of each Class B Unit:
 - (i) each holder of Class B Units will cease to be the holder of such Class B Units so transferred concurrently with the transfer referred to in this Section 2.3(f) and such holder's name will be removed from the securities register of MPT LTC Holding LP in respect of such Class B Unit at such time; and
 - (ii) the Purchaser will be deemed to be the holder of such Class B Units (free and clear of any Lien) at the time of the transfer pursuant to this Section

2.3(f) and will be entered in the securities register of MPT LTC Holding LP as the holder thereof;

- (g) each Class B Unit acquired by the Purchaser under Section 2.3(f) will be exchanged with the Company for one newly issued Common Share, and:
 - (i) the issue price of each such newly issued share, and the amount added to the capital of the Company for the Common Shares in respect of each such newly issued share, shall be equal to the Consideration;
 - (ii) the Purchaser will be the holder of such Common Shares (free and clear of any Lien) and will be entered in the securities register of the Company as the holder thereof;
 - (iii) the Company will be the holder of such Class B Units (free and clear of any Lien) and will be entered in the securities register of MPT LTC Holding LP as the holder thereof and the Purchaser's name will be removed from the securities register of the MPT LTC Holding LP as the holder thereof; and
 - (iv) the Class B Units will be converted into Class A limited partnership units of MPT LTC Holding LP, and the Company's name will be removed from the securities register of MPT LTC Holding LP in respect of such Class B Units at such time and added to the securities register of MPT LTC Holdings LP in respect of such Class A limited partnership units at such time;
- (h) each Common Share held by a Dissenting Holder will be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to the Purchaser and thereupon such holder's name will be removed from the securities register of the Company in respect of such share, the Purchaser shall be entered in the securities register of the Company as the holder thereof and at such time each Dissenting Holder will have the rights set out in Section 3.1;
- (i) subject to Section 2.4:
 - (i) CPC directs the Company to, and the Company will (A) issue to holders of the CPC 2017 Debentures that number of Common Shares equal to the CPC 2017 Debenture Conversion Ratio for every \$1,000 of principal amount of the CPC 2017 Debentures; (B) pay to holders of the CPC 2017 Debentures \$0.76923 for every \$1,000 of principal amount of the CPC 2017 Debentures and (C) pay to holders of CPC 2017 Debenture any accrued but unpaid interest thereon (together with (B), the "**CPC Cash Payment**"), all in satisfaction of all obligations of CPC under the CPC 2017 Debentures, and upon such issuance of such Common Shares and payment of the CPC Cash Payment, the CPC 2017 Debentures will be cancelled;

- (ii) as consideration for the Company issuing the number of Common Shares as described in Section 2.3(i)(i) (the “**Aggregate Conversion Number**”) and paying the CPC Cash Payment, CPC will issue to the Company, for an aggregate issue price equal to the total of the CPC Cash Payment plus the product obtained when the Aggregate Conversion Number is multiplied by the Consideration, that number of common shares of CPC that have a fair market value equal to such aggregate issue price, and the Company will be entered in the securities register of CPC as the holder thereof, and CPC shall add to the capital account of CPC for its common shares an amount equal to the aggregate issue price;
- (j) each outstanding Common Share not already held by the Purchaser will be transferred to, and acquired by the Purchaser from Common Shareholders, free and clear of all Liens, in exchange for the right to receive the Consideration and, in respect of each such Common Share:
 - (i) each holder of such Common Shares will cease to be the holder of such Common Shares so transferred concurrently with the transfer referred to in this Section 2.3(j) and such holder's name will be removed from the securities register of the Company in respect of such share at such time; and
 - (ii) the Purchaser will be deemed to be the holder of such Common Shares (free and clear of any Lien) at the time of the transfer pursuant to this Section 2.3(j) and will be entered in the securities register of the Company as the holder thereof;
- (k) the board of directors of CPC will resign and be replaced with the persons designated by the Purchaser, in its sole discretion, prior to the Effective Date, consisting of between three and seven directors;
- (l) subject to Section 2.4, the Company will redeem all of the Company 2016 Debentures and the holders of such debentures will have the right to receive the Company 2016 Debenture Consideration and upon such redemption each of the Company 2016 Debentures will be cancelled;
- (m) the notice of articles of the Company will be amended to create a new class of Class A shares (the “**New Common Shares**”) without par value, and the articles of the Company will be amended by adding the special rights or restrictions attached to the New Common Shares set out in Exhibit A;
- (n) all Common Shares held by the Purchaser will be purchased by the Company for cancellation in exchange for:
 - (i) the issuance by the Company to the Purchaser of a demand interest-free promissory note with an aggregate principal amount equal to the product obtained when the Aggregate Conversion Number is multiplied by the Consideration (the “**CPC Exchange Consideration**”);

