# COMMONWEALTH OF KENTUCKY

## Trey Grayson
## Secretary of State

### Certificate

I, Trey Grayson, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

ARTICLES OF INCORPORATION OF

KENTUCKY UTILITIES COMPANY FILED AUGUST 17, 1912;

AMENDED ARTICLES OF INCORPORATION FILED OCTOBER 4, 1912;

AMENDED ARTICLES OF INCORPORATION FILED FEBRUARY 10, 1915;

AMENDED ARTICLES OF INCORPORATION FILED FEBRUARY 2, 1917;

AMENDED ARTICLES OF INCORPORATION FILED NOVEMBER 13, 1919;

CERTIFICATE OF AMENDMENT FILED MAY 11, 1923;

AMENDED ARTICLES OF INCORPORATION FILED SEPTEMBER 14, 1923;

AMENDED ARTICLES OF INCORPORATION FILED MARCH 24, 1924;

AMENDED ARTICLES OF INCORPORATION FILED AUGUST 20, 1925;

# COMMONWEALTH OF KENTUCKY

AMENDED ARTICLES OF INCORPORATION FILED FEBRUARY 11, 1926;

AMENDMENT TO ARTICLES OF INCORPORATION FILED FEBRUARY 12, 1929;

AMENDED ARTICLES OF INCORPORATION FILED NOVEMBER 25, 1929;

AMENDMENT TO ARTICLES OF INCORPORATION FILED NOVEMBER 27, 1933;

AMENDED ARTICLES OF INCORPORATION FILED DECEMBER 31, 1934;

ARTICLES OF AMENDMENT FILED JUNE 27, 1947;

ARTICLES OF AMENDMENT FILED OCTOBER 17, 1947;

CERTIFICATE OF AMENDMENT FILED DECEMBER 24, 1948;

ARTICLES OF AMENDMENT FILED MARCH 26, 1963;

ARTICLES OF AMENDMENT FILED MARCH 24, 1970;

ARTICLES OF AMENDMENT FILED MARCH 29, 1972;

STATEMENT OF RESOLUTION FILED SEPTEMBER 7, 1972;

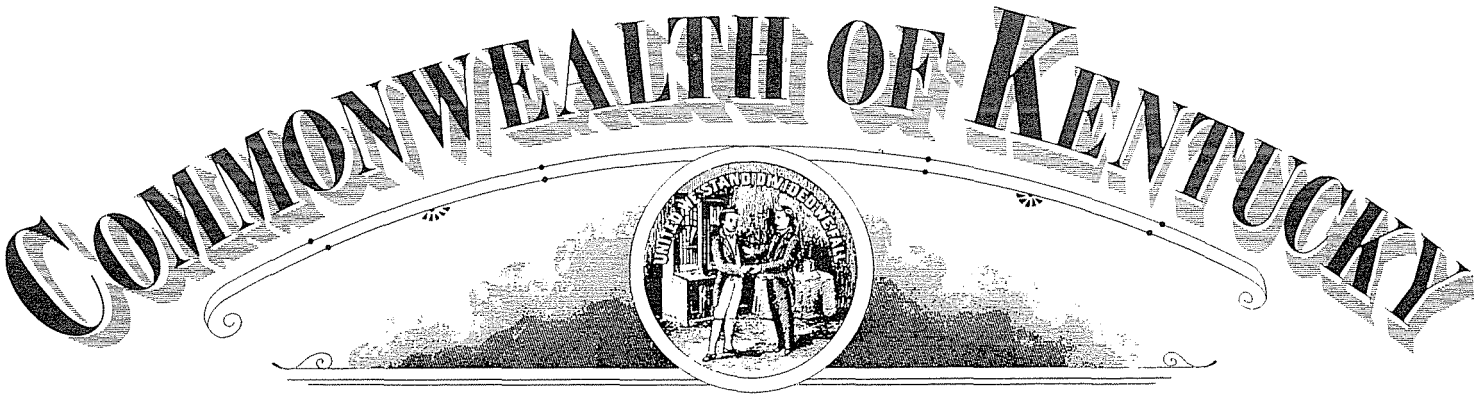
ARTICLES OF AMENDMENT FILED MARCH 28, 1973;

ARTICLES OF AMENDMENT FILED MARCH 26, 1974;

ARTICLES OF AMENDMENT FILED MARCH 27, 1975;

STATEMENT OF RESOLUTION FILED SEPTEMBER 23, 1975;

CERTIFICATE OF AMENDMENT FILED APRIL 27, 1976;




RESTATED CERTIFICATE OF INCORPORATION FILED APRIL 28, 1976;

CERTIFICATE OF AMENDMENT FILED MAY 2, 1977;

STATEMENT OF RESOLUTION FILED NOVEMBER 4, 1977;

CERTIFICATE OF AMENDMENT FILED APRIL 24, 1979;

CERTIFICATE OF AMENDMENT FILED MAY 15, 1979;

STATEMENT OF RESOLUTION FILED AUGUST 8, 1979;

RESTATED CERTIFICATE OF INCORPORATION FILED SEPTEMBER 26, 1979;

STATEMENT OF RESOLUTION FILED MARCH 26, 1980;

CERTIFICATE OF AMENDMENT FILED APRIL 24, 1980;

STATEMENT OF CANCELLATION FILED JULY 1, 1981;

STATEMENT OF CANCELLATION FILED JULY 30, 1982;

STATEMENT OF RESOLUTION FILED AUGUST 24, 1982;

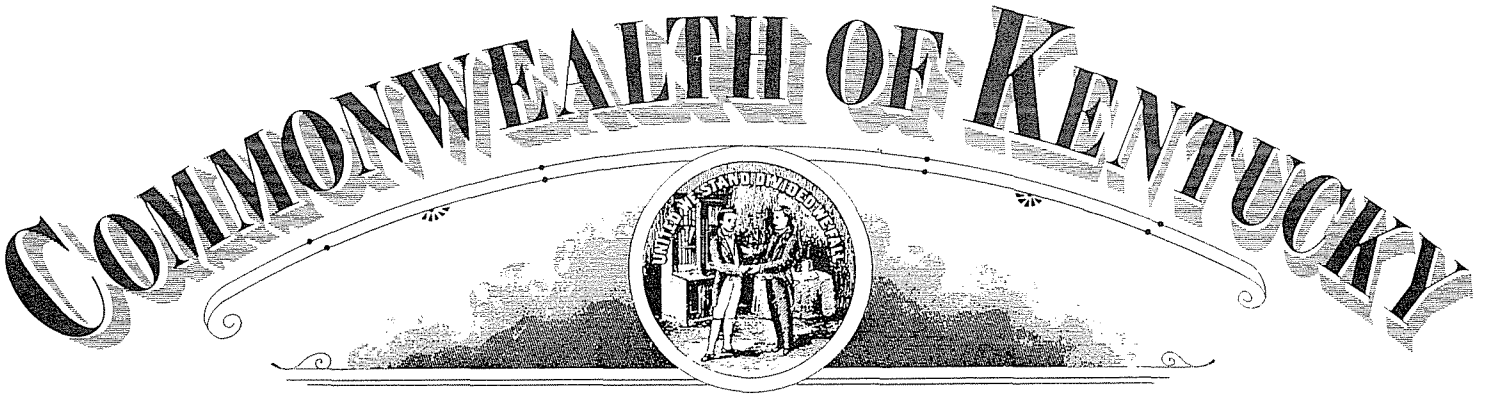
STATEMENT OF CANCELLATION FILED OCTOBER 1, 1982;

STATEMENT OF CANCELLATION FILED OCTOBER 19, 1983;

STATEMENT OF CANCELLATION FILED MAY 9, 1984;

STATEMENT OF CANCELLATION FILED OCTOBER 10, 1985;

STATEMENT OF CANCELLATION FILED DECEMBER 27, 1985;




STATEMENT OF CANCELLATION FILED APRIL 18, 1986;

STATEMENT OF CANCELLATION FILED JANUARY 27, 1987;

STATEMENT OF CANCELLATION FILED APRIL 28, 1987;

CERTIFICATE OF AMENDMENT FILED APRIL 28, 1987;

CERTIFICATE OF AMENDMENT FILED APRIL 28, 1987;

STATEMENT OF CANCELLATION FILED OCTOBER 30, 1987;

STATEMENT OF CANCELLATION FILED JANUARY 29, 1988;

STATEMENT OF CANCELLATION FILED JUNE 1, 1988;

CERTIFICATE OF AMENDMENT FILED JULY 28, 1988;

ARTICLES OF AMENDMENT TO THE STATEMENT OF CANCELLATION FILED FEBRUARY 14, 1990;

ARTICLES OF AMENDMENT TO THE RESTATED ARTICLES OF INCORPORATION FILED APRIL 24, 1990;

AMENDED AND RESTATED ARTICLES OF INCORPORATION FILED SEPTEMBER 19, 1990;

ARTICLES OF MERGER OF OLD DOMINION POWER COMPANY MERGING INTO KENTUCKY UTILITIES COMPANY FILED NOVEMBER 25, 1991;

ARTICLES OF SHARE EXCHANGE FILED NOVEMBER 25, 1991;

ARTICLES OF AMENDMENT TO AMENDED AND RESTATED ARTICLES OF

# COMMONWEALTH OF KENTUCKY

INCORPORATION FILED DECEMBER 2, 1991;

AMENDED AND RESTATED ARTICLES OF INCORPORATION FILED OCTOBER 28, 1992;

ARTICLES OF AMENDMENT TO AMENDED AND RESTATED ARTICLES OF INCORPORATION FILED DECEMBER 14, 1993;

ARTICLES OF AMENDMENT FILED APRIL 8, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 18th day of May, 2010.

COMMONWEALTH OF KENTUCKY
OFFICE OF SECRETARY OF STATE

Trey Grayson
Secretary of State
Commonwealth of Kentucky
mmullins/0028494 - Certificate ID: 98258

Inc. 8/17/1912 28494

ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

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We, the undersigned, do hereby organize a a corporation under the laws of the State of Kentucky as follows:

FIRST. The name of the corporation is KENTUCKY UTILITIES COMPANY.

SECOND. The name of the city or town and county in which its principal office or place of business is to be located is the City of Louisville, County of Jefferson. The corporation may establish and maintain other offices either within or without the State of Kentucky.

THIRD. The nature of the business and the objects and purposes proposed to be transacted, promoted and carried on by the corporation are to do within or without the State of Kentucky any and all of the things herein mentioned and set forth, as fully and to the same extent, to all intents and purposes, as natural persons might or could do, viz.:

1. To manufacture, generate, buy, sell, accumulate, store, transmit, furnish and distribute electrical energy for light, heat, power and other purposes,

2. To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and applicances for the manufacture, generation, storage, accumulation, transmission distribution and use of electrical energy and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever;

3. To carry on a general business of electricians mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity;

4. To buy, sell, mortgage, operate and lease pole lines, erect poles, string wires thereon and on poles of individuals, and corporations, on any and all streets, avenues, highways and roads of counties, townships, villages and cities and over and along all canals and other waterways, and over and across bridges and through tunnels and over and across all lands belonging to or controlled by individuals, corporations, counties, states, the national government or

any governmental subdivision of the national government, and to use the same both as through lines and for local delivery for the transmission and distribution of electrical energy, and to sell and lease to other individuals or corporations the right to place electric wires on or attach electric wires to any or all poles so erected, owned or leased.

