

Schedule A

Brookfield Renewable Power Preferred Equity Inc. (the "Corporation")

Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class A Preference Shares, Series 5

The fifth series of Class A Preference Shares of the Corporation shall consist of 7,000,000 Class A Preference Shares which shall be designated as Class A Preference Shares, Series 5 (hereinafter referred to as the "**Series 5 Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the "**Series 5 Share Provisions**"):

1. Consideration for Issue

The consideration for the issue of each Series 5 Share shall be \$25.00 or its equivalent in property or past services.

2. Dividends

2.1 Payment of Dividends

Holders of Series 5 Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends (the "**Series 5 Dividends**") payable quarterly on the last day of January, April, July and October in each year (each, a "**Dividend Payment Date**") at 5.00% per annum, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

- (a) The initial Series 5 Dividend will, if declared, be payable April 30, 2013 and will be an amount in cash equal to \$0.3116 per Series 5 Share. On each Dividend Payment Date (other than April 30, 2013) the Series 5 Dividend will be equal to \$0.3125 per share.

2.2 Method of Payment

Series 5 Dividends shall (except in case of redemption in which case payment of Series 5 Dividends shall, subject to the provisions of Section 13, be made on surrender of the certificate representing the Series 5 Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 11) a cheque for such Series 5 Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from

the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular Holder.

2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series 5 Dividends accrued to such date are not paid in full on all of the Series 5 Shares then outstanding, such Series 5 Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series 5 Dividends.

The Holders shall not be entitled to any dividends other than or in excess of the Series 5 Dividends.

2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series 5 Dividends for any period which is more or less than a full Dividend Period as follows:

- (a) in respect of the period beginning on and including the Issue Date up to and including April 30, 2013 (the "**Initial Dividend Period**"), a dividend in an amount per Series 5 Share equal to the amount obtained (rounded to four decimal places) where \$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 5 Shares up to and including April 30, 2013 and the denominator of which is 365. The Series 5 Dividend payable for the Initial Dividend Period, payable as of April 30, 2013, as calculated by this method shall be \$0.3116 per Series 5 Share;
- (b) in respect of any period other than the Initial Dividend Period that is less than a full Dividend Period, a dividend in an amount per Series 5 Share equal to the amount obtained (rounded to five decimal places) when \$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 Optional Redemption

The Corporation may not redeem any of the Series 5 Shares prior to April 30, 2018. On or after April 30, 2018, the Corporation may, subject to the terms of any shares ranking prior to the Series 5 Shares, to applicable law and to the provisions described under Section 4 below,

upon giving notice as hereinafter provided, at its option, without the consent of the Holders, at any time, redeem all, or from time to time, any part, of the then outstanding Series 5 Shares by the payment of an amount in cash for each Series 5 Share so redeemed equal to:

- (a) \$26.00 per share if redeemed before April 30, 2019;
- (b) \$25.75 per share if redeemed on or after April 30, 2019 but before April 30, 2020;
- (c) \$25.50 per share if redeemed on or after April 30, 2020 but before April 30, 2021;
- (d) \$25.25 per share if redeemed on or after April 30, 2021 but before April 30, 2022; and
- (e) \$25.00 per share if redeemed on or after April 30, 2022;

in each case, together with all accrued and unpaid Series 5 Dividends up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation) (the “**Redemption Price**”).

3.2 Mandatory Redemption

For so long as the Series 5 Guarantee remains in full force and effect, if, in contravention of the Series 5 Guarantee, there is a liquidation, dissolution or winding-up of BREP (whether voluntary or involuntary), or any other distribution of assets by BREP to its securityholders for the purpose of winding-up its affairs, the Series 5 Shares shall be redeemed by the Corporation by payment in cash of a per share sum equal to \$25.00, together with all accrued and unpaid Series 5 Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation).

3.3 Partial Redemption

If less than all of the then outstanding Series 5 Shares are at any time to be redeemed, then the particular Series 5 Shares to be redeemed shall be selected on a pro rata basis disregarding fractions or, with the consent of the Toronto Stock Exchange, if the Series 5 Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

3.4 Method of Redemption

The Corporation shall give notice in writing not less than thirty (30) days nor more than sixty (60) days prior to the date on which the redemption is to take place of its intention to redeem such Series 5 Shares to each person who at the date of giving such notice is the Holder of Series 5 Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series 5 Shares to be redeemed in the manner provided for in Section 11. Such notice shall set out the number of such Series 5 Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on

presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 5 Shares so called for redemption, subject to the provisions of Section 13. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series 5 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 5 Shares called for redemption shall cease to be entitled to Series 5 Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series 5 Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 13. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the Series 5 Shares are outstanding, the Corporation shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 5 Shares) on any shares of the Corporation ranking as to dividends junior to the Series 5 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 5 Shares,

redeem or call for redemption, purchase 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 5 Shares;

- (c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 5 Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Class A Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series 5 Shares;

unless, in each such case, all accrued and unpaid Series 5 Dividends up to and including the Series 5 Dividend payable for the last completed Dividend Period, and all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on all other shares of the Corporation ranking prior to or on a parity with the Series 5 Shares with respect to the payment of dividends, have been declared and paid or set apart for payment.

5. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 4 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series 5 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 or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

6. Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series 5 Share, plus an amount equal to all accrued and unpaid Series 5 Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series 5 Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

7. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class A Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series 5 Dividends whether or not consecutive and whether or not such dividends have been declared and whether or

not there are any monies of the Corporation properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote in respect of each \$25.00 of issue price of the Series 5 Shares held by such Holder. No other voting rights shall attach to the Series 5 Shares in any circumstances. Upon payment of the entire amount of all Series 5 Dividends in arrears, the voting rights of the Holders shall forthwith cease, unless and until the same default shall again arise under the provisions of this Section 7.

8. Modifications

These Series 5 Share Provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 9.

9. Approval of Holders

9.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series 5 Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series 5 Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series 5 Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each \$25.00 of issue price of the Series 5 Shares held by such Holder.

9.2 Formalities, etc.

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each \$25.00 of issue price of the Series 5 Shares held by such Holder.

10. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Tax Act, under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series 5 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

11. Communications with Holders

Except as specifically provided elsewhere in these share conditions, 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 each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to 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 shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other 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 is returned on three consecutive occasions because the Holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such Holder until the Holder informs the Corporation in writing of such Holder's new address.

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and
- (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, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the

directors determine that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

12. Interpretation

12.1 Definitions

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

“accrued and unpaid Series 5 Dividends” means the aggregate of (i) all unpaid Series 5 Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series 5 Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 5 Dividends that would result in the duplication in payment by the Corporation of the amount of any dividend on the Series 5 Shares.

“Book-Entry Only System” means the record book-entry only securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

“BREP” means Brookfield Renewable Energy Partners L.P. or its successors or assigns under the Series 5 Guarantee.

“Business Day” means a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario or Quebec.

“Corporation” means Brookfield Renewable Power Preferred Equity Inc.

“Depository” means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation.

“Dividend Payment Date” in respect of the dividends payable on the Series 5 Shares means the last day of each of January, April, July and October in each year.

“Dividend Period” means the period from and including the Issue Date up to and including April 30, 2013 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

“Guarantors” means collectively, BREP, Brookfield Renewable Energy L.P., Brookfield BRP Holdings (Canada) Inc. and BRP Bermuda Holdings I Limited or their respective successors and assigns under the Series 5 Guarantee; and **“Guarantor”** means any of them.

“Holder” has the meaning attributed to it in Section 2.1.

“Initial Dividend Period” has the meaning ascribed thereto in Section 2.1.

“Issue Date” means the date on which Series 5 Shares are first issued.

“on a parity with” and **“junior to”** have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

“Redemption Price” has the meaning attributed to it in Section 3.1.

“Series 5 Dividends” has the meaning attributed to it in Section 2.1.

“Series 5 Guarantee” means the full and unconditional guarantee by the Guarantors in connection with the Series 5 Shares as to: (i) the payment of dividends, as and when declared, (ii) the payment of amounts due on redemption of the Series 5 Shares, and (iii) the payment of the amounts due on the liquidation, dissolution and winding-up of the Corporation.

“Series 5 Shares” has the meaning attributed to it in the introductory paragraph to these Series 5 Share Provisions.

“Series 5 Share Provisions” has the meaning attributed to it in the introductory paragraph to these terms and conditions.

“Tax Act” means the *Income Tax Act* (Canada).

“Transfer Agent” means Computershare Trust Company of Canada, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 5 Shares.

12.2 Interpretation of Terms

In these Series 5 Share Provisions:

- (a) in the event that any date on which any Series 5 Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (b) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;
- (c) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series 5 Share Provisions any amount required by law to be deducted or withheld from that payment;

- (d) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;
- (e) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and
- (f) all references herein to a Holder shall be interpreted as referring to a registered Holder.

13. Book-Entry Only System

13.1 Transfers etc. Through Participants

If the Series 5 Shares are held through the Book-Entry Only System then the beneficial owner thereof shall provide instructions with respect to Series 5 Shares only to the Depository participant through whom such beneficial owner holds such Series 5 Shares and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 5 Shares will be made only through the Book-Entry Only System. Beneficial owners of Series 5 Shares will not have the right to receive share certificates representing their ownership of the Series 5 Shares.

13.2 Depository is Registered Holder

For the purposes of these Series 5 Share Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 5 Shares, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 5 Shares for the purpose of receiving notices or payments on or in respect of the Series 5 Shares, including payments of Series 5 Dividends, the Redemption Price or accrued and unpaid Series 5 Dividends.