Certificate of Amendment Certificat de modification

Canada Business Corporations Act

Ifs Industry Industrie

CAPITAL POWER CORPORATION

(THE "CORPORATION")

SCHEDULE / ANNEXE
DESCRIPTION OF SHARES IN SERIES

Pursuant to section 27 of the Canada Business Corporations Act, the articles of the Corporation are amended to create 8,000,000 Cumulative Minimum Rate Reset Preference Shares, Series 7 and 8,000,000 Cumulative Floating Rate Preference Shares, Series 8 which, in addition to the rights, privileges, restrictions and conditions attached to the Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

A.

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(ii) each Subsequent Fixed Rate Period, each Quarterly Dividend shall be in an amount per Series 7 Share determined by multiplying one-quarter of
the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate

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Period is multiplied by a fraction, the numerator of which is the number of calendar days in such Dividend Period that such share has been outstanding (excluding the date of redemption or conversion, the effective date for the

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unimpaired. If less than all the Series 7 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

2.5 Deposit of Redemption Price

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2.8 Notice of Conversion Rate and Dividend Rates and Election Notice

The Corporation shall, not more than 60 and not less than 30 days prior to each Series 7
Conversion Date, provide notice in writing to the then holders of the Series 7 Shares of the Series Conversion Da60

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2.12 Purchase for Cancellation

Subject to applicable laws and to the provisions described in Article 4, the Corporation may at any time purchase (if obtainable) for cancellation all or any number of the Series 7 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 7 Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

2.13 Conversion - General

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(a) declare, pay or set apart for payment any dividends on any shares of the Corporation ranking as to dividends junior to the Series 7 Shares (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 7 Shares);

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of
the Corporation ranking as to return of capital and dividends junior to the Series 7
Shares, redeem or call for redemption, purchase for cancellation or otherwise pay
off, retire or make any return of capital in respect of any shares of the Corporation
ranking as to capital junior to the Series 7 Shares;

(c) redeem or call for redemption, purchase for cancellation or otherwise pay off or otherm orhares o

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action under the Tax Act, to pay or cause payment of tax under Section 191.1 of the Tax Act, or any successor or replacement provision of similar effect, at a rate such that no corporate holder of the Series 7 Shares will be required to pay tax on dividends received (or deemed to be received) on the Series 7 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect. Such election shall be made in the manner prescribed by the Tax Act and shall be filed within the time provided under Section 191.2(1)(a) of the Tax Act. For the purposes of Section 191(4) of the Tax Act, $25.00 is hereby specified in respect of each Series 7 Share.

ARTICLE 7
NOTICE AND INTERPRETATION

7.1 Notices

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 7 Shares at their respective addresses appearing on the records of the Corporation maintained by the Corporation or the Transfer Agent, or, in the case of joint holders, to the address of the holder whose name appears first on the records of the Corporation maintained by the Corporation or the Transfer Agent as one of such joint holders, or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 7

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(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the City of Calgary or the City of Toronto, and such cheque and/or

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involuntary, or any other distribution of the assets of the Corporation among its

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ARTICLE 9
APPROVAL OF HOLDERS OF SERIES 7 SHARES

9.1 Approval of Holders of Series 7 Shares

Except as otherwise provided herein, any approval of the holders of the Series 7 Shares with

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B. CUMULATIVE FLOATING RATE PREFERENCE SHARES, SERIES 8

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ARTICLE 2
REDEMPTION, CONVERSION AND PURCHASE

2.1 General

Subject to Article 4, and to the extent permitted by applicable law, the Series 8 Shares may be redeemed, converted or purchased by the Corporation as provided in this Article 2 but not otherwise.

2.2 Corporation's Redemption Rights

On any Series 8 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 8 Shares, at its option, by the payment in cash of $25.00 per share so

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2.4 Payment of Redemption Price

The Corporation shall on the Redemption Date pay or cause to be paid to the holders of the Series 8 Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation) on presentation and delivery at the principal transfer office of the Transfer Agent in the City of Calgary, City of Toronto or such other place

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2.10 Restrictions on Conversion

The holders of Series 8 Shares shall not be entitled to convert their shares into Series 7 Shares if the Corporation determines that there would remain outstanding on a Series 8 Conversion Date less than 1,000,000 Series 7 Shares after having taken into account all Election Notices in respect of Series 8 Shares duly tendered for conversion into Series 7 Shares and all Election Notices in respect of Series 7 Shares duly tendered for conversion into Series 8 Shares in accordance with the Series 7 Share Provisions in each case received by the Corporation during the time fixed therefor. The Corporation shall give notice in writing of the inability to convert Series 8 Shares to all holders of the Series 8 Shares at least seven days prior to the applicable Series 8 Conversion Date.

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communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 8 Shares pursuant to this Section is returned on three consecutive occasions

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the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 5.26%, provided that, in any event, such rate shall not be less than 6.00%;

(b) "Bloomberg Screen GCAN5YR Page" means the display designated on page "GCAN5YR<NDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada Bond Yields);

(c) "Board of Directors" has the meaning given to it in Section 1.2 hereof;

(d) "Conversion Date Redemption Price" has the meaning given to it in Section 2.2 hereof;

(e) "Dividend Payment Dates"

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(k) "Non-Conversion Date Redemption Price" has the meaning given to it in Section 2.2 hereof;

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(y) "Transfer Agent" means Computershare Trust Company of Canada at its principal transfer offices in Calgary, Alberta and Toronto, Ontario and its successors and assigns.

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The Corporation may refuse to issue any Series 7 Shares or deliver any such Series 7 Share certificate unless and until the per Ti8he persmayquestingtil tto iancetil reof shall hav thaidare