5. To build and construct, purchase and use for any of the purposes stated above, underground subways and conduits in such streets, avenues, highways, roads and under such canals and other waterways, and through any tunnels and under any public or private lands, and place electric wires and conductors therein, and to buy and lease from and sell and let to any individual or corporation the right to place and use as aforesaid electric wires or conductors in any such subways;

6. To manufacture distribute and sell artificial gas for light, heat and power and other purposes, and also to sell the by-products and residual products therefrom, and to construct or in any manner acquire and to maintain, operate and mortgage, sell and in any manner dispose of works therefor;

7. To mine for, produce, buy and in any manner acquire and to sell and distribute natural gas;

8. To construct, lay, purchase or in any manner acquire, and to maintain and operate, and to sell, encumber or in any manner dispose of pipe lines and gas mains for

the sale, distribution and transportation of natural and artificial gas for light, heat, power and other purposes, in, over through or under any streets, alleys, roads, highways or other public places, and in, over, through or under any private or public property;

9. To construct and purchase or in any manner acquire, maintain and operate, and to sell, mortgage, or in any manner dispose of plants and works for the manufacture, distribution and transportation of natural and artificial gas;

10. To manufacture, buy, sell, mortgage, rent and deal in stoves, engines, motors, lamps and other apparatus, appliances and conveniences which may seem calculated, directly, or indirectly to promote the consumption of natural and artificial gas, petroleum, petroleum products and by-products;

11. To mine for, produce, buy and in any manner acquire, refine, sell and distribute petroleum, petroleum products and by-products;

12. To manufacture, buy, sell and deal in ice; to carry on and conduct the business of storage, cold-storage, refrigeration, or freezing and to construct, purchase, acquire, equip, own, operate, maintain, sell, mortgage and lease stores, buildings, warehouses, plants, machines and apparatus for said purposes;

13. To manufacture, produce and supply in any manner cold air, refrigeration and freezing compounds in any form for use, distribution and application for any and all purposes;

14. To mine, buy and sell, deal in export and import coal, coke and wood and similar combustible materials and to act as an agent for persons and corporations in buying, selling and dealing for them in such materials, and to engage in the business of handling, buying, selling and dealing in and with coal for them or their account, and for the purpose of such business to own or rent or otherwise use or occupy storehouses, docks, piers, boats and barges and any real estate necessary to the carrying on of the said business;

15. To do a general quarrying, construction and building business and everything in the line thereof;

16. To acquire, own, construct, operate, lease, encumber or in any manner dispose of or sell street railways or tramways and interurban railways, and to transport, for hire thereon and thereover, passengers, baggage, mail, express, freight, produce, and to acquire, hold, own, construct, operate, lease, mortgage and sell street railway cars, tram cars, railway, passenger, freight and express cars, and all fixtures and appurtenances incident or necessary to the operation thereof;

17. To acquire, own, construct, operate, lease, sell and encumber houses, buildings, pipes, mains, fixtures,

easements, franchises, ordinances and all other necessary or convenient things to enable it to furnish steam for power and heating purposes, and generally to carry on a business of generating, conveying and furnishing steam for power and heat to the general public;

18. To construct, acquire, own, operate, sell, mortgage and lease hydro-electric power plants together with everything whatsoever pertaining thereto.

19. To purchase, appropriate, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, power privileges and appropriations for mining, milling, agriculture, domestic power and other uses and purposes, and more particularly for use in connection with the generation and distribution of electrical energy for light, heat and power and the operation of street railways and propelling of cars.

20. To acquire, sell, mortgage, lease, construct, maintain and operate water works, and to supply municipalities corporations and individuals with water and water power, and to acquire, sell, mortgage, lease, construct, maintain and operate all necessary dams, buildings, plants machinery, fixtures and apparatus of every sort for supply[illegible] ing municipalities, corporations, and individuals with w[illegible] and water power for all purposes, and to carry on the [illegible] incidental thereto.

21. To purchase or to acquire and to co[illegible] mortgage, lease, control and to hold such real e[illegible]

personal property, rights, powers, privileges and easements in both real and personal property as may be necessary, desirable or convenient for the purposes of this corporation, including such lands, shoals, riparian and other rights and easements as may be necessary, desirable or convenient for pondage, storage, overflow diversion and retention of water, and including power houses, plants, gas holders, machinery, railways, tramways, canals, reservoir sites, conduits, pole lines, transmission and distribution systems, rights-of-way, easements, water rights, filings, applications, privileges and franchises of every nature whatsoever;

22. To buy, sell, mortgage, lease and otherwise acquire, construct, maintain, operate and otherwise dispose of, public and private telegraph and telephone lines, and any interest therein and grants therefor, and all electrical and other instruments, machinery, contrivances, materials and things of every kind and nature for transmitting messages, as well as works, plants, buildings or conveniences appertaining thereto;

23. To acquire, use, lease, encumber or sell charters, contracts and franchises granted, issued or entered into by any persons, companies or corporations, county, state, government or any municipality or governmental subdivision;

24. To guarantee, purchase, acquire, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of the capital stock, bonds, debentures, evidences of indebtedness and other securities of any other

corporation or association, whether foreign or domestic, and whether now or hereafter organized, and while the holder of any such shares of stock or other securities, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon to the same extent as a natural person might or could do;

25. To sell or in any manner dispose of, mortgage or pledge any stocks, bonds or other obligations or any property, real or personal, which at any time may be held by the corporation as and when and upon such terms and conditions as the Board of Directors shall determine;

26. To acquire the good-will, rights and properties of any person or persons, firm, corporation or association, and to pay for the same in cash, stock, bonds or otherwise;

27. To acquire, hold, use, sell, assign, lease and grant licenses in respect of, mortgage or otherwise dispose of, letters patent of the United States or any foreign country, patent, patent rights, licenses and privileges, inventions, improvements and processes, trade-marks and trade-names, relating to or useful in connection with any business of this corporation;

28. To, in any manner aid, facilitate and assist in the construction, building, extension, improvement, equipment, maintenance and operation of any electric light plant, artificial or natural gas plant, hydro-electric plant, water plant, gas or oil pipe line, street or interurban railway, and for that purpose, or in any manner whatsoever, to use the capital stock and bonds of this corporation or

either of them or any part thereof. To aid, in any manner, any corporation or association, of which any bonds, evidences of indebtedness, or other securities, are held by the corporation, and to do any other acts or things designed to protect, preserve, improve or enhance the value of such bonds, or evidences of indebtedness or other securities or stock;

[illegible]. In general, to carry on any other business in connection with the foregoing, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Kentucky. It is the intention that the objects specified in the said clause [illegible], except where otherwise expressed in said clause, or in no wise limited or restricted by reference to or inference from the terms of any other clause in this charter, but that the several objects specified in this clause shall be regarded as independent objects, nor shall anything in this clause be held to limit or restrict in any manner, the powers of this corporation.

FOURTH. The total authorized capital stock of this corporation is Two Million Dollars ($2,000,000.00), divided into Twenty thousand (20,000) shares of One Hundred Dollars ($100) each. Of said total authorized capital stock, Ten thousand (10,000) shares, amounting to One Million Dollars ($1,000,000), shall be preferred stock, and Ten thousand shares (10,000), amounting to One Million Dollars ($1,000,000), shall be common stock.

The holders of the preferred stock shall be entitled to receive, when and as declared by the Board of Directors, from the surplus or net profits of the corporation, yearly dividends at the rate of six per centum (6%) per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on the common stock shall be paid or set apart; so that, if in any year dividends amounting to six per centum(6%) shall not have been paid thereon the deficiency shall be payable before any dividends shall be paid upon or set apart for the common stock. Accumulations of dividends upon the preferred stock shall not bear interest.

Whenever all cumulative dividends on the preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Company shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits, a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock, payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the preferred stock shall be entitled to be paid in full both the par amount of their shares, and the unpaid dividends accrued thereon, before

any amount shall be paid to the holders of the common stock; and after the payment to the holders of the preferred stock of its par value, and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the common stock according to their respective shares.

So long as the said dividends on said preferred stock shall be paid quarterly, as aforesaid, the holders of the preferred stock shall have no voting power on any question, but should any dividend upon any preferred stock not be paid, when payable, and remain so unpaid for a period of six months, then and so long as such dividend or any part thereof remains unpaid, the holders of the preferred stock, in respect of which such dividend or any part thereof remains unpaid, shall be entitled to the same voting powers thereon as belong to the common stock, but upon such dividend being paid the voting power upon such stock shall again cease.

The preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation, at any time after five (5) years from the date of incorporation, at One Hundred and Ten Dollars ($110) for each share, and the amount of any dividends accumulated and unpaid thereon at the date of redemption. In the event of the exercise by the corporation of its right to redeem the preferred stock, then from and after the date fixed for such redemption, the right of the holders of such stock so called for redemption, to receive dividends thereon, shall cease and such stock shall not be transferable

FILE

BOX 213

Jefferson County.

# Amended Articles of Incorporation

OF

Kentucky Utilities Company

amending Art 8

Increasing its Capital Stock from

$ _____ to $ _____

Organization Tax on Increase $ _____

Filed and Certificate Issued 4th day

October 1961

Recording Fee $ 100 paid.

C. F. CRECELIUS,

Sec'y of State

By E. Margaret

CHIEF CLERK CORPORATION DIV.

Recorded in Corporation

Book No. 47 Page 800

Recorded J.D.B. Compared R.A.D.

Indexed

28494

AMENDMENT OF ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

Pursuant to the written consent of all of the stockholders of the Kentucky Utilities Company, we, the undersigned, consisting of a majority of the Board of Directors, of the said Kentucky Utilities Company, hereby amend Section 8 of the original Articles of said Corporation, so that Section 8 as amended shall read as follows:

"Section 8: The highest amount of indebtedness or liability which the corporation may at any time incur is Seven Million Dollars, including any mortgage indebtedness of said Company."

IN TESTIMONY WHEREOF, Witness our signatures this 3 day of October, 1912.

George W Williamson
Richard Mueller
Judson Harmon
[illegible]

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STATE OF ILLINOIS }
COUNTY OF COOK } SS

This 3rd day of October, 1912, personally appeared before me, Edward J. Doyle, a Notary Public in and for said County and State, George O. Spencer, C. W. Moguire, George Williamson and Richard Mueller, the persons who signed the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company, known to me to be such persons, who severally acknowledged their signatures to be their respective act and deed as Directors of said Kentucky Utilities Company.

My commission expires Sept 22-1914.

WITNESS my hand and notarial seal this 3rd day of October, 1912.

Edward J. Doyle
Notary Public, Cook County, Ill.

*I, P. S. RAY, Clerk of the County Court of Johnson County in the State of Kentucky, do certify that on this day at 12 30 O'clock P. M the foregoing Articles of Incorporation were produced to me in my Office and that I, have recorded them, this, and the foregoing certificate in my said Office*

*Witness my hand this 3 day of Oct 1912*

P. S. Ray Clerk.

A COPY ATTEST,
P. S. RAY, CLERK.
By R. W. Crisp D. C.

BOX 373

28494

Jefferson County.

# Amended Articles of Incorporation

OF

Ky Utilities Co

changing place of business from Louisville, Ky to Lexington

Increasing its Capital Stock from

$ _____ to $ _____

Organization Tax on Increase $ _____

Filed and Certificate Issued 10th day of February 1915

Recording Fee $ 2.00 paid.

C. F. CRECELIUS,
Sec'y of State.

By _____
CHIEF CLERK CORPORATION DEPT

Recorded in Corporation

Book No. 64 Page 69

Recorded _____, Compared _____

Indexed _____

## AMENDMENT OF ARTICLES OF INCORPORATION OF KENTUCKY UTILITIES COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That pursuant to the consent in writing of the [illegible] of the capital stock of the Kentucky Company, and pursuant to resolution of Board of Directors duly passed, the original Articles of Incorporation of said Company are amended as follows:

Section Second of said Articles of Incorporation is amended to read as follows:

> "SECOND: The name of the city or town and county in which its principal office and place of business is to be located is the City of Lexington, County of Fayette, State of Kentucky. The corporation may establish and maintain other offices either within or without the State of Kentucky."

IN TESTIMONY WHEREOF, we, the undersigned [illegible] constituting a majority (four out of seven) of the Directors of the Kentucky Utilities Company, have hereunto set our hands this 30th day of December, 1914.

Harry Reid

Ernest Van Arsdel

T. J. Spragle

A. A. Tuttle

Directors

STATE OF KENTUCKY

COUNTY OF FAYETTE

I, Margaret Riley, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amended articles of incorporation of Kentucky Utilities Company were this day produced before me in said County by Harry Reid, Ernest Van Aredel, T. J. Spragle and A. A. Tuttle, Directors of said Company, and acknowledged and delivered by them to be their act and deed.

My commission will expire Jan. 23, 1918.

WITNESS my hand this 30th day of December, 1914.

Margaret Riley
Notary Public, Fayette County, Ky.

