



**Certificate
of Amendment**

**Certificat
de modification**

**Canada Business
Corporations Act**

**Loi canadienne sur
les sociétés par actions**

CAPITAL POWER CORPORATION

716657-5

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the articles of the
above-named corporation were amended:

Je certifie que les statuts de la société
susmentionnée ont été modifiés:

a) under section 13 of the *Canada
Business Corporations Act* in
accordance with the attached notice;

a) en vertu de l'article 13 de la *Loi
canadienne sur les sociétés par
actions*, conformément à l'avis ci-joint;

b) under section 27 of the *Canada
Business Corporations Act* as set out in
the attached articles of amendment
designating a series of shares;

b) en vertu de l'article 27 de la *Loi
canadienne sur les sociétés par
actions*, tel qu'il est indiqué dans les
clauses modificatrices ci-jointes
désignant une série d'actions;

c) under section 179 of the *Canada
Business Corporations Act* as set out in
the attached articles of amendment;

c) en vertu de l'article 179 de la *Loi
canadienne sur les sociétés par
actions*, tel qu'il est indiqué dans les
clauses modificatrices ci-jointes;

d) under section 191 of the *Canada
Business Corporations Act* as set out in
the attached articles of reorganization;

d) en vertu de l'article 191 de la *Loi
canadienne sur les sociétés par
actions*, tel qu'il est indiqué dans les
clauses de réorganisation ci-jointes;

Richard G. Shaw
Director - Directeur

June 16, 2009 / le 16 juin 2009

Date of Amendment - Date de modification



Industry Canada Industrie Canada

ELECTRONIC TRANSACTION REPORT RAPPORT DE LA TRANSACTION ÉLECTRONIQUE

Canada Business Corporations Act Loi canadienne sur les sociétés par actions

ARTICLES OF AMENDMENT CLAUSES MODIFICATRICES (SECTIONS 27 OR 177) (ARTICLES 27 OU 177)

Processing Type - Mode de traitement: E-Commerce/Commerce-É

<p>1. Name of Corporation - Dénomination de la société</p> <p>CAPITAL POWER CORPORATION</p>	<p>2. Corporation No. - N° de la société</p> <p>716657-5</p>
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3. The articles of the above-named corporation are amended as follows:
Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante:

1. to amend item 3 by amending and restating the rights, privileges, restrictions and conditions attaching to the Common Shares and by creating an unlimited number of Preference Shares issuable in series, an unlimited number of Special Voting Shares and one Special Limited Voting Share. The authorized capital and the rights, privileges, restrictions and conditions attaching to each class of shares of the Corporation, as amended and restated in the case of the Common Shares, as follows:

Common Shares

(a) Voting Rights

The holders of Common Shares shall be entitled to one vote for each Common Share held on a ballot vote at all meetings of shareholders of the Corporation except meetings at which or in respect of matters on which only holders of another class of shares are entitled to vote separately as a class. Except as otherwise provided in these Articles or required by law, the holders of Common Shares will vote together with the holders of Special Voting Shares as a single class.

(b) Dividends

The holders of Common Shares shall be entitled to receive, subject to the rights of the holders of another class of shares, any dividend declared by the Corporation. Notwithstanding the foregoing, the Corporation shall not issue or distribute to all or to substantially all of the holders of the Common Shares either (i) Common Shares or (ii) rights or securities of the Corporation exchangeable for or convertible into or exercisable to acquire any Common Shares, unless contemporaneously therewith the Corporation issues or distributes Special Voting Shares or rights or securities of the Corporation exchangeable for or convertible into or exercisable to acquire Special Voting Shares on the same terms mutatis mutandis and in the same proportion.

(c) Liquidation, Dissolution or Winding-Up

The holders of Common Shares shall be entitled to receive, subject to the rights of the holders of another class of shares, the remaining property of the Corporation on the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

(d) Subdivision, Consolidation, Etc.

None of the Common Shares will be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the Special Voting Shares are subdivided, consolidated, reclassified or otherwise changed in the same proportion or same manner.

