

# **LEVEL 2 MANAGEMENT COMPLIANCE CERTIFICATE**

## **LEGAL/REGULATORY/ENVIRONMENTAL/HEALTH & SAFETY CERTIFICATION REPORTING DIRECTLY TO THE EXECUTIVE TEAM**

for the reporting period from **October 1st, 2009 to and including December 31st, 2009.**

**I hereby affirm and certify that unless otherwise specified in an attached report under my signature:**

- To the best of my knowledge and belief the statements in this Certificate are true with respect to operations or activities of Capital Power Corporation or its subsidiaries (collectively "CPC") that are within my area of responsibility or accountability; and
- I have taken all steps within my area of responsibility and accountability that in my professional judgment are reasonably necessary and prudent to inform my knowledge and belief and to ensure that adequate and accurate information comes to my attention and is dealt with in a timely manner.

### **Financial and Risk Compliance - General**

1. All commercial transactions entered into, arising from my area of responsibility or accountability, were in compliance with corporate policies and guidelines for managing CPC's credit and other risk exposure and I am aware of, and have a good working knowledge of, the corporate policies and guidelines for managing CPC's credit and other risk exposure as they apply to my area of responsibility or accountability.
2. CPC's activities in my area of responsibility or accountability were in compliance with XXX policies and procedures and I am aware of, and have a good working knowledge of, CPC's XXXX policies and procedures as they apply to my area of responsibility or accountability.
3. There have been no disputes, claims or possible claims in existence, pending or threatened against that, if determined adversely against CPC, would reasonably be expected to have a material adverse effect upon the financial condition of CPC (on a consolidated basis, or with respect to any individual subsidiary or regional business unit) that have not been reported to the Executive Team member to whom I report.
4. I have not overridden any CPC policy, nor was I asked to override any CPC policy nor did I ask anyone to override any CPC policy.

5. CPC's activities in my area of responsibility or accountability were in compliance with CPC's Ethics Policy and. I have ensured that CPC's Ethics Policy is known to my direct reports.

### **Financial and Risk Compliance – Specific Due Diligence Measures**

6. No event occurred that would reasonably be expected to have a material adverse financial impact upon CPC that has not been disclosed to the Senior Vice President and General Counsel.
7. Within my area of responsibility or accountability, corporate and business unit accounting policies and methods of application were followed without deviation or modification.
8.
  - (a) I understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misappropriation of assets.
  - (b) I understand that I am responsible to comply with all corporate policies and procedures designed to detect and prevent fraud and error as it relates to the financial reporting process.
9. Within my area of responsibility or accountability there was no:
  - (a) fraud or suspected fraud affecting CPC involving management or other employees;
  - (b) allegation of fraud or suspected fraud affecting CPC received in communications from employees, former employees or others;
  - (c) violation or possible violation of laws or regulations (including illegal acts or possible illegal acts) the effect of which should be considered for disclosure in CPC's financial statements or as the basis for recording a contingent loss; and
  - (d) communication from regulatory or government authorities or others concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
10. Within my area of responsibility or accountability there were no new material contractual obligations undertaken which were not disclosed to the Executive Team member to whom I report.
11. Within my area of responsibility or accountability no events occurred, and no matters were discovered, subsequent to preparation of the most recent financial statements, that could involve material sums of money payable to or from CPC.

### **Environmental Compliance**

12. No act or omission of CPC's, within my area of responsibility or accountability, resulted in a material risk to the environment.
13. Without limiting paragraphs 1 through 5 and paragraph 12 above, within my area of responsibility or accountability CPC was in material compliance with environmental statutes, regulations, licences, permits and approvals.

14. I am familiar with the content of CPC's Environmental Policy and with all procedures under that Policy which pertain to my area of responsibility or accountability and I have fulfilled the requirements and followed the procedures required thereby.
15. I have ensured that those portions of CPC's Environmental Policy and applicable procedures which pertain to my area of responsibility or accountability are known to all of my direct reports.
16. I am aware of, and have a sound basic understanding of, the environmental laws and regulations applicable to my area of responsibility or accountability.
17. All material environmental spills and incidents have been reported in a timely manner to the Environment Department and to government authorities, in compliance with regulatory requirements and company procedures.
18. I have taken appropriate steps to ensure that employees within my area of responsibility or accountability receive sufficient training to be aware of the potential for an environmental incident within the normal course of their duties, and aware of what they should do in the event of such an incident.
19. The procedures, systems and controls, and reporting for activities in my area of responsibility or accountability are adequate to bring to my attention in a timely manner a material environmental incident or potential for such an incident, that has resulted or might result in CPC's being in material non-compliance with any statute, regulation or approval.

### **Health and Safety Compliance**

20. No act or omission of CPC, within my area of responsibility or accountability, caused a material risk to the health or safety of employees or customers.
21. Without limiting paragraphs 1 through 5 and paragraph 20 above, within my area of responsibility or accountability CPC was in material compliance with health and safety statutes, regulations, and relevant approvals.
22. I am familiar with the content of CPC policies and procedures which pertain to my area of responsibility or accountability and address aspects of health and safety of employees or customers and I have been in material compliance with all applicable requirements set out in such policies or procedures.
23. I have ensured that those portions of the policies and procedures referenced in paragraph 22 above which pertain to my area of responsibility or accountability are known to my direct reports.
24. I am aware of, and have a sound basic understanding of, the occupational health and safety laws and regulations applicable to my area of responsibility or accountability.
25. I am aware of, and have a sound basic understanding of, the laws and regulations governing transportation, storage and handling, and disposal of workplace hazardous materials as they pertain to my area of responsibility or accountability.

26. I have instructed my direct reports to ensure that all employees and contractors within my area of responsibility or accountability receive sufficient training to make them aware of the risks involved in dealing with hazardous or dangerous materials in the normal course of their duties, and to enable them to comply with applicable laws and regulations governing transportation, storage and handling, and disposal of workplace hazardous materials.
27. I have taken appropriate steps to ensure that employees within my area of responsibility or accountability receive sufficient training to be aware of the potential for an injury-causing incident within the normal course of their duties and what they should do in the event of such an incident.
28. The procedures, systems and controls, and reporting for activities in my area of responsibility or accountability are adequate to bring to my attention in a timely manner any incident involving an employee's job-related injury or illness, or the potential for such an incident, that has resulted or might result in CPC being in material non-compliance with any statute, regulation or approval.

### **Labour & Employment Compliance**

29. Within my area of responsibility or accountability CPC was in compliance with applicable labour relations and employment standards laws, and in material compliance with the employer's obligations under the terms of collective agreements to which CPC is a party.
30. I am aware of, and have a sound basic understanding of, the labour relations and employment standards laws applicable to my area of responsibility or accountability.
31. I am aware of, and have a good working knowledge of, any collective agreement to which CPC is a party that applies to my area of responsibility or accountability.
32. The procedures, systems and controls, and reporting for activities in my area of responsibility or accountability are adequate to bring to my attention in a timely manner any incident that constitutes or might constitute non-compliance with applicable labour relations or employment standards laws or a breach of an obligation of CPC under a collective agreement to which CPC is a party, pertaining to my area of responsibility or accountability.