Seal

I, P. S. RAY, Clerk of the County Court of Jefferson County in the State of Kentucky, do certify that on this day at 10 22 o'clock A. M. the foregoing Articles of Incorporation were produced to me in my Office and that I, have recorded them, this, and the foregoing certificate in my said Office

Witness my hand this 6 day of July 1915

P. S. Ray Clerk

A COPY ATTEST,
P. S. RAY. CLERK.
By Lee D. Timmons

20

BUNDLE 62

BOX 313

Louisville 28494

Jefferson County.

**Amended Articles of Incorporation**

OF

Ky. Utilities Co

changing from Lexington

Increasing its Capital Stock from

$ ..... to $ .....

Organization Tax on Increase $ .....

Filed and Certificate Issued 2nd day of

February, 1917

Recording Fee $ 1.00 paid.

JAMES P. LEWIS,
Sec'y of State.

By L. Farmer
CHIEF CLERK CORPORATION DEPT.

Recorded in Corporation

Book No. 59 Page 411

Recorded ..... Compared N.S. & E.P.

Indexed .....

28494

AMENDMENT OF ARTICLES OF INCORPORATION OF

KENTUCKY UTILITIES COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That pursuant to the consent in writing of the owners of all of the capital stock of the Kentucky Utilities Company, and pursuant to resolution of its Board of Directors duly passed, the original Articles of Incorporation of said Company are amended as follows:

Section Second of said Articles of Incorporation is amended to read as follows:

> "SECOND: The name of the City or Town and County in which its principal office and place of business is to be located is the City of Louisville, County of Jefferson, State of Kentucky. The corporation may establish and maintain other offices either within or without the State of Kentucky."

IN TESTIMONY WHEREOF, we, the undersigned, Harry Reid, E. Van Aredel, T. J. Sprague and A. A. Tuttle, constituting a majority (four out of seven) of the Directors of the Kentucky Utilities Company, have hereunto set our hands this 18th day of January, 1917.

Harry Reid

T. J. Sprague

E. Van Aredel

A. A. Tuttle

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STATE OF KENTUCKY }
COUNTY OF JEFFERSON } SS.

I, J. M. McCrie, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Amended Articles of Incorporation of Kentucky Utilities Company were this day produced before me in said County by Harry Reid, E. Van Arsdel, T. J. Spragle and A. A. Tuttle, Director of said Company, and acknowledged and delivered by them to be their act and deed.

My commission will expire Dec. 26, 1920.

WITNESS my hand this 18 day of January, 1917.

J. M. McCrie
Notary Public, Jefferson County, Ky.

State of Kentucky, do certify that on this day at 10 o'clock A. M. the foregoing Amended Articles of Incorporation were produced to me in my Office and that I, have recorded them, this, and the foregoing certificate in my said Office

Witness my hand this 26 day of Jan 1917.
P. S. Ray Clerk

A COPY ATTEST,
P. S. RAY, CLERK
By R. Wright D. C.

22

Bundle 124

Box 313

28494

Louisville

Jefferson County.

**Amended Articles of Incorporation**

OF

Ky Utilities Co.

A duplicate certificate filed herewith.

Increasing its Capital Stock from

$2,000,000.00 to $5,000,000.00

Organization Tax on Increase $3,000.00

Filed and Certificate Issued 13th day of November, 1919

Recording Fee $2.00 paid.

JAMES P. LEWIS,
Sec'y of State.

By M. Lockett
CHIEF CLERK CORPORATION DEPT.

Recorded in Corporation

Book No. 71 Page 387

Recorded J.E.K. Compared B.E.C.&A.

Indexed HCH

28424

# COMMONWEALTH OF KENTUCKY

UNITED WE STAND DIVIDED WE FALL

OFFICE OF

## Secretary of State

JAMES P. LEWIS, SECRETARY.

CORPORATION DEPARTMENT.

The KENTUCKY UTILITIES COMPANY

a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky, a certified copy of the amended Articles of Incorporation, increasing its capital stock from $[illegible],000,000.00 to $5,000,000.00.

DUPLICATE

This certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness, My official signature, this 13th day of November 1919

James P. Lewis
Secretary of State

By M. Lockett
Chief Clerk

COMMONWEALTH OF KENTUCKY DEPARTMENT OF CORPORATIONS

AMENDMENT OF ARTICLES OF INCORPORATION 28494

OF

KENTUCKY UTILITIES COMPANY.

Pursuant to the written consent of stockholders of the Kentucky Utilities Company representing every share of its outstanding capital stock, the authorized capital stock of said corporation is hereby increased from $2,000,000 divided into 20,000 shares of $100. each to $5,000,000 divided into 50,000 shares of $100 each. Of said increased capital stock, 15,000 shares amounting to $1,500,000 shall be preferred stock and 15,000 shares amounting to $1,500,000 shall be common stock. The relative rights and preferences of such increased stock shall be the same in all respects as provided in Section Fourth of the original Articles of Incorporation of said corporation.

And pursuant to the written consent of stockholders representing every share of the outstanding capital stock of said corporation, the first paragraph of Section Fourth of the original Articles of Incorporation of said corporation is hereby amended so that, as amended, said paragraph shall read as follows:

> FOURTH: The total authorized capital stock of this corporation is Five Million Dollars ($5,000,000) divided into fifty thousand (50,000) shares of One Hundred Dollars ($100) each. Of said total authorized capital stock twenty-five thousand (25,000) shares amounting to Two Million Five Hundred Thousand Dollars ($2,500,000) shall be preferred stock and twenty-five thousand (25,000) shares amounting to Two Million Five Hundred Thousand Dollars ($2,500,000) shall be common stock.

IN TESTIMONY WHEREOF, we, the undersigned, being the President and a majority of the Directors of said corporation, have hereunto set our hands this 7th day of November, A.D., 1919.

Harry Reid
President of Kentucky Utilities Co.

Harry Reid

L. B. Herrington

A A Tuttle

Marlen J. Sweeney

Directors of Kentucky Utilities Co.

STATE OF KENTUCKY

COUNTY OF JEFFERSON:

I, M.S.Howard, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said County and acknowledged by Harry Reid as President, and Harry Reid, L. B. Herrington and A. A. Tuttle, as Directors, to be their act and deed.

My commission will expire March 15th, 1919.

WITNESS my signature this 7th day of November, 1919.

M. S. Howard
Notary Public, Jefferson County, Ky.

STATE OF ILLINOIS

COUNTY OF COOK:

I, R. M. Lee, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said County and acknowledged by Martin J. Insull, as Director, to be his act and deed.

My commission will expire June 21-1919

WITNESS my signature this 10th day of November, 1919.

R. M. Lee

Notary Public, Cook County, Illinois

I, FRED O. NUETZEL, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day at 2:20 o'clock P. M. the foregoing Articles of Incorporation were produced to me in my office, and that I have recorded them, this, and the foregoing certificate in my said office.

Witness my hand this 11 day of Nov 1919

Fred O Nuetzel Clerk.

A COPY ATTEST,

Clerk

John M Rickter

28494

# COMMONWEALTH OF KENTUCKY

OFFICE OF

## Secretary of State

FRED. A. VAUGHN, SECRETARY.

CORPORATION DEPARTMENT.

The Kentucky Utilities Company a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky, a certified copy of the amended Articles of Incorporation, increasing the capital stock from Five Million Dollars to Ten Million Dollars, the license fee of Five Thousand Dollars having been paid on the increase.

DUPLICATE

This certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness, My official signature, this 11th day of May, 1923

Fred A. Vaughan
Secretary of State.

By Hallie C. Hafer
Chief Clerk.

COMMONWEALTH OF KENTUCKY DEPARTMENT OF CORPORATIONS

22495

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
KENTUCKY UTILITIES COMPANY.

KNOW ALL MEN BY THESE PRESENTS: That by a vote of Stockholders of the Kentucky Utilities Company representing more than two-thirds of its capital stock at a special meeting of Stockholders held after notice of the meeting had been mailed to the address of each Stockholder more than twenty (20) days before said meeting, which said notice contained the statement that it was proposed at said meeting to increase the authorized Preferred Capital stock of the Kentucky Utilities Company to Five Million Dollars ($5,000,000), and to increase the authorized Common Capital stock of the Kentucky Utilities Company to Five Million Dollars ($5,000,000), the following resolution was adopted:

> "BE IT RESOLVED by the Stockholders of the Kentucky Utilities Company that the President and a majority of the Board of Directors be and they are hereby authorized, empowered and directed to prepare, execute and file an amendment to the Articles of Incorporation, increasing the authorized Preferred Capital stock to Five Million Dollars ($5,000,000) in par value, (and increasing the authorized Common Capital stock to Five Million Dollars ($5,000,000) in par value); and to take such further steps as may be necessary and proper to make said amendment effective as a part of the Articles of Incorporation of the Company.
>
> BE IT FURTHER RESOLVED that the relative rights and preferences of such increased stock shall be the same in all respects as provided in Section Fourth of the original Articles of Incorporation of said Corporation."

In accordance with the authority and direction of said resolution, the original Articles of Incorporation of Kentucky Utilities Company as heretofore amended are now further amended increasing the authorized Preferred Capital stock of said Company from Two Million Five Hundred Thousand Dollars ($2,500,000) to

Five Million Dollars ($5,000,000), and increasing the authorized Common Capital stock of said Company from Two Million, Five Hundred Thousand Dollars ($2,500,000) to Five Million Dollars ($5,000,000), and the relative rights and preferences of such increased stock shall be the same in all respects as provided in Section Fourth of the original Articles of Incorporation of said Company.

Further, the first paragraph of Section Fourth of the original Articles of Incorporation of said Company as said paragraph has been heretofore amended, is hereby amended so that, as amended, said paragraph shall read as follows:

> FOURTH: The total authorized Capital stock of this corporation is Ten Million Dollars ($10,000,000), divided into One Hundred Thousand (100,000) shares of One Hundred Dollars ($100) each. Of said total authorized capital stock, fifty thousand (50,000) shares amounting to Five Million Dollars ($5,000,000) shall be Preferred stock, and fifty thousand (50,000) shares amounting to Five Million Dollars ($5,000,000) shall be Common stock.

IN TESTIMONY WHEREOF, we, the undersigned, being the President and a majority of the Directors of said Corporation, have hereunto set our hands this 21st day of April, 1928.

Harry Reid
President of Kentucky Utilities Company

L. R. Humphrey
G. T. Bogard
J. M. McLean
[illegible]
Directors of Kentucky Utilities Company

STATE OF INDIANA
COUNTY OF MARION:

I, J. L. Tumbey, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by Harry Reid as President and Directors of said Company to be his act and deed.

27

My commission will expire July 26, 1926.

WITNESS my hand and Notarial seal this 21st day of April, 1925.

J. H. Trimble

Notary Public, Marion County, Indiana

STATE OF KENTUCKY
COUNTY OF JEFFERSON:

I, W. B. Wiesel, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by L. B. Harrington, G. T. Bogard, L. W. McLellen and A. A. Tuttle as Directors of Kentucky Utilities Company to be their act and deed.

My commission will expire January 13, 1924.

WITNESS my hand and Notarial seal this 22nd day of April, 1925.

W. B. Wiesel

Notary Public, Jefferson County, Ky.

*I, FRED G. NUETZEL, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day at 2 O'clock — M. the foregoing Articles of Incorporation were produced to me in my office, and that I, have recorded them, this, and the foregoing certificate in my said office.*

*Witness my hand this 7 day of May 1923.*

Fred G. Nuetzel, Clerk

A COPY ATTEST

Fred G. Nuetzel Clerk

By Fred G. Nuetzel D.C.

28

Bundle 12

Box 313

28494

Louisville

Jefferson County.

**Amended Articles of Incorporation**

OF

Kentucky Utilities Company

Increasing ~~its Capital Stock from~~ understanding

$ _____ to $ _____

Organization Tax on Increase $ _____

Filed and Certificate Issued 14 day of

January, 192

Recording Fee $ 1.50 paid.

FRED A. VAUGHAN,

Sec'y of State.

By K. C. Hempson

CHIEF CLERK CORPORATION DEPT.

Recorded in Corporation

Book No. 89 Page 598

Recorded [illegible] Compared [illegible]

Indexed [illegible]

28494

# COMMONWEALTH OF KENTUCKY

## Office of Secretary of State

FRED. A. VAUGHAN, SECRETARY.