Preference Shares

(a) One or More Series

The Preference Shares may at any time and from time to time be issued in one or more series.

(b) Terms of Each Series

Subject to the Canada Business Corporations Act (the "Act"), the Directors may fix, before the issue thereof, the number of Preference Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preference Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, any rights on the liquidation, dissolution or winding up of the Corporation, and any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preference Shares of the series.

(c) Ranking of Preference Shares

The Preference Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, rank on a parity with the Preference Shares of every other series and be entitled to preference over the Common Shares and any other shares ranking junior to the Preference Shares with respect to priority in payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. If any amount of cumulative dividends (whether or not declared) or declared non cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preference Shares of any series is not paid in full, the Preference Shares of such series shall participate ratably with the Preference Shares of every other series in respect of all such dividends and amounts in accordance with the amounts that would be payable with respect to such Preference Shares if all such dividends were declared and paid in full and all amounts payable on such a return of capital were paid in full.

Special Voting Shares

(a) Definitions

For the purposes of the rights, privileges, restrictions and conditions of the Special Voting Shares:

(i) "Exchangeable LP Units" means the exchangeable limited partnership units of Capital Power L.P. ("Capital Power LP") exchangeable for Common Shares pursuant to the limited partnership agreement of Capital Power LP, as it may be amended from time to time (the "Limited Partnership Agreement") and the exchange agreement in respect of the exchangeable limited partnership units of Capital Power LP, as it may be amended from time to time (the "Exchange Agreement").

(ii) "LP Common Shares" means, at a time and without duplication,

(x) Common Shares owned by persons that own Exchangeable LP Units or by other persons who, for purposes of the Income Tax Act (Canada) do not deal at arm's length with an owner of Exchangeable LP Units; and

(y) Common Shares whose voting rights are controlled by persons described in (x), above.

(iii) "Maximum Exchange Number" means, at a time, the number that is equal to the lesser of:

(x) the number of Common Shares for which the Exchangeable LP Units outstanding at that time are then exchangeable; and

(y) the largest whole number that, when added to the aggregate number of votes attached to all of the LP Common Shares outstanding at that time, does not exceed 49% of the aggregate number of votes attached to all of the Common Shares and the Special Voting Shares outstanding at that time.

(iv) "Vote Per Share" means, at any time, the amount that is equal to the quotient, rounded down to the nearest 0.0001, obtained when:

(x) the Maximum Exchange Number at that time is divided by

(y) the number of Special Voting Shares outstanding at that time.

(b) Voting Rights

Except as otherwise provided in these Articles or required by law, each Special Voting Share shall entitle the holder or holders thereof to that number of votes on a ballot vote at any meeting of shareholders of the Corporation, except meetings at which or in respect of matters on which only holders of another class of shares are entitled to vote separately as a class, that is equal to the Vote Per Share. Except as otherwise provided in these Articles or required by law, the holders of Special Voting Shares will vote together with the holders of Common Shares as a single class.

(c) Dividends

Except as otherwise provided in these Articles, the holders of Special Voting Shares, as such, are not entitled to receive dividends or other distributions except for such dividends payable in Special Voting Shares as may be declared by the Corporation's Board of Directors from time to time.

(d) Distribution Rights

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, holders of the Special Voting Shares shall be entitled to receive, subject to the rights of the holders of Preference Shares, on a pari passu basis with the holder of the Special Limited Voting Share and in priority to the holders of Common Shares, an amount per Special Voting Share equal to the Redemption Amount (as defined below) and no more.