- (ii) the issuance by the Company to the Purchaser of a demand interest-free note with an aggregate principal amount equal to 66% of the amount by which the aggregate Consideration payable by the Purchaser under Sections 2.3(f) and (j) exceeds the principal amount of the promissory note issued in Section 2.3(n)(i); and
- (iii) the issuance by the Company to the Purchaser of a number of New Common Shares equal to the number of Common Shares previously held, for an aggregate issue price equal to the amount by which the total Consideration payable by the Purchaser hereunder exceeds the aggregate principal amount of the promissory notes issued in Sections 2.3(n)(i) and (ii), which aggregate issue price shall be added to the capital of the Company for the New Common Shares, and the Purchaser shall be deemed the holder of such New Common Shares so issued and such holder's name will be removed from the securities register of the Company in respect of such Common Shares at such time and be added to the securities register of the Company in respect of such New Common Shares at such time;

provided that none of the foregoing will occur or will be deemed to occur unless all of the foregoing occur and, if they occur, all of the foregoing will be deemed to occur without further act or formality.

Section 2.4 Effect Not Receiving the Company 2016 Debentureholder Approval and/or the CPC 2017 Debentureholder Approval

- (a) Notwithstanding anything else herein, in circumstances where the Company 2016 Debentureholder Approval is not obtained at the Company Meeting in accordance with the terms of the Interim Order, the Arrangement shall proceed but Section 2.3(l) and all other references in this Plan of Arrangement to the Company 2016 Debentures and all ancillary references thereto shall be, and be deemed to be, deleted from this Plan of Arrangement.
- (b) Notwithstanding anything else herein, in circumstances where the CPC 2017 Debentureholder Approval is not obtained at the Company Meeting in accordance with the terms of the Interim Order, the Arrangement shall proceed but Section 2.3(i) and all other references in this Plan of Arrangement to the CPC 2017 Debentures and all ancillary references thereto shall be, and be deemed to be, deleted from this Plan of Arrangement.

Section 2.5 MUEL Amalgamation Matters

- (a) Upon the amalgamation of MUEL and MUC to form MUC Amalco pursuant to Section 2.3(b), the following provisions will apply to MUC Amalco:
 - (i) the notice of articles and articles of MUC will be deemed to be the notice of articles of amalgamation and articles of MUC Amalco;

- (ii) the name of MUC Amalco will be “MPT Utilities Corp.”;
 - (iii) the registered office of MUC Amalco will be located at the same registered office as MUC;
 - (iv) the authorized capital of MUC Amalco will be an unlimited number of common shares with the same rights, privileges, restrictions and conditions as the common shares in the capital of MUC;
 - (v) each issued and outstanding common share in the capital of MUC will continue upon the amalgamation as a share of MUC Amalco;
 - (vi) all shares of MUEL will be cancelled without any repayment of capital in respect thereof;
 - (vii) the capital of the common shares in the capital of MUC Amalco will be the amount in the capital account in respect of the common shares in the capital of MUC;
 - (viii) there will be no restrictions on the business that MUC Amalco is authorized to carry on or the powers that MUC Amalco may exercise;
 - (ix) the board of directors of MUC Amalco will, until otherwise changed in accordance with the BCBCA, consist of a the same number of directors as provided in the notice of articles of MUC. MUC Amalco will have appointed the same directors as were directors of MUC, and such directors will hold office until the next annual meeting of shareholders of MUC Amalco or until their successors are elected or appointed;
 - (x) all authorizations previously given by the shareholders and board of directors of MUC and MUEL and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of MUC Amalco;
 - (xi) the first officers of MUC Amalco will be the same as the officers of MUC;
 - (xii) the fiscal year end of MUC Amalco will be the fiscal year end of MUC.
- (b) The effect of the amalgamation of MUC and MUEL referred to in Section 2.3(b) will, at the time of the amalgamation, be as follows:
- (i) the property of each of MUC and MUEL will continue to be the property of MUC Amalco;
 - (ii) MUC Amalco will continue to be liable for the obligations of each of MUC and MUEL (except in respect of any liabilities owed by MUC to MUEL or by MUEL to MUC which will be eliminated as a result of the amalgamation);

- (iii) any existing cause of action, claim or liabilities to prosecution of MUC or MUEL will be unaffected;
- (iv) any civil, criminal or administrative action or proceeding pending by or against either of MUC or MUEL may continue to be prosecuted by or against MUC Amalco; and
- (v) a conviction against, or ruling, order or judgment in favour of or against, either of MUC or MUEL may be enforced by or against MUC Amalco.