CORPORATION DEPARTMENT.

The Kentucky Utilities Company a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky, a certified copy of the amended Articles of Incorporation, placing the limit of corporate indebtedness at Fifteen Million Dollars.

DUPLICATE

This certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness, My official signature, this 14th day of September 1922.

Fred A. Vaughan Secretary of State

By Hallie C. Hanson Chief Clerk

COMMONWEALTH OF KENTUCKY DEPARTMENT OF CORPORATIONS

5/11/23 28499

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY.

---

KNOW ALL MEN BY THESE PRESENTS: That pursuant to the consent in writing of the owners of more than two-thirds of the Capital Stock of the Kentucky Utilities Company, the original Articles of Incorporation of said Company are hereby amended by amending Section Eighth thereof, so that said section as so amended shall read as follows:

> "EIGHTH: The highest amount of indebtedness or liability which the corporation may at any time incur shall be Fifteen Million Dollars ($15,000,000.)."

IN TESTIMONY WHEREOF, we, the undersigned, being the President and all of the Directors of said Corporation, have hereunto set our hands this 12th day of September, 1923.

President and Director of Kentucky Utilities Company.

L. B. Herrington
E. T. Bogard
F. D. McLellan
A. A. Turner

Directors of Kentucky Utilities Company.

STATE OF KENTUCKY
COUNTY OF JEFFERSON:

I, D. B. Wieand, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by Harry Reid as President and Director of said Company, and by L.B.Herrington, G.T.Bogard, L.W.McLellen and A.A.Tuttle as Directors of said Company to be their act and deed.

My Commission will expire January 13 1924

WITNESS my hand this 12 day of September, 1923.

D. B. Wieand
Notary Public, Jefferson County, Ky.

I, FRED O. NUETZEL, Clerk of the County Court of Jefferson County in the State of Kentucky, do certify that on this day at 3:25 o'clock P. M. the foregoing Amended Articles of Incorporation were produced to me in my office, and that I have recorded them, this, and the foregoing certificate in my said office.

Witness my hand this 12 day of Sept. 1923.

Fred O. Nuetzel Clerk

A COPY ATTEST

Fred O. Nuetzel Clerk

By John M. Pielotto D.C.

28494

# COMMONWEALTH OF KENTUCKY

OFFICE OF

## Secretary of State

Emma G. Carrollton, Secretary

CORPORATION DEPARTMENT.

The Kentucky Utilities Company. Louisville, KY.

a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky, a certified copy of the amended Articles of Incorporation, Amending Article 4 By Increasing Capital Stock From ($10.000.000/oo.) Ten Million To ($15.000.000/oo.) Fifteen Million Dollars

Organization Tax of ($5.000/oo.) Five Thousand Dollars Paid.

This certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness My official signature, this 24 day of March 1924

Secretary of State

By Chief Clerk

DUPLICATE

## AMENDED ARTICLES OF INCORPORATION

## OF

## KENTUCKY UTILITIES COMPANY

We, the undersigned, Harry Reid, as President, and L. B. Herrington, A. A. Tuttle, L. W. McLellan and G. F. Bogard, being five (5) out of seven (7) Directors of the Kentucky Utilities Company, a corporation organized under the laws of the Commonwealth of Kentucky in the year 1918, duly authorized in the premises and acting on behalf of said Company, do hereby certify that on the 19th day of March, 1924, by a vote of the holders of two-thirds of the stock of said Company, at a meeting called by a majority of the Board of Directors and held at the office of the Company in the City of Louisville, Jefferson County, Kentucky, at which meeting holders of more than two-thirds of the capital stock were present in person or by proxy, after written notices of the time, place and object of such meeting had been mailed to each Stockholder for more than twenty (20) days prior to said meeting, and the owners of more than two-thirds of the capital stock of said Company having agreed in writing to the increase of the capital stock hereinafter set forth, it was resolved as follows:

"That Article Fourth of the Articles of Incorporation of this Company be and the same is hereby amended so as to read as follows:-

FOURTH: The total authorized capital stock of this corporation is Fifteen Million Dollars ($15,000,000), divided into 200,000 shares, 100,000 shares of which shall be of the par value of $100 each, and the remaining 100,000 shares shall be of the par value of $50 each. Of said total authorized capital stock, 50,000 shares of the par value of One Hundred Dollars ($100) each,

amounting to Five Million Dollars ($5,000,000) shall be Preferred Stock; 100,000 shares of the par value of $50 each, amounting to Five Million Dollars ($5,000,000), shall be Junior Cumulative Preferred Stock, and 50,000 shares of the par value of $100 each, amounting to Five Million Dollars ($5,000,000) shall be Common Stock.

The holders of the Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors from the surplus or net profits of the corporation, yearly dividends at the rate of 6% per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the Preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on the Junior Cumulative Preferred Stock or the Common Stock shall be paid or set apart; so that if in any year dividends amounting to 6% shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Junior Cumulative Preferred stock and/or the Common stock. Accumulations of dividends upon the Preferred stock shall not bear interest.

The holders of the Junior Cumulative Preferred stock shall be entitled to receive, when and as declared by the Board of Directors, from the surplus or net profits of the corporation, yearly dividends at the rate of 7 per centum per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on Junior Cumulative Preferred stock from and after its issuance shall be cumulative and shall be payable before any dividends on the Common stock shall be paid or set apart; so that if in any year dividends amounting to 7% shall not have been paid on the Junior Cumulative Preferred stock, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Common stock. Accumulations of dividends upon the Junior Cumulative Preferred stock shall not bear interest.

When all cumulative dividends on the Preferred stock and on the Junior Cumulative Preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Company shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits, a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the Common stock, payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the Preferred stock shall be entitled to be paid in full both the par amount of their shares and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of Junior Cumulative Preferred stock or the holders of the Common stock; and after the payment to the holders of the Preferred Stock of its par value and the unpaid accrued dividends thereon, the holders of the Junior Cumulative Preferred stock shall be entitled to be paid in full both the par amount of their shares, and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of the Common stock; and after payment to the holders of the Junior Cumulative Preferred stock of its par value and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the Common stock according to their respective shares.

So long as the said dividends on said Preferred capital stock and said Junior Cumulative Preferred capital stock shall be paid quarterly, as aforesaid, the holders of the Preferred stock and of the Junior Cumulative Preferred stock shall have no voting power on any question except as may be provided by law, but should any dividend upon any shares of said stock not be paid when payable, as aforesaid, and remain so unpaid for a period of six months, then and thereafter so long as such dividend or any part thereof remains unpaid, the holder of said shares in respect of which such dividend or any part thereof remains unpaid, shall be entitled as to each of said shares to the same voting power as belongs to a share of common stock, but upon such dividend being paid the voting power upon such shares shall again cease. Each share of common stock shall be entitled to one vote upon all questions voted upon at stockholders meetings, but at all elections of directors of the corporation each holder of common stock shall (have the right to cast as many votes as shall) equal the number of shares of common stock held by him multiplied by the number of directors to be elected, and may cast the whole number of votes for one director or may distribute such votes among two or more directors, as he sees fit.

The Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation, at any time after five (5) years from the date of incorporation, at One Hundred and Ten Dollars ($110) for each share, and the amount of any dividends accumulated and unpaid thereon at the date of redemption. The Junior Cumulative Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation at any time after March first, 1929, at Fifty-five Dollars ($55) for each share and the amount of any dividends accumulated and unpaid thereon at the date of redemption. In the event of the exercise by the corporation of its right to redeem the Preferred stock or Junior Cumulative Preferred stock, then from and after the date fixed for such redemption, the right of the holders of such stock so called for redemption, to receive dividends thereon, shall cease and such stock shall not be transferable on the books of the corporation, except to the corporation, and thereafter the holders of such stock shall have no rights in or in respect to the corporation, other than the right to receive the redemption price, and all dividends accrued to the date fixed for such redemption, without interest, upon the surrender of the certificate or certificates for such stock.

Any and all stock of any class or classes of the corporation at any time authorized and unissued may be issued and disposed of from time to time in such manner and to such persons, whether stockholders or not, and for such corporate purposes, as may be determined by the Board of Directors of the corporation, and without first being offered to stockholders.

BE IT FURTHER RESOLVED: That the President and a majority of the Board of Directors of this Company be and they are hereby instructed to file a statement of such amendment to the Articles of Incorporation, increasing its capital stock, with the County Clerk of Jefferson County, Kentucky, and with the Secretary of State of Kentucky, and to pay the necessary tax and recording fees incident thereto."

Pursuant to the aforesaid resolution and consent of the Stockholders, this amendment to the Articles of Incorporation of said Company is filed.

WITNESS our hands as President and a majority of the Board of Directors this 19th day of March, 1924.

Harry Reid

L. B. Herrington

G. T. Bogard

L. T. McLellan

A. A. Tuttle

STATE OF KENTUCKY )
(
COUNTY OF JEFFERSON )

I, M. B. Willard, a Notary Public in and for the State and County aforesaid, do certify that the foregoing amendment to the Articles of Incorporation of Kentucky Utilities Company was this day produced to me in said County and acknowledged by Harry Reid as President, and L. B. Herrington, A. A. Tuttle, L. T. McLellan and G. T. Bogard as Directors, to be the act and deed of said corporation.

My commission will expire January 8, 1928.

WITNESS my hand this 19th day of March, 1924.

M. B. WILLARD
NOTARY PUBLIC JEFFERSON COUNTY
KENTUCKY.

I, FRED O. NUETZEL, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day the foregoing Articles of Incorporation were produced to me in said office, and that I have recorded them, with the foregoing certificate, in my said office.

Witness my hand this 21 day of March 1924

Fred O. Nuetzel Clerk.

A COPY ATTEST

Clerk

35

Bundle 62

Box 313

Louisville 28

Jefferson County.

**Amended Articles of Incorporation**

OF

Kentucky Utilities Company

Increasing its Capital Stock from

$15,000,000.00 to $30,000,000.00

Organization Tax on Increase $15,000.00

Filed and Certificate Issued day of

AUG 20 1925, 192

Recording Fee $3.00 paid.

EMMA GUY CROMWELL,
Sec'y of State.

By C. D. Roberts
Chief Clerk Corporation Dept.

Recorded in Corporation

Book No. 96 Page 356

Recorded L. M. L. Compared J. F. M.

Indexed H

28494

# Commonwealth of Kentucky

## Office of Secretary of State

EMMA GUY CROMWELL, SECRETARY

## CORPORATION DEPARTMENT

The " Kentucky Utilities Company " Louisville, KY.

a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky a certified copy of the amended Articles of Incorporation, amending Article 4 increasing Capitol stock from Fifteen Million Dollars ($15,000,000/00) To (Thirty Million Dollars. ($30,000,000/00.)

Organization Tax of ($15,000.00.) Fifteen Thousand Dollars.(Paid)

this certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness, My official signature, this 20th day of August 1925

Emma Guy Cromwell
Secretary of State.

By C. D. Roberts
Chief Clerk.

AMENDED ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY.

We, the undersigned, HARRY REID as President and Director, and L. B. HERRINGTON, A.A.TUTTLE, L.W.McLELLEN and G.T.BOGARD, being five (5) of the seven (7) members constituting the Board of Directors of the KENTUCKY UTILITIES COMPANY, a corporation organized under the laws of the Commonwealth of Kentucky in the year 1912, duly authorized in the premises and acting on behalf of said Company, do hereby certify that on the 5th day of August, 1925, by a vote of the holders of more than two-thirds of the capital stock of said Company, at a meeting called by the Board of Directors and held in the office of the Company in the City of Louisville, Jefferson County, Kentucky, at which meeting holders of more than two-thirds of the capital stock were present in person or by proxy, after written notices of the time, place and object of such meeting had been mailed to each Stockholder for more than twenty (20) days prior to said meeting, and the owners of more than two-thirds of the capital stock having agreed in writing to the increase of the capital stock hereinafter set forth, the following resolution was adopted:

"That Article Fourth of the Articles of Incorporation of this Company be and the same is hereby amended so as to read as follows:

FOURTH: The total authorized capital stock of this Corporation is Thirty Million Dollars ($30,000,000), divided into four hundred thousand (400,000) shares, two hundred thousand (200,000) shares of which shall be of the par value of $100.00

each, and the remaining two hundred thousand (200,000) shares of which shall be of the par value of $50.00. each. Of said total authorized capital stock, one hundred thousand (100,000) shares of the par value of $100.00 each, amounting to Ten Million Dollars ($10,000,000), shall be Preferred stock; two hundred thousand (200,000) shares of the par value of $50.00 each, amounting to Ten Million Dollars ($10,000,000), shall be Junior Cumulative Preferred stock; and one hundred thousand (100,000) shares of the par value of $100.00 each, amounting to Ten Million Dollars ($10,000,000), shall be Common stock.