(e) Right to Elect Directors

(i) The holders of the Special Voting Shares shall have the exclusive right, voting separately as a class, at any meeting of shareholders of the Corporation at which Directors are to be elected, (x) provided that as at the record date established for the purpose of determining shareholders entitled to vote at the meeting, the holders of Special Voting Shares collectively beneficially own an aggregate number of Exchangeable LP Units and Common Shares that represents not less than 20% of the aggregate number of outstanding Common Shares and Common Shares issuable upon exchange of outstanding Exchangeable LP Units, to nominate and elect four Directors to the Corporation's Board of Directors, and (y) provided that as at the record date established for the purpose of determining shareholders entitled to vote at the meeting, the holders of Special Voting Shares collectively beneficially own an aggregate number of Exchangeable LP Units and Common Shares that represents less than 20% but not less than 10% of the aggregate number of outstanding Common Shares and Common Shares issuable upon exchange of outstanding Exchangeable LP Units, to nominate and elect two Directors to the Corporation's Board of Directors.

(ii) Only the holders of Special Voting Shares will be entitled to remove Directors elected by the holders of Special Voting Shares. The holders of Special Voting Shares will be entitled at any time, subject to applicable law, to remove any one or more of the Directors elected by the holders of Special Voting Shares and to nominate and elect a successor Director who will, promptly upon the removal of the existing Director, be appointed to the Board of Directors as a Director to replace the individual previously elected.

(iii) If as a result of death, disability, retirement, resignation or otherwise but other than as a result of a removal of a Director pursuant to Section (e)(ii), there shall exist or occur a vacancy on the Board of Directors with respect to a Director elected or entitled to be elected by the holders of Special Voting Shares, the resulting vacancy shall be filled by an individual who is nominated and elected by the holders of Special Voting Shares.

(iv) The matters provided for in Sections (e)(i), (ii) and (iii) shall require approval by ordinary resolution approved by a majority of votes cast by holders of Special Voting Shares voting separately as a class at a meeting of the holders of the Special Voting Shares or by a resolution in writing signed by all holders of Special Voting Shares entitled to vote on that resolution, and for these purposes each Special Voting Share shall entitle the holder to one vote.

(v) In the event that the holders of the Special Voting Shares collectively beneficially own an aggregate number of Exchangeable LP Units and Common Shares that represents less than 10% of the aggregate number of outstanding Common Shares and Common Shares issuable upon exchange of Exchangeable LP Units as at the record date established for the purpose of determining shareholders entitled to vote at a meeting of shareholders of the Corporation at which Directors are to be elected, each Special Voting Share shall entitle the holder or holders thereof to that number of votes on a valid vote at the meeting of shareholders of the Corporation that is equal to the Vote Per Share, and the holders of Special Voting Shares will vote together with the holders of

Common Shares as a single class for the election of Directors.

(vi) Except as otherwise provided in this Section (e), the holders of the Special Voting Shares shall not, as such, have the right to vote, either together with the holders of Common Shares as a single class or otherwise, for the election of Directors.

(f) Redemption Upon Exchange

(i) Redemption Upon Exchange

Subject to applicable law, the Corporation shall redeem Special Voting Shares if a holder of Exchangeable LP Units exchanges some or all of its Exchangeable LP Units pursuant to the Limited Partnership Agreement and the Exchange Agreement. The number of Special Voting Shares that the Corporation shall redeem will be equal to the number of Common Shares issuable upon the exchange of such Exchangeable LP Units owned by such holder of Exchangeable LP Units. The Special Voting Shares will be redeemed at a price per share equal to \$0.000001 (the "Redemption Amount").

(ii) Redemption Notice

In connection with the redemption referred to in section (f)(i), the Corporation shall either send to the holder of the Special Voting Shares to be redeemed a notice in writing (the "Redemption Notice"), which shall be sent together with the Exchange Consideration (as defined in the Exchange Agreement) or obtain the written acknowledgement of the holder of such redemption at the time that the "Exchange Notice" contemplated by the Exchange Agreement is delivered by such holder. Accidental failure or omission to give the Redemption Notice to one or more holders shall not affect the validity or effectiveness of any redemption, but if such failure or omission is discovered, a Redemption Notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. The Redemption Notice or acknowledgement referred to above shall set out (w) the aggregate number of redeemed Special Voting Shares, as applicable; (x) the number of redeemed Special Voting Shares, as applicable, held by the person to whom it is addressed; (y) the aggregate Redemption Amount and the manner in which it is calculated; and (z) the place or places in Canada at which holders of Special Voting Shares may present and surrender the certificate or certificates, if any, representing the redeemed Special Voting Shares.