Section 2.6 MUC Amalgamation Matters

- (a) Upon the amalgamation of MUC Amalco and the Company to form Amalco pursuant to Section 2.3(d), the following provisions will apply to Amalco:
 - (i) the notice of articles and articles of the Company will be deemed to be the notice of articles of amalgamation and articles of Amalco;
 - (ii) the name of Amalco will be “Capstone Infrastructure Corporation”;
 - (iii) the registered office of Amalco will be located at the same registered office as the Company;
 - (iv) the authorized capital of Amalco will be an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, each with the same rights, privileges, restrictions and conditions as the shares of the Company;
 - (v) each issued and outstanding share of a class of the Company will continue upon the amalgamation as a share of the same class of Amalco;
 - (vi) all shares of MUC Amalco will be cancelled without any repayment of capital in respect thereof;
 - (vii) the capital of the common shares of Amalco will be equal to the paid-up capital of the Common Shares, and the capital of the preferred shares of Amalco will be equal to the paid-up capital of the Preferred Shares, in each case as determined for the purposes of the Income Tax Act (Canada) immediately prior to the amalgamation;
 - (viii) there will be no restrictions on the business that Amalco is authorized to carry on or the powers that Amalco may exercise;
 - (ix) the board of directors of Amalco will, until otherwise changed in accordance with the BCBCA, consist of the same number of directors as provided in the notice of articles of the Company. Amalco will have appointed the same directors as were directors of the Company, and such

directors will hold office until the next annual meeting of shareholders of Amalco or until their successors are elected or appointed;

- (x) all authorizations previously given by the shareholders and board of directors of the Company and MUC Amalco and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of Amalco;
 - (xi) the first officers of Amalco will be the same as the officers of the Company;
 - (xii) the auditors of Amalco will be the same as the Company;
 - (xiii) the fiscal year end of Amalco will be the fiscal year end of the Company.
- (b) The effect of the amalgamation of the Company and MUC Amalco referred to in Section 2.3(b) will, at the time of the amalgamation, be as follows:
- (i) the property of each of the Company and MUC Amalco will continue to be the property of Amalco;
 - (ii) Amalco will continue to be liable for the obligations of each of the Company and MUC Amalco (except in respect of any liabilities owed by the Company to MUC Amalco or by MUC Amalco to the Company which will be eliminated as a result of the amalgamation);
 - (iii) any existing cause of action, claim or liabilities to prosecution of the Company or MUC Amalco will be unaffected;
 - (iv) any civil, criminal or administrative action or proceeding pending by or against either of the Company or MUC Amalco may continue to be prosecuted by or against Amalco; and
 - (v) a conviction against, or ruling, order or judgment in favour of or against, either of the Company or MUC Amalco may be enforced by or against Amalco.

ARTICLE 3 RIGHTS OF DISSENT

Section 3.1 Rights of Dissent

Subject to Section 3.2, each registered Common Shareholder may exercise dissent rights with respect to the Common Shares held by such holder (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Section 237 through Section 247 of the BCBCA, as modified by the Interim Order and this Article 3; provided that, notwithstanding Section 242(1)(a) of the BCBCA, the written objection to the Arrangement Resolution must be received by the Company not later than 5:00 p.m. (Toronto time) two Business Days

immediately preceding the date of the Company Meeting. Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Common Shares held by them in respect of which Dissent Rights have been validly exercised to the Purchaser, without any further act or formality, and free and clear of all Liens, as provided in Section 2.3(h) and if they:

- (a) ultimately are entitled to be paid fair value for such Common Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(h)); (ii) will be entitled to be paid the fair value of such Common Shares by the Purchaser, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Company Meeting; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Common Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares (and shall be entitled to receive the Consideration from the Purchaser in the same manner as such non-Dissenting Holders).

Section 3.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights (i) unless such Person is the registered holder of those Common Shares in respect of which such rights are sought to be exercised immediately prior to the Effective Time, (ii) if such Person has voted or instructed a proxy holder to vote such Common Shares in favour of the Arrangement Resolution, or (iii) unless such Person has strictly complied with the procedures for exercising Dissent Rights and does not withdraw such dissent prior to the Effective Time.
- (b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of the Common Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(h), and the names of such Dissenting Holders shall be removed from the register of holders of Common Shares in respect of the Common Shares for which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(h) occurs.
- (c) In addition to any other restrictions under Division 2 of Part 8 of the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Incentive Securities, holders of Preferred Shares, holders of Class B Units, holders of Company 2016 Debentures and holders of CPC 2017 Debentures; and (ii) Common Shareholders who vote or have instructed a proxyholder to vote Common Shares in favour of the Arrangement Resolution (but only in respect of such Common Shares).