The holders of the Preferred stock shall be entitled to receive, when and as declared by the Board of Directors from the surplus or net profits of the corporation, yearly dividends at the rate of 6% per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the Preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on the Junior Cumulative Preferred stock or the Common stock shall be paid or set apart; so that if in any year dividends amounting to 6% shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Junior Cumulative Preferred stock and or the Common stock. Accumulations of dividends upon the Preferred stock shall not bear interest.

The holders of the Junior Cumulative Preferred stock shall be entitled to receive, when and as declared by the Board of Directors, from the surplus or net profits of the corporation, yearly dividends at the rate of 7% per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on Junior Cumulative Preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on the Common stock shall be paid or set apart; so that if in any year dividends amounting to 7% shall not have been paid on the Junior Cumulative Preferred stock, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Common stock. Accumulations of dividends upon the Junior Cumulative Preferred stock shall not bear interest.

When all cumulative dividends on the Preferred stock and on the Junior Cumulative Preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Company shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits, a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the Common stock, payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the Preferred stock shall be entitled to be paid in full both the par amount of their

shares and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of Junior Cumulative Preferred stock or holders of the Common stock; and after the payment to the holders of the Preferred stock of its par value and the unpaid accrued dividends thereon, the holders of the Junior Cumulative Preferred stock shall be entitled to be paid in full both the par amount of their shares, and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of the Common stock; and after payment to the holders of the Junior Cumulative Preferred stock of its par value and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the Common stock according to their respective shares.

So long as the said dividends on said Preferred capital stock and said Junior Cumulative Preferred capital stock shall be paid quarterly, as aforesaid, the holders of the Preferred stock and of the Junior Cumulative Preferred stock shall have no voting power on any question except as may be provided by law, but should any dividend upon any shares of said stock not be paid when payable as aforesaid, and remain so unpaid for a period of six months, then and thereafter so long as such dividends or any part thereof remains unpaid, the holder of said shares in respect of which such dividends or any part thereof remains unpaid, shall be entitled as to each of said shares to the same voting power as belongs to a share of Common stock, but upon such dividend being paid the voting power upon such shares shall again cease. Each share of Common stock shall be entitled to one vote upon all questions voted upon at stockholders' meetings, but at all elections of Directors of the corporation each holder of Common stock shall have the right to cast as many votes as shall equal the number of shares of Common stock held by him multiplied by the number of Directors to be elected, and may cast the whole number of votes for one Director or may distribute such votes among two or more Directors, as he sees fit.

The Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation, at any time after five (5) years from the date of incorporation, at One Hundred and Ten Dollars ($110) for each share, and the amount of any dividends accumulated and unpaid thereon at the date of redemption. The Junior Cumulative Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation at any time after March 1st, 1929, at Fifty-five Dollars ($55) for each share and the amount of any dividends accumulated and unpaid thereon at the date of redemption. In the event of the exercise by the corporation of its right to redeem the Preferred stock or Junior Cumulative Preferred stock, then from and after the date fixed for such redemption, the right of the holders of such stock so called for redemption, to receive dividends thereon, shall cease and such stock shall not be transferable on the books of the corporation, except to the corporation, and thereafter the holders of such stock shall have no rights in or in respect to the corporation, other than the right to receive the redemption price, and all dividends accrued to the

date fixed for such redemption, without interest, upon the surrender of the certificate or certificates for such stock.

Any and all stock of any class or classes of the corporation at any time authorized and unissued may be issued and disposed of from time to time in such manner and to such persons, whether stockholders or not, and for such corporate purposes, as may be determined by the Board of Directors of the corporation, and without first being offered to stockholders.

BE IT FURTHER RESOLVED: That the President and a majority of the Board of Directors of this Company be and they are hereby instructed to file a statement of such amendment to the Articles of Incorporation, increasing its capital stock, with the County Clerk of Jefferson County, Kentucky, and with the Secretary of State of Kentucky, and to pay the necessary tax and recording fees incident thereto."

Pursuant to the aforesaid resolution and consent of the Stockholders, this amendment to the Articles of Incorporation of said Company is filed.

WITNESS our hands as President and a majority of the Board of Directors this 5th day of August, 1925.

HR _____ PRESIDENT & DIRECTOR

LBH L. B. Herrington DIRECTOR

AA _____ DIRECTOR

LWM _____ DIRECTOR

GTB G. T. Bogard DIRECTOR

STATE OF KENTUCKY
COUNTY OF JEFFERSON:

I, M. B. Willard, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of KENTUCKY UTILITIES COMPANY was this day produced before me in said County and acknowledged and delivered by Harry Reid as President and Director, and by L. B. Herrington, A. A. Tuttle, L. W. McLellen and

G. T. Bogard as Directors to be their act and deed and to be the act and deed of said corporation.

My commission will expire January 8 1926

WITNESS my hand this 5th day of August, 1925.

W. B. Vincent
Notary Public, Jefferson County, Ky.

I, FRED GUNTHER, Clerk of the Circuit Court of Jefferson County, in the State of Kentucky, do certify that on the 15th day of Aug 1925 at 2 o'clock P M the foregoing Articles of Incorporation were produced to me in my office, and that I have recorded the same, this, and the foregoing certificate in my said office.

Witness my hand this 18 day of Aug 1925.

Fred Gunther Clerk

A COPY ATTEST

Fred Gunther Clerk

By Mary J. Schuster D.C.

40

Bundle 62

Box 313

Louisville 28494

Jefferson County.

**Amended Articles of Incorporation**

OF

Kentucky Utilities Company

#8 Debt Limit at 25,000,000

Increasing its Capital Stock from

$ to $

Organization Tax on Increase $

Filed and Certificate Issued day of

FEB 11 1926, 192

Recording Fee $ 1.50 paid.

EMMA GUY CROMWELL

Sec'y of State.

By C. D. Roberts

Chief Clerk Corporation Dept.

Recorded in Corporation

Book No. 98 Page 174

Recorded MMK Compared

Indexed

25494

# Commonwealth of Kentucky

Office of **Secretary of State**

EMMA GUY CROMWELL, SECRETARY

## CORPORATION DEPARTMENT

*The* "Kentucky Utilities Company" Louisville, KY.

*a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky a certified copy of the amended Articles of Incorporation,* amending art 8 Lasing Amount of Indebtedness & Liability that may incur not to exceed Twenty Five Million Dollars (25,000,000/00.) including any mortgage Indebtedness of said corporation

DUPLICATE

*this certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.*

*Witness, My official signature, this* 11th *day of* February, 1926

Emma Guy Cromwell
*Secretary of State.*

By W. D. Roberts.
*Chief Clerk.*

AMENDMENT TO ARTICLES OF INCORPORATION
KENTUCKY UTILITIES COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That Harry Reid, as President, L.B. Herrington, G. T. Bogard, L.W. McClellan and A.A. Tuttle, Directors, being a majority of the directors of the Kentucky Utilities Company, a Kentucky corporation, do hereby certify that the owners and holders of all the outstanding common capital stock of said corporation, have consented in writing that Article Eighth of the Articles of Incorporation of said Company, may be amended so as to read as follows:

> "Article Eighth: The highest amount of indebtedness or liability which this Company may at any time incur, is Twenty-Five Million Dollars ($25,000,000.00), including any mortgage indebtedness of said corporation".

We do further certify that said stockholders have authorized and directed the undersigned to prepare and file such an amendment; and pursuant to said direction and authority, said Articles of Incorporation are hereby amended in the particulars above set out.

IN WITNESS WHEREOF, witness our signatures this 10th day of February, 1926.

Harry Reid President

L.B. Herrington Director

A.A. Tuttle Director

L.W. McClellan Director

G.T. Bogard Director

41

STATE OF KENTUCKY
COUNTY OF JEFFERSON:

I, Mary B. Sattzberg, Notary Public, in and for the state and county aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said county, and acknowledged and delivered by Harry Reid as President, L.B. Herrington, G.T. Bogard, L.W. McClellen and A.A. Tuttle, Directors, to be the act and deed of the Kentucky Utilities Company.

Witness my signature this 10th day of February, 1926.

My commission expires January 28, 1928

Mary B. Sattzberg
Notary Public, Jefferson Co. Ky.

I, FRED O. NUETZEL, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day at 2:40 O'clock P M the foregoing Amended Articles of Incorporation were produced to me in my office, and that I have recorded them, this, and the foregoing certificate in my said office.

Witness my hand this 10 day of Feby 1926

Fred O. Nuetzel Clerk

A COPY ATTEST

Clerk

Frank J. Chandler D.C.

42

28494

# Commonwealth of Kentucky

Office of **Secretary of State**

ELLA LEWIS, SECRETARY

## CORPORATION DEPARTMENT

*The* Kentucky Utilities Company, Louisville, Ky.

*a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky, having this day filed in the office of the Secretary of State of the State of Kentucky a certified copy of the amended Articles of Incorporation,* increased amount of indebtedness liability which company may at any time incur, is fifty million dollars ($50,000,000/00) including any mortgage indebtedness of said corporation.

DUPLICATE

*this certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.*

*Witness, My official signature, this* 12th *day of* February, 1929

Ella Lewis
Secretary of State.

By C. D. Roberts
Chief Clerk.

## AMENDMENT TO ARTICLES OF INCORPORATION

## KENTUCKY UTILITIES COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That L. B. Herrington, as President, G. T. Bogard, L. W. Mc Lellen, R. M. Watt and A. A. Tuttle, Directors, being a majority of the directors of the Kentucky Utilities Company, a Kentucky corporation, do hereby certify that the owners and holders of all the outstanding common capital stock of said corporation, have consented in writing that Article Eighth of the Articles of Incorporation of said Company, may be amended so as to read as follows: -

> "Article Eighth: The highest amount of indebtedness or liability which this Company may at any time incur, is Fifty Million Dollars ( $ 50,000,000.00 ), including any mortgage indebtedness of said corporation."

We do further certify that said stockholders have authorized and directed the undersigned to prepare and file such an amendment; and pursuant to said direction and authority, said Articles of Incorporation are hereby amended in the particulars above set out.

IN WITNESS WHEREOF, witness our signatures this 7th day of February, 1929.

| | |
|---|---|
| L. B. HERRINGTON | President. |
| G. T. BOGARD | Director. |
| L. W. Mc LELLEN | Director. |
| R. M. WATT | Director. |
| A. A. TUTTLE | Director. |

STATE OF KENTUCKY )
)
COUNTY OF JEFFERSON )

I, M. B. Willard, Notary Public, in and for the state and county aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company was this day produced before me in said county, and acknowledged and delivered by L. B. Herrington as President, G. T. Bogard, L. G. Mc Lellen, H. M. Watt and A. A. Tuttle, Directors, to be the act and deed of the Kentucky Utilities Company.

Witness my signature this 7th day of February, 1929.

My commission expires December 30th, 1931.

M. B. WILLARD

S E A L

Notary Public, Jefferson County, Ky.

[redacted] 28444

Jefferson County.

**Amended Articles of Incorporation**

or

Kentucky Utilities Company

Increasing its Capital Stock from

$30,000,000 to $35,000,000 00

Organization Tax on Increase $ 5000 00

Certificate Issued day of

NOV 25 1929, 192

Recording Fee $ 4 50 paid.

[redacted]

Sec'y of State.

By

Chief Clerk Corporation Dept.

Recorded in Corporation

Book No. 113 Page 1

Recorded M. L. Compared O.C.A. & L.P.

Indexed O.C.A.