(iii) Effectiveness of Redemption

The redemption and cancellation of the redeemed shares will be effective immediately after the delivery of the Exchange Consideration in accordance with section (f)(ii) (the "Effective Time"). At the Effective Time, the Corporation shall pay or cause to be paid to or to the order of the holders of the redeemed Special Voting Shares the Redemption Amount of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places in Canada specified in the Redemption Notice, of the certificate or certificates, if any, representing the redeemed Special Voting Shares. Payment in respect of the redeemed Special Voting Shares shall be made by cheque payable to the respective holders thereof in lawful money of Canada at any branch in Canada of the Corporation's bankers, by wire transfer or electronic payment to an account for which the holder has provided applicable particulars to the Corporation, or in another manner agreed by the parties.

From and after the Effective Time, the holders of the redeemed Special Voting Shares shall cease to be entitled to exercise any of their rights as shareholders in respect thereof other than (i) the right to receive the Redemption Amount, and (ii) the right to vote at a subsequent meeting of shareholders for which a record date for the determination of holders of Special Voting Shares, or Common Shares and Special Voting Shares, as the case may be, entitled to vote at such meeting has occurred prior to the Effective Time.

(g) Other Agreements

Concurrently with the issuance of any Exchangeable LP Units (and related Special Voting Shares, if any), the Corporation may enter into such agreements, including liquidity or exchange agreements, voting agreements, securityholder agreements and exchangeable security support agreements, as may be necessary or desirable to properly give effect to the terms of the Exchangeable LP Units, including to provide for the voting of Special Voting Shares, the terms and conditions of transfer and any transfer restrictions or limitations, the exercise, exchange or conversion of such Exchangeable LP Units and the exercise, exchange or conversion of such Exchangeable LP Units in the event of an offer to acquire, directly or indirectly, outstanding Common Shares if, as of the date of such offer to acquire, the Common Shares that are subject to such offer to acquire (an "Offer"), together with the offeror's Common Shares, constitute in the aggregate 20% or more of all

outstanding Common Shares at the date of the Offer.

(h) Subdivision, Consolidation, Etc.

None of the Special Voting Shares will be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the Common Shares are subdivided, consolidated, reclassified or otherwise changed in the same proportion or the same manner.

(i) Modification

The rights, privileges, restrictions and conditions of the Special Voting Shares will not be added to, changed or removed unless the addition, change or removal is first approved by the separate affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of the Special Voting Shares or by a resolution in writing signed by all holders of Special Voting Shares entitled to vote on that resolution, and for these purposes each Special Voting Share shall entitle the holder to one vote.

Special Limited Voting Share

(a) Voting Rights

The holder of the Special Limited Voting Share shall, as such, be entitled to receive notice of, to receive any materials relating to, and to attend any meeting of any shareholders of the Corporation. Except as otherwise provided in these Articles or required by law, the holder of the Special Limited Voting Share shall not, as such, be entitled to vote at any such meeting of shareholders of the Corporation.

(b) Dividends

The holder of the Special Limited Voting Share, as such, is not entitled to receive dividends.

(c) Distribution Rights

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holder of the Special Limited Voting Share shall be entitled to receive, subject to the rights of the holders of Preference Shares, on a pari passu basis with the holders of the Special Voting Shares and in priority to the holders of Common Shares, an amount equal to \$1.00 and no more.