ARTICLE 4
EXCHANGE OF CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

- (a) On the Effective Date, provided that the CPC 2017 Debentures are exchanged for Common Shares under this Plan of Arrangement, the Purchaser will deposit, or will cause to be deposited, an amount equal to the CPC Exchange Consideration and any payments to be made in connection with Section 4.3, and the Company will deposit or will cause to be deposited, an amount equal to the CPC Cash Payment, each with the Depositary. On the Effective Date, provided the Company 2016 Debentures are redeemed under the Plan of Arrangement, the Company will deposit, or will cause to be deposited, an amount equal to the Company 2016 Debenture Consideration with the Depositary. To the extent necessary, the Purchaser shall make a cash contribution to the Company in such amount as is necessary to effectuate payment to the holders of CPC 2017 Debentures in respect of the CPC Cash Payment.
- (b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Common Shares that were transferred pursuant to Section 2.3(j), outstanding Class B Units that were transferred pursuant to Section 2.3(g), outstanding CPC 2017 Debentures that were exchanged and cancelled pursuant to Section 2.3(i), Company 2016 Debentures that were redeemed pursuant to Section 2.3(l), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall, upon the effectiveness of Section 2.3(j), Section 2.3(g), Section 2.3(i) or Section 2.3(l), as applicable, be entitled to receive, and the Depositary shall deliver to such holder, the Consideration or the Company 2016 Debenture Consideration, as applicable, which such holder has the right to receive pursuant to the Plan of Arrangement in respect of such Common Shares, Class B Units, CPC 2017 Debentures or Company 2016 Debentures, as applicable, without interest and less any amounts withheld in accordance with Section 4.3, and any certificate so surrendered shall forthwith be cancelled.
- (c) Notwithstanding Section 4.1(a), at the sole discretion of the Company, the Company shall be entitled to deposit the Company 2016 Debenture Consideration with Computershare Trust Company of Canada, in its capacity as trustee of the Company 2016 Debentures Indenture, and such trustee shall be required, to deliver to the holders of the Company 2016 Debentures, as soon as practicable, the Company 2016 Debenture Consideration, as if the Company 2016 Debentures had been redeemed pursuant to the Company 2016 Debentures Indenture, and the provisions thereof in respect of distribution of funds to holders of Company 2016 Debentures, shall apply.
- (d) No dividend, interest or other distribution declared or made after the Effective Time with respect to the Common Shares, the Class B Units, the CPC 2017

Debentures or the Company 2016 Debentures, as applicable, with a record or payment date after the Effective Time, shall be paid to the holders of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Common Shares, Class B Units, CPC 2017 Debentures or Company 2016 Debentures, as applicable.

- (e) After the Effective Time and until surrendered for cancellation as contemplated by Section 4.1(a) each certificate which immediately prior to the Effective Time represented Common Shares, Class B Units, CPC 2017 Debentures or Company 2016 Debentures shall be deemed at all times to represent only the right to receive in exchange therefor the entitlements which the holder of such certificate is entitled to receive in accordance with Section 4.1(a).
- (f) Any certificate that immediately prior to the Effective Time represented outstanding Common Shares, Class B Units, CPC 2017 Debentures or Company 2016 Debentures not duly surrendered with all other documents required by Section 4.1(a) on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder thereof of any kind or nature against or in the Company, CPC or the Purchaser. On such date, all consideration to which such former holder was entitled under the Plan of Arrangement shall be deemed to have been surrendered to the Purchaser, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder.
- (g) As soon as practicable after the Effective Date (and not later than the first regularly scheduled payroll date, provided that such payroll date is not less than five Business Days after the Effective Date), the Purchaser shall cause the Company to pay the amounts, net of applicable withholdings, to be paid to holders of Company Options, RSUs, PSUs and DSUs pursuant to this Plan of Arrangement, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) in the event that payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque (delivered to such holder of Company Options, RSUs, PSUs or DSUs, as applicable, as reflected on the register maintained by the Company in respect of the Company Options, RSUs, PSUs and/or DSUs, as applicable). To the extent necessary, the Purchaser shall make a cash contribution to the Company in such amount as is necessary to effectuate the payments to holders of Incentive Securities related to this Plan of Arrangement.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares, Class B Units, CPC 2017 Debentures or Company 2016 Debentures that were exchanged pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate the aggregate consideration in respect thereof which such holder is entitled

to receive pursuant to the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be delivered shall, as a condition precedent to the delivery of such consideration, give an affidavit (in form and substance reasonably acceptable to the Purchaser) of the claimed loss, theft or destruction of such certificate and a bond or surety satisfactory to the Purchaser and the Depository (each acting reasonably) in such reasonable and customary sum as the Purchaser may direct, or otherwise indemnify the Purchaser, the Company and the Depository in a manner satisfactory to the Purchaser and the Depository, each acting reasonably, against any claim that may be made against the Purchaser, the Company and/or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 No Fractional Common Shares and Rounding of Cash