28424

# Commonwealth of Kentucky

## Office of Secretary of State

ELLA LEWIS, SECRETARY

## CORPORATION DEPARTMENT

*The* Kentucky Utilities Company. Louisville. KY.

*a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky; having this day filed in the office of the Secretary of State of the State of Kentucky a certified copy of the amended Articles of Incorporation,* Increasing Capital stock from Thirty Million ($30.000.000/00.) To Thirty Five Million ($35.000.000/00.) dollars.

Organization Tax of Five Thousand($5.000/00.) Paid.

DUPLICATE

*this certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.*

*Witness, My official signature, this* 25th *day of* November, 192 9

Ella Lewis
*Secretary of State.*

By C D Mabrey
*Chief Clerk.*

AMENDED ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

We, the undersigned, L. B. Herrington as President and Director, and G. T. Bogard, A. A. Tuttle and L. W. McLellen, being four (4) of the seven (7) members constituting the Board of Directors of the Kentucky Utilities Company, a corporation organized under the laws of the Commonwealth of Kentucky in the year 1912, duly authorized in the premises and acting on behalf of said Company, do hereby certify that on the 20th date of November, 1929, by a vote of the holders of more than two-thirds of the capital stock of said Company, at a meeting called by the Board of Directors and held in the office of the Company in the City of Louisville, Jefferson County, Kentucky, at which meeting holders of more than two-thirds of the capital stock were present in person or by proxy, after written notices of the time, place and object of such meeting had been mailed to each stockholder for more than twenty (20) days prior to said meeting, and the owners of more than two-thirds of the capital stock having agreed in writing to the increase of the capital stock hereinafter set forth, the following resolution was adopted:

"That Article Fourth of the Article of Incorporation of this Company be and the same is hereby amended so as to read as follows:

FOURTH: The total authorized capital stock of this Corporation is Thirty-five Million Dollars ($35,000,000), divided into four hundred and fifty thousand (450,000) shares, two hundred and fifty thousand (250,000) shares of which shall be of the par value of $100.00 each, and the remaining two hundred thousand (200,000) shares of which shall be of the par value of $50.00 each. Of said total authorized capital stock, one hundred thousand (100,000) shares

of the par value of $100.00 each, amounting to Ten Million Dollars ($10,000,000), shall be Preferred stock; two hundred thousand (200,000) shares of the par value of $50.00 each, amounting to Ten Million Dollars ($10,000,000), shall be Junior Cumulative Preferred stock; and one hundred and fifty thousand (150,000) shares of the par value of $100.00 each, amounting to Fifteen Million Dollars ($15,000,000), shall be Common stock.

The holders of the Preferred stock shall be entitled to receive, when and as declared by the Board of Directors from the surplus or net profits of the corporation, yearly dividends at the rate of 6% per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the Preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on Junior Cumulative Preferred stock or the Common stock shall be paid or set apart; so that if in any year dividends amounting to 6% shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Junior Cumulative Preferred stock and or the Common stock. Accumulations of dividends upon the Preferred stock shall not bear interest.

The holders of the Junior Cumulative Preferred stock shall be entitled to receive, when and as declared by the Board of Directors, from the surplus or net profits of the corporation, yearly dividends at the rate of 7% per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on Junior Cumulative Preferred stock from and after its issuance shall be cumulative, and shall be payable before any dividends on the Common stock shall be paid or set apart; so that if in any year dividends amounting to 7% shall not have been paid on the Junior Cumulative Preferred stock, the deficiency shall be payable before any dividends shall be paid upon or set apart for the Common stock. Accumulations of dividends upon the Junior

Cumulative Preferred stock shall not bear interest.

When all cumulative dividends on the Preferred stock and on the Junior Cumulative Preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Company shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits, a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the Common stock payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the Preferred stock shall be entitled to be paid in full both the par amount of their shares and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of Junior Cumulative Preferred stock or holders of the Common stock; and after the payment to the holders of the Preferred stock of its par value and the unpaid accrued dividends thereon, the holders of the Junior Cumulative Preferred stock shall be entitled to be paid in full both the par amount of their shares, and the unpaid dividends accrued thereon, before any amount shall be paid to the holders of the Common stock; and after payment to the holders of the Junior Cumulative Preferred stock of its par value and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the Common stock according to their respective shares.

So long as the said dividends on said Preferred capital stock and said Junior Cumulative Preferred capital stock shall be paid quarterly, as aforesaid, the holders of the Preferred stock and of the Junior Cumulative Preferred stock shall have no voting power on

any question except as may be provided by law, but should any dividend upon any shares of said stock not be paid when payable, as aforesaid, and remain so unpaid for a period of six months, then and thereafter so long as such dividends or any part thereof remains unpaid, the holder of said shares in respect of which such dividends or any part thereof remains unpaid, shall be entitled as to each of said shares to the same voting power as belongs to a share of Common stock, but upon such dividend being paid the voting power upon such shares shall again cease. Each share of Common stock shall be entitled to one vote upon all questions voted upon at stockholders' meetings, but at all elections of Directors of the corporation each holder of Common stock shall have the right to cast as many votes as shall equal the number of shares of Common stock held by him multiplied by the number of Directors to be elected, and may cast the whole number of votes for one Director or may distribute such votes among two or more Directors, as he sees fit.

The Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation, at any time after five years from the date of incorporation, at One Hundred and Ten Dollars ($110) for each share, and the amount of any dividends accumulated and unpaid thereon at the date of redemption. The Junior Cumulative Preferred stock, or any part thereof, shall be subject to redemption at the option of the Board of Directors of the corporation at any time after March 1st, 1929, at Fifty-five Dollars ($55) for each share and the amount of any dividends accumulated and unpaid thereon at the date of redemption. In the event of the exercise by the corporation of its right to redeem the Preferred stock or Junior Cumulative Preferred stock, then from and after the date fixed for such redemption, the right of the holders of such stock

so called for redemption, to receive dividends thereon, shall cease and such stock shall not be transferable on the books of the corporation, except to the corporation, and thereafter the holders of such stock shall have no rights in or in respect to the corporation, other than the right to receive the redemption price, and all dividends accrued to the date fixed for such redemption, without interest, upon the surrender of the certificate or certificates for such stock.

Any and all stock of any class or classes of the corporation at any time authorized and unissued may be issued and disposed of from time to time in such manner and to such persons, whether stockholders or not, and for such corporate purposes, as may be determined by the Board of Directors of the corporation, and without first being offered to stockholders.

BE IT FURTHER RESOLVED: That the President and a majority of the Board of Directors of this Company be and they are hereby instructed to file a statement of such amendment to the Articles of Incorporation, increasing its capital stock, with the County Clerk of Jefferson County, Kentucky, and with the Secretary of State of Kentucky, and to pay the necessary tax and recording fees incident thereto."

Pursuant to the aforesaid resolution and consent of the Stockholders, this amendment to the Articles of Incorporation of said Company is filed.

WITNESS our hands as President and a majority of the Board of Directors this 20th day of November, 1929.

L. B. Herrington President and Director,
W. E. Bogard Director,
C. A. Turner Director,
J. M. McKellen Director,

STATE OF KENTUCKY )
)
COUNTY OF JEFFERSON )

I, M. B. Willard, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by L. B. Herrington as President and Director, and by A. A. Tuttle, L. W. Mc Lellan and G. T. Bogard as Directors, to be their act and deed and to be the act and deed of said corporation.

My commission will expire December 30 1931.

WITNESS my hand this 20th day of November, 1929.

M. B. Willard
Notary Public, Jefferson County, Ky.

I, W. G. Stiglitz, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day at 11:30 o'clock A M., the foregoing Amended Articles of Incorporation were produced to me in my office, and that I, have recorded them, this, and the foregoing certificate in my said office.

WITNESS my hand this 23 day of November, 1929.

W. G. Stiglitz, Clerk.

A COPY ATTEST.
W. G. Stiglitz Clerk
By E. H. Shanks D. C.

50

# Commonwealth of Kentucky

Office of **Secretary of State**

SARA W. MAHAN, SECRETARY

CORPORATION DEPARTMENT

The Kentucky Utilities Company. Louisville. KY.

a Corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky; having this day filed in the office of the Secretary of State of the State of Kentucky a certified copy of the amended Articles of Incorporation, Changing Principal place of business to Lexington, Fayette County. Ky.

Art #7 to number of directors.

DULY

this certificate is issued as evidence of the fact that the said corporation has amended its charter as above set out in the manner prescribed by law.

Witness, my official signature, this 27th day of November, 193 5

Sara W. Mahan
Secretary of State

By [illegible]
Duty Clerk

AMENDMENT TO ARTICLES OF INCORPORATION

KENTUCKY UTILITIES COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That R. M. Watt as Executive Vice-President, Daniel C. Green, Charles A. Mc Culloch, A. A. Tuttle, and G. T. Bogard, Directors, being a majority of the directors of Kentucky Utilities Company, a Kentucky corporation, do hereby certify that the owners and holders of all the outstanding voting Capital Stock of said corporation, have consented in writing that Article Second of the Articles of Incorporation of said Company be amended so that same when so amended shall read as follows: -

> "SECOND: The name of the City or Town and County in which its principal office and place of business is to be located is the City of Lexington, County of Fayette, State of Kentucky. The corporation may establish and maintain other offices either within or without the State of Kentucky."

and have further consented in writing that Section Seventh of the Articles of Incorporation of said Company be amended so that same, when so amended, shall read as follows: -

> "SEVENTH: The affairs of the corporation shall be conducted by a Board of Directors of not less than five (5) nor more than nine (9) stockholders, who shall be elected at the annual meeting of the corporation at the principal office of the Company in Kentucky, on a day to be fixed in the by-laws. The Board of Directors as soon as practicable after their election in each year, shall elect from among their number a President, one or more Vice-Presidents and shall appoint a Secretary, a Treasurer and Auditor, none of which appointed officers need be members of the Board of Directors. The Board may also appoint for any year an Assistant Secretary, an Assistant Treasurer, and such other officers as may, from time to time, be provided for by the Board."

We do further certify that said stockholders have authorized and directed the undersigned to prepare and file such amendments and pursuant to said direction and authority, said Articles of Incorporation are hereby amended in the particulars above set out.

IN TESTIMONY WHEREOF, Witness our signatures this 31st day of October, 1933.

R. M. Watt
EXECUTIVE VICE-PRESIDENT

DIRECTOR

Charles G. McCallum
DIRECTOR

A. A. Tuttle
DIRECTOR

G. T. Bogard
DIRECTOR

STATE OF KENTUCKY

COUNTY OF FAYETTE

I, Louise Price, Notary Public, in and for the state and county aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company, was this day produced before me in said county and acknowledged and delivered by R. M. Watt, as Executive Vice-President, A. A. Tuttle and G. T. Bogard, directors, to be the act and deed of the Kentucky Utilities Company.

WITNESS my signature this 31 day of October, 1933.

Louise Price
Notary Public, Fayette County
Kentucky.

My commission expires July 19, 1937

52

STATE OF ILLINOIS

COUNTY OF COOK

I, M. K. Graham, Notary Public, in and for the state and county aforesaid, do hereby certify that the foregoing amendment to the Articles of Incorporation of the Kentucky Utilities Company, was this day produced before me in said county and acknowledged and delivered by Daniel C. Green, and Charles A. Mc Culloch, Directors, to be the act and deed of the Kentucky Utilities Company.

WITNESS my signature this 16th day of November, 1933.

M. K. Graham
Notary Public, Cook County, Illinois.

My Commission Expires March 25, 1936

I, JOHN P. GRIEB, Clerk of the County Court of Jefferson County, in the State of Kentucky, do certify that on this day at 9 o'clock A.M. the foregoing amendment Articles of Incorporation were produced to me in my office, and that I have recorded them, this, and the foregoing certificate in my said office.

Witness my hand this 24 day of November 1933

John P. Grieb Clerk

A COPY, ATTEST:

John P. Grieb Clerk

By John P. Wilcox D. C.

53

I, E. H. Fuller, Clerk of the County Court of Fayette County, in the State of Kentucky, do hereby certify that on this day the foregoing AMENDMENT to ARTICLES OF INCORPORATION of "KENTUCKY UTILITIES COMPANY" was produced to me in my office, and ordered to record; whereupon the same, with certificates thereon endorsed and this my certificate, has been duly recorded in my office.