(d) Class Votes

The Corporation shall not effect any of the following, and none of the following shall be effective, unless approved by the holder of the Special Limited Voting Share, voting separately as a class:

- (i) an amendment to the Articles to change the place in which the Head Office (as defined in the Articles) shall be located to a place other than the City of Edmonton, or an amendment to the Articles to change in any way the definition of Head Office and the related definitions set out in Schedule "B" to the Articles (the "Schedule B Head Office Definitions");
- (ii) any merger, amalgamation, arrangement, reorganization, liquidation, dissolution or winding-up of the Corporation or sale of all or substantially all of the property of the Corporation or similar transaction pursuant to which the resulting corporation or other successor to the Corporation or its business is not required (a) to have its Head Office located in the City of Edmonton, (b) to have a definition of Head Office as set out in the Schedule B Head Office Definitions, or (c) to have a special limited voting share in the capital of the resulting corporation or other successor to the Corporation having the same rights and restrictions as those relating to the Special Limited Voting Share contained in the Articles, issued to the holder of the Special Limited Voting Share;
- (iii) a change to the jurisdiction of incorporation of the Corporation, whether by continuance or otherwise;
- (iv) an amendment to the Articles to increase the maximum number of authorized Special Limited Voting Shares;
- (v) an amendment to the Articles to change any of the rights, privileges, restrictions and conditions attaching to the Special Limited Voting Share;

(vi) any exchange or creation of a right of exchange or right to acquire Special Limited Voting Shares; or

(vii) any transaction, including an amendment to the Articles, to effect an exchange, reclassification or cancellation of the Special Limited Voting Share.

(e) Modification

The rights, privileges, restrictions and conditions of the Special Limited Voting Share will not be added to, changed or removed unless the addition, change or removal is first approved by the separate affirmative vote of the holder of the Special Limited Voting Share cast at a meeting of the holder of the Special Limited Voting Share or by a resolution in writing signed by the holder of the Special Limited Voting Share entitled to vote on that resolution;

2. to delete item 4, the restrictions on share transfers, in its entirety;

3. to add to item 7, other provisions, a provision as follows:

Head Office Definitions

1. Location of Registered Office and Head Office

The registered office of the Corporation and the Head Office shall at all times be located in the City of Edmonton in the Province of Alberta.

2. Definitions

For the purposes of the Articles of the Corporation:

“Chief Executive Officer” means the highest-ranking executive of the Corporation and the Subsidiaries, taken as a whole, responsible for overseeing the execution of the strategy of the Corporation as approved by the Board of Directors of the Corporation.

“Entity” means any legal entity including a partnership, limited partnership, body corporate, trust or joint venture.

“Executive Officers” means:

(i) PowerCo Executive Officers; and

(ii) (since a substantial portion of the Corporation’s assets represents an investment in Capital Power L.P. and the other Subsidiaries), the persons, whether employed by the Corporation or any Subsidiary, carrying out as a substantial part of their duties any of the functions of the chief executive officer, chief operating officer, chief financial officer, president, any executive vice-president or senior vice-president or general counsel, with respect to a substantial portion of the businesses carried on by the Corporation and the Subsidiaries, taken as a whole.

“Head Office” means in respect of the Corporation, the office or offices where (i) the majority of the PowerCo Executive Officers, which majority shall include the Chief Executive Officer, are located and from which they carry out the majority of their functions, and (ii) the majority of the Executive Officers are located and from which they carry out the majority of their functions (such majority in clause (ii) shall include for greater certainty the Chief Executive Officer and the PowerCo Executive Officers referred to in clause (i) who are located in such office or offices and carry out the majority of their functions from such office or offices).

“PowerCo Executive Officers” mean the persons carrying out as a substantial part of their duties any of the functions of the Chief Executive Officer, chief operating officer, chief financial officer, president, any executive vice-president or senior vice-president or general counsel of the Corporation.

“Subsidiaries” means any and all Entities in which the Corporation, directly or indirectly, owns a majority or controlling equity interest, and includes Capital Power L.P. and its general partner and PowerCo LP and all Entities in which Capital Power L.P., directly or indirectly, owns a majority or controlling equity interest.

Date	Name - Nom	Signature	Capacity of - en qualité
2009-06-16	KATE CHISHOLM		AUTHORIZED OFFICER

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Canada¹³¹