- (a) In no event shall any fractional Common Shares be issued under this Plan of Arrangement. Where the aggregate number of Common Shares to be issued under this Plan of Arrangement would result in a fraction of a Common Share being issuable, then the number of Common Shares to be issued shall be rounded down to the closest whole number and, in lieu of the issuance of a fractional Common Share thereof, the Purchaser will pay to each such holder a cash payment (rounded down to the nearest cent) determined by reference to the Consideration.
- (b) If the aggregate cash amount which a Party is entitled to receive pursuant to this Plan of Arrangement would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such Party shall be entitled to receive shall be rounded up to the nearest whole \$0.01.

Section 4.4 Withholding Rights

The provisions of Section 2.13 of the Arrangement Agreement shall apply to payments under this Plan of Arrangement.

Section 4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 4.6 Paramourncy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Common Shares, Class B Units, Incentive Securities, CPC 2017 Debentures and Company 2016 Debentures issued or outstanding prior to the Effective Time, and (b) the rights and obligations of the Common Shareholders, the holders of Class B Units, the holders of Incentive Securities, the holders of CPC 2017 Debentures, the holders of Company 2016 Debentures, the Company and its Subsidiaries, the Purchaser and its Subsidiaries, the Depository, the trustee for the CPC 2017 Debentures, the trustee for the Company 2016 Debentures and any transfer agent or other depository therefor in relation to this Plan of Arrangement shall be solely as provided for in this Plan of Arrangement.

**ARTICLE 5
AMENDMENTS**

Section 5.1 Amendments to Plan of Arrangement

- (a) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by the Parties, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Company Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by any of the Parties at any time prior to the Company Meeting (provided that the other Parties have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Parties (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Common Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any former Company Securityholder.
- (e) If, in accordance with Section 2.4(a) hereof, the purchase of the Company 2016 Debentures is not to proceed, this Plan of Arrangement will be amended and restated to delete Section 2.3(l) and all other references in this Plan of Arrangement to the Company 2016 Debentures and all ancillary references thereto prior to the application for the Final Order without any notification or communication to the Company Securityholders, unless otherwise required by the Court.
- (f) If, in accordance with Section 2.4(b) hereof, the purchase of the CPC 2017 Debentures is not to proceed, this Plan of Arrangement will be amended and restated to delete Section 2.3(i) and all other references in this Plan of Arrangement to the CPC 2017 Debentures and all ancillary references thereto prior to the application for the Final Order without any notification or communication to the Company Securityholders, unless otherwise required by the Court.

- (g) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6 FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, following the Effective Time, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required or advisable by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Section 6.2 Indentures

- (a) The Company and the Equity Trust Financial Company, in its capacity as trustee, shall be authorized to amend, modify, change or supplement, from time to time, the CPC 2017 Debenture Indenture in order to facilitate the transactions and events set out in this Plan of Arrangement, as the Company in its sole discretion deems necessary or advisable.
- (b) The Company and the Computershare Trust Company of Canada, in its capacity as trustee, shall be authorized to amend, modify, change or supplement, from time to time, the Company 2016 Debenture Indenture in order to facilitate the transactions and events set out in this Plan of Arrangement, as the Company in its sole discretion deems necessary or advisable.

EXHIBIT A

PART 29

SPECIAL RIGHTS OR RESTRICTIONS ATTACHED TO THE CLASS A SHARES

- 29.1 Ranking.** Except as hereinafter provided, each Class A share without par value (a “New Common Share”) and each common share shall have the same rights and attributes and shall rank equally share for share. The preferred shares shall have priority over the New Common Shares in respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of preferred shares being entitled to a return of capital).
- 29.2 Voting Rights.** The holders of the New Common Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have 1.01 vote for each New Common Share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.
- 29.3 Dividends.** The holders of the New Common Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company on an equal basis with the holders of the common shares.
- 29.4 Dissolution.** In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the New Common Shares shall, subject to the rights of any other class of shares, be entitled to receive the remaining property of the Company on an equal basis with the holders of the common shares.