WITNESS my hand this 24 day of November, 1933.

E. H. Fuller CLERK

BY G. C. Farmer D. C.

State of Kentucky
Fayette County | Sct.

I, E. H. FULLER, Clerk of the County Court of Fayette County, State of Kentucky, and as such the custodian of the Seal and all Records of, or appertaining to, do hereby certify the foregoing to be a true and accurate copy of AMENDED ARTICLES OF INCORPORATION of "KENTUCKY UTILITIES COMPANY",

as the same appears of record in my office.

IN TESTIMONY WHEREOF, Witness my hand, the Seal of said Court, this 24 day of November, 19 33.

E. H. Fuller
Clerk Fayette County Court

By _____ D. C.

Bundle 68

Box 313

Lexington, Kentucky, 28494

Fayette County.

# Amended Articles of Incorporation

—OF—

KENTUCKY UTILITIES COMPANY

Changing the Common Stock from par value of $100.00 per share to "No Par Value per Share stock"

Increasing its Capital Stock from

$ ---------- to $ ----------

Organization Tax on Increase $ -------

Filed and Certificate Issued 31st day of December, 1934

Recording Fee $ 3.75 paid

Sec'y of State.

By

Chief Clerk Corporation Dept.

Recorded in Corporation

Book No. 131 Page 553

Recorded Compared

Indexed

28494

# Commonwealth of Kentucky

*Office of* **Secretary of State**

SARA W. MAHAN, SECRETARY

CORPORATION DEPARTMENT

*he* KENTUCKY UTILITIES COMPANY, Lexington, Kentucky.

*Corporation organized and existing under and by virtue of the laws of e Commonwealth of Kentucky; having this day filed in the office of the ecretary of State of the State of Kentucky a certified copy of the amend- l Articles of Incorporation,* changing the present par value of 150,000 shares of Common Stock from par value of $100.00 per share to "No par value stock". &c.

DUPLICATE

*is certificate is issued as evidence of the fact that the said corporation has mended its charter as above set out in the manner prescribed by law.*

COMMONWEALTH OF KENTUCKY DEPARTMENT OF CORPORATIONS

*Witness, my official signature, this* 31st *day of* December, 193 4.

Sara W. Mahan
*Secretary of State.*

*By* C S Roberts
*Chief Clerk.*

AMENDMENT TO ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, Bryant White, as President and Director, and G. T. Bogard, A. A. Tuttle and John E. Barber, being four (4) of the seven (7) members constituting the Board of Directors of Kentucky Utilities Company, a corporation organized under the laws of the Commonwealth of Kentucky, duly authorized in the premises and acting on behalf of said Company, do hereby certify that on the 27th day of December, 1934, by the vote of Stockholders representing more than two-thirds of the capital stock of the Company, at a meeting duly called by the Board of Directors, and held at the office of the Company in Lexington, Fayette County, Kentucky, at which meeting stockholders representing more than two-thirds (2/3) of the capital stock were present in person, or by proxy, after written notice of the time, place and object of such meeting had been mailed to each stockholder more than twenty (20) days prior to said meeting, the following resolution was adopted:

WHEREAS, it is desired to create a capital surplus of approximately $6,691,490.00, to be utilized for the writing down of the book values of certain of the Company's investments and fixed property, and for the purpose of creating such a surplus it is proposed to reduce from $10,294,600.00 to $3,603,110.00 the capital or capital stock of the Company now represented by the 102,946 outstanding

shares of the par value of $100.00 each of its Common capital stock, this reduction to be effected by the surrender of the corporation of its outstanding shares of Common stock at the price of $35 per share and the issue, in payment of the shares so surrendered, of 102,946 shares without nominal or par value of Common Stock for the consideration of $35 per share; now, therefore, be it

RESOLVED: That the total authorized capital stock of this corporation is hereby reduced and changed from $35,000,000.00 divided into 100,000 shares of the par value of $100 each of Preferred Stock and 200,000 shares of the par value of $50 each of Junior Preferred Stock, and 150,000 shares of the par value of $100 each of Common stock, to (a) $20,000,000, divided into 100,000 shares of the par value of $100 each of Preferred stock and 200,000 shares of the par value of $50 each of Junior Preferred stock, and (b) 150,000 shares without any nominal or par value of Common stock; that such change and reduction be effected (1) by the surrender of the corporation at the price of $35 per share and the cancelation of the 102,946 shares of the par value of $100 each of the Common stock now outstanding and the issue to the holders thereof, in payment and in lieu of said shares so surrendered, of 102,946 shares without nominal or par value of Common stock at and for the consideration of $35 per share, thereby reducing the capital or capital stock of the corporation represented by said shares of Common stock so surrendered from $10,294,600 to $3,603,110 and (2) by the cancellation

of the corporation's authority to issue 150,000 shares of the par value of $100 each of Common stock; that the capital or capital stock represented by the 102,946 shares without any nominal or par value of Common stock hereby authorized to be issued in payment and upon surrender of 102,946 outstanding shares of the par value of $100 each shall be $3,603,110, and that the sum of $6,691,890 be transferred on the books of the Company from Common capital account to surplus account; and that the 150,000 shares of Common stock without any nominal or par value hereby authorized shall have the same rights, privileges and voting powers as are provided by the Articles of Incorporation as heretofore amended with respect to the shares of Common stock of the par value of $100 each; and

FURTHER RESOLVED: That Article Fourth of the Articles of Incorporation, as heretofore amended, of this corporation is hereby amended by striking out the first grammatical paragraph thereof and inserting in lieu thereof the following:

FOURTH: The total authorized capital stock of this corporation is (a) $20,000,000, divided into 100,000 shares of the par value of $100 each of Preferred stock and 200,000 shares of the par value of $50 each of Junior Preferred stock, and (b) 150,000 shares without any nominal or par value of Common stock. Of said authorized shares of Common stock 102,946 shares shall be issued at and for the consideration of $35 per share in payment and upon surrender of 102,946 shares of the par value of

$100 each of Common stock of the corporation heretofore issued. The remainder of said authorized shares of Common stock without par value may be issued from time to time for such consideration as may be fixed from time to time by the Board of Directors of the corporation,

and that, as so amended, said Article Fourth is hereby in all respects ratified and confirmed.

Pursuant to the aforesaid resolution and consent of the stockholders, this Amendment to the Articles of Incorporation of Kentucky Utilities Company is filed.

WITNESS our signatures as President and a majority of the Board of Directors, this 27th day of December, 1934.

Bryant White — President and Director

G. T. Bogard — Director

A. A. Tuttle — Director

John S. Barber — Director

STATE OF KENTUCKY )
COUNTY OF FAYETTE )

I, Lavinia Price, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Amendment to the Articles of Incorporation of KENTUCKY UTILITIES COMPANY was this day produced before me in said County and State by Bryant White, G. T. Bogard and A. A. Tuttle, and was acknowledged and delivered by said Bryant White to be his act and deed as President and Director of Kentucky Utilities Company, and was acknowledged and delivered by G. T. Bogard and A. A. Tuttle to be their act and deed as Directors of said corporation, and was acknowledged and delivered by each of said three persons to be the act and deed of said corporation.

My commission will expire July 19, 1937.

WITNESS my hand and notarial seal this 27th day of

December, 1934.

Lawrence Price

Notary Public, Fayette County, Kentucky.

STATE OF ILLINOIS }
COUNTY OF COOK }

I, M. K. Graham, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Amendment to the Articles of Incorporation of KENTUCKY UTILITIES COMPANY was this day produced before me in said County and State by John E. Barber, and was acknowledged and delivered by him as Director of said Kentucky Utilities Company to be his act and deed and to be the act and deed of said corporation.

My commission will expire March 23, 1936

WITNESS my hand and notarial seal this 28th day of December, 1934.

M. K. Graham

Notary Public, Cook County, Illinois.

STATE OF KENTUCKY
Sct.
COUNTY OF FAYETTE

I, S. H. Lewis, Clerk of the County Court of Fayette County, in the State of Kentucky do hereby certify that on this day the foregoing AMENDMENT TO ARTICLES OF INCORPORATION OF KENTUCKY UTILITIES COMPANY were produced to me in my office and ordered to record; whereupon the same, with certificate thereon endorsed and this my certificate, have been duly recorded in my office.

Witness my hand this 29th, day of DECEMBER 1934

S H Lewis Clerk

By J. R. Ledford D. C.

62

State of Kentucky
Fayette County | Sct.

I, S. H. LEWIS, Clerk of the County Court of Fayette County, State of Kentucky, and as such the custodian of the Seal and all records of, or appertaining to said Court, do hereby certify the foregoing to be a true and accurate copy of AMENDMENT TO ARTICLES OF INCORPORATION OF KENTUCKY UTILITIES COMPANY

as the same appears of record in my office.

IN TESTIMONY WHEREOF, Witness my hand, the seal of said Court this 29th, day of DECEMBER 1934

S H Lewis
Clerk Fayette County Court

By J. R. Ledford D. C.

62 (63)

28494

# Commonwealth of Kentucky

## Department of State

*Office of* **Secretary of State**

CHARLES K. O'CONNELL, SECRETARY

## ARTICLES OF AMENDMENT

*I, CHARLES K. O'CONNELL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

Kentucky Utilities Company, Lexington, Kentucky,

*have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Witness my official signature this* 27th *day of* June, *19* 47.

Charles K. O'Connell,
Secretary of State

H. T. Perdew
Chief Clerk, Corporation Department

SECRETARY OF STATE

AMENDMENT TO ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

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KNOW ALL MEN BY THESE PRESENTS that R. M. WATT, as President, and B. K. YEWELL, as Secretary, of KENTUCKY UTILITIES COMPANY, a Kentucky corporation, do hereby certify that all of the stockholders of said corporation, who would have been entitled to vote upon the amendment to its Articles of Incorporation set forth below if a meeting for such purpose had been held, have consented in writing that Article FOURTH of the Articles of Incorporation, as amended, of the corporation be further amended so that said Article FOURTH shall read as follows:

> FOURTH: The total number of shares, including those previously authorized, which the corporation will henceforth be authorized to have is (A) its previously authorized One Hundred Thousand (100,000) shares of Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereafter called the 6% Preferred Stock); (B) its previously authorized Two Hundred Thousand (200,000) shares of Junior Cumulative Preferred Stock of the par value of Fifty Dollars ($50) per share (hereafter called the Junior Preferred Stock); and (C) its newly authorized Two Million (2,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share.
>
> A description of the respective classes of shares of stock of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed

upon the shares of each class, are as follows:

I.

SHARES OF 6% PREFERRED STOCK AND OF JUNIOR PREFERRED STOCK

The designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the previously authorized shares of 6% Preferred Stock and Junior Preferred Stock, as set forth in the Articles of Incorporation, as amended, of the corporation, as in effect immediately prior to the recording of this Amendment in the office of the Secretary of State of Kentucky, are unchanged by this Amendment.

II.

RECLASSIFICATION OF ISSUED COMMON STOCK

The 134,375 shares of Common Stock of the corporation, without any nominal or par value, issued prior to the recording of this Amendment in the office of the Secretary of State of Kentucky, shall be and become, without further action by the corporation or its shareholders, 480,311 shares of the herein authorized Common Stock of the par value of Ten Dollars ($10) per share. The aggregate par value of such 480,311 shares, to-wit, $4,803,110 does not exceed the actual value of the assets of the corporation, less its liabilities, represented by the 134,375 shares of Common Stock without nominal or par value, issued and outstanding prior to the recording of this Amendment in the office of the Secretary of State of Kentucky.

III.

CONSIDERATION FOR NEWLY AUTHORIZED SHARES

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to

revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

IV.

GENERAL PROVISIONS

(1) Each shareholder of record of any class of stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each shareholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon under the provisions of these Articles of Incorporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) Any shares of Common Stock now or hereafter authorized may be issued without first being offered to stockholders (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation from time to time, (c) in exchange for funded debt of the corporation at any time outstanding, or (d) upon the sale of such shares to employees of the corporation. Any shares of Common Stock not issued for any of the above purposes shall, before being otherwise issued and disposed of, be offered for subscription at a price fixed by the Board of Directors, not less than par, to the holders of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock

held by such holders, respectively. Any Common shares so offered for subscription to the holders of the Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, and for such corporate purposes as may be determined by the Board of Directors.

IN TESTIMONY WHEREOF, witness our signatures on this the 27th day of June, 1947.

President

Secretary

STATE OF KENTUCKY

COUNTY OF FAYETTE ss

I, LOUISE PRICE, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Certificate of Amendment to the Articles of Incorporation of Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by R. M. Watt and by B. K. Yewell, the President and Secretary, respectively, of Kentucky Utilities Company, to be their act and deed.

Witness my signature and seal of office, this 27th day of June, 1947.

My commission expires June 28, 1949.

Louise Price

Notary Public,
Fayette County,
Kentucky.

ORIGINAL COPY
RECEIVED AND FILED
Date JUN 27 1947
CHARLES H. O'CONNELL
Secretary of State of Kentucky
By H. L. Perdue
Chief Clerk.

28494

# Commonwealth of Kentucky

## Department of State

*Office of* **Secretary of State**

CHARLES K. O'CONNELL, SECRETARY

## ARTICLES OF AMENDMENT

*I, CHARLES K. O'CONNELL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

Kentucky Utilities Company,

Lexington, Kentucky,

*have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Witness my official signature this* 17th *day of* October, *19* 47.

Charles K. O'Connell,
Secretary of State

H. J. Purdue
Chief Clerk, Corporation Department

SECRETARY OF STATE

AMENDMENT TO ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

---

KNOW ALL MEN BY THESE PRESENTS that R. M. Watt, as President, and B. K. Yewell, as Secretary, of KENTUCKY UTILITIES COMPANY, a Kentucky corporation, do hereby certify that all of the stockholders of said corporation, who would have been entitled to vote upon the amendment to its Articles of Incorporation set forth below if a meeting for such purpose had been held, have consented in writing that Article FOURTH of the Articles of Incorporation, as amended, of the corporation be further amended so that said Article FOURTH shall read as follows:

FOURTH: The total number of shares, including those previously authorized, which the corporation will henceforth be authorized to have is (A) its previously authorized One Hundred Thousand (100,000) shares of Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereafter called the 6% Preferred Stock); (B) its previously authorized Two Hundred Thousand (200,000) shares of Junior Cumulative Preferred Stock of the par value of Fifty Dollars ($50) per share (hereafter called the Junior Preferred Stock); (C) its newly authorized Two Hundred Thousand (200,000) shares of 4-3/4% Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereafter called the Preferred Stock); and (D) its previously authorized Two Million (2,000,000) shares of Common Stock of the par value of Ten Dollars

($10) per share.

A description of the respective classes of shares of stock of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

I.

SHARES OF 6% PREFERRED STOCK AND OF JUNIOR PREFERRED STOCK

The designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the previously authorized shares of 6% Preferred Stock and Junior Preferred Stock, as set forth in the Articles of Incorporation, as amended, of the corporation, as in effect immediately prior to the recording of this Amendment in the office of the Secretary of State of Kentucky, are unchanged by this Amendment.

II.

SHARES OF PREFERRED STOCK

(1) Subject to the prior rights of the 6% Preferred Stock and of the Junior Preferred Stock, so long as any shares thereof shall remain outstanding, the holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the par value thereof at the rate of 4-3/4% per annum, and no more, payable quarter-yearly on March first, June first, September first and December first in each year, when and as declared by the Board of Directors, out of the surplus or net profits of the corporation. Dividends on the Preferred Stock shall be cumulative from the first day of the

dividend period in which such stock shall have been originally issued and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock, so that if for any past dividend period or the current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be full paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of Preferred Stock unless at the same time there shall be paid on or set apart for all shares of Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained.

(2) Subject to the prior rights of the 6% Preferred Stock and the Junior Preferred Stock, so long as any shares thereof shall remain outstanding, upon the dissolution, liquidation or winding up of the corporation, the holders of shares of Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full, out of the net assets of the corporation, (i) the par value of

their shares plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up be involuntary, and (ii) the then current redemption price of their shares (accrued dividends to be computed to the date of distribution) if such dissolution, liquidation or winding up be voluntary. After such payment in full to the holders of shares of Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of Common Stock.

(3) The corporation, on the sole authority of its Board of Directors shall have the right, at any time or from time to time, to redeem and retire all or part of the Preferred Stock upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing, as hereinafter provided for the benefit of such holders, the redemption price fixed for the shares to be redeemed, which shall be the sum of $104 for each share redeemed if the date of redemption thereof is prior to September 1, 1952, and $103 for each share redeemed if the date of redemption thereof is September 1, 1952, or thereafter prior to September 1, 1957, and $102 for each share redeemed if the date of redemption thereof is September 1, 1957 or thereafter prior to September 1, 1962, and $101 for each share redeemed if the date of redemption thereof is September 1, 1962 or thereafter, plus accrued dividends in each instance to the date of redemption; provided, however that not less than thirty (30) days previous to the date fixed for redemption notice of the intention of the corporation to redeem such stock, specifying the stock to be redeemed and the date and place of redemption shall be deposited in a United States post office or mail box at any place in

the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice unintentional omissions or errors in names or addresses shall not impair the validity of the notice of redemption. In every case of the redemption of less than all the outstanding shares of Preferred Stock, the shares to be redeemed shall be chosen by proration (so far as may be without the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit, with a bank or trust company, which shall be named in the notice of redemption, shall be located in the City of New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holders of any shares of Preferred Stock called for redemption shall not, within ten years after the date fixed for redemption of such shares, claim the amount on deposit with any bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor

for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and the said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from said bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates as aforesaid.

The term "accrued dividends" shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such shares. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(4) So long as any shares of Preferred Stock are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (4)) shall not, without the affirmative vote of the record holders of two-thirds of the outstanding shares of Preferred Stock,

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; or

(c) Issue any shares of the Preferred Stock, in addition to the first 130,000 shares issued by the corporation, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, other than in exchange for, or for the purpose of effecting the redemption or other retirement of, not less than an equal number of shares of Preferred Stock, or shares of any stock ranking prior thereto or on a parity therewith, at the time outstanding, unless

(i) the gross income (determined in accordance with accepted accounting principles) of the corporation available for the payment of interest charges shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least

one and one-half ($1\frac{1}{2}$) times the sum of (x) the interest for one year adjusted by provision for amortization of debt discount and expense, or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of Preferred Stock and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (4) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(5) So long as any shares of the Preferred Stock are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (5)) shall not, without the affirmative vote of the record holders of a majority of the total number of shares of Preferred Stock then outstanding,

(a) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for any purpose other than the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding, or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the corporation and then outstanding (not including the principal amount at the time outstanding at any time prior to December 31, 1952, of the $5,225,000 in principal amount of 2½% unsecured notes due November 1, 1947 - November 1, 1956, of the Company) would exceed ten per centum (10%), of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding, and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted

by all regulatory bodies, federal and state, then having jurisdiction in the premises.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the outstanding shares of the Preferred Stock.

(7) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (7):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of

the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%) except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity" as that term is used in this paragraph shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books,

over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized, or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized, or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation.

(but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock, for such period, all as shall be determined in accordance with such system of accounts as may be prescribed by regulatory authorities having jurisdiction in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (7), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(8) (a) No holder of the Preferred Stock shall be entitled to vote for the election of directors or in respect of any matter, except as provided in the preceding paragraphs (4) or (5) or in this paragraph (8), or as may be required by law.

(b) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be en-

titled, at each meeting of the shareholders at which di-directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation. For the purpose of exercising the right of cumulative voting the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect, shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(c) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in subparagraph (b)

of this paragraph (8), and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon. Dividends shall be deemed to have been paid, as that term is used in this subparagraph (c) of this paragraph (8), whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting right.

(d) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to subparagraph (b) of this paragraph (8), the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to subparagraph (b) of this paragraph (8), the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In

all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(e) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (8), or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (8), a special meeting of the holders of the shares of the Preferred Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Preferred Stock or of the Common Stock, as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the election of the directors to be elected by the holders of the shares of the Preferred Stock, voting as a class, and of those to be elected by the holders of the shares of the Common Stock, voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to subparagraph (b) or (d) of this paragraph (8), the

presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either such class, the holders of a majority of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy.

(f) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this paragraph (e) and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in this paragraph.

(9) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4), (5), (7) and (8), if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(10) No holder of Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(11) Notwithstanding anything to the contrary contained in paragraph (1), each holder of shares of the Preferred Stock shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of Preferred Stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of Preferred Stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursement shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment, of the Preferred Stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such

holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such Preferred Stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such Preferred Stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any of such shares of Preferred Stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

III.

CONSIDERATION FOR NEWLY AUTHORIZED SHARES

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

IV.

SPECIAL PROVISION

The corporation shall not issue any authorized butunissued shares of 6% Preferred Stock, or Junior Preferred Stock, or resell any shares of either such class of stock heretofore or hereafter purchased, redeemed or otherwise acquired.

V.

GENERAL PROVISIONS

(1) Each shareholder of record of any class of stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each shareholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon under the provisions of these Articles of Incorporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) Any shares of Common Stock now or hereafter authorized may be issued without first being offered to stockholders (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation from time to time, (c) in exchange for funded debt of the corporation at any time outstanding, or (d) upon the sale of such shares to employees of the corporation. Any shares of Common stock not issued for any of the above purposes shall, before being otherwise issued and disposed of, be offered for subscription at a price fixed by the Board of Directors, not less than par, to the holders of the outstanding shares of Common Stock of the Corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively.

Any Common shares so offered for subscription to the holders of the Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, and for such corporate purposes as may be determined by the Board of Directors.

IN TESTIMONY WHEREOF, witness our signatures on this the 16th day of October, 1947.

J. G. Watts
President

B. F. Spence
Secretary

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RECEIVED AND FILED
Date OCT 17 1947
CHARLES [illegible] CONSEL
Secretary of State of Kentucky

By _____ Chief Clerk.

STATE OF KENTUCKY
ss
COUNTY OF FAYETTE

I, Louise Price, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Certificate of Amendment to the Articles of Incorporation of Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by R. M. Watt and by B. K. Yewell, the President and Secretary, respectively, of Kentucky Utilities Company, to be their act and deed.

Witness my signature and seal of office this 16th day of October, 1947.

My commission expires June 28, 1949.

Louise Price
Notary Public,
Fayette County,
Kentucky.

ORIGINAL COPY
RECEIVED AND FILED
OCT 17 1947
H. I. Perdue

# Commonwealth of Kentucky
# Department of State

## *Office of* Secretary of State

GEORGE GLENN HATCHER, SECRETARY

## CERTIFICATE OF AMENDMENT

*I, GEORGE GLENN HATCHER, Secretary of State, do hereby certify that the triplicate originals of the articles of amendment of*

Kentucky Utilities Company

Lexington, Kentucky

*delivered to me are found to be duly signed and acknowledged according to law; that all taxes, fees and charges have been paid; and one original copy is filed and recorded in this office.*

*This certificate with two original articles of amendment indorsed with the fact and time of recording in this office have been returned to the corporation. The amendment, certifying the time and manner of the adoption thereof, statement of the purposes of said amendment and the changes to be effected, signed and acknowledged according to law by the proper officials of said corporation, and the issuance of this certificate, is evidence of the fact that the above named corporation articles have been amended.*

*IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal. Done at Frankfort, this* 24th *day of* December *19* 48.

George Glenn Hatcher

Secretary of State, Commonwealth of Kentucky

By S. J. Tyson

Deputy, Corporation Department

SECRETARY OF STATE

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

KENTUCKY UTILITIES COMPANY

---

KNOW ALL MEN BY THESE PRESENTS, that R. M. WATT as President, and A. A. TUTTLE as Secretary of KENTUCKY UTILITIES COMPANY, a Kentucky corporation, do hereby certify that all of the stockholders of said corporation who would have been entitled to vote upon the amendment to its Articles of Incorporation set forth below if a meeting for such purpose had been held, have consented in writing that the Articles of Incorporation, as amended, of the corporation be further amended so that said Articles of Incorporation, as amended and on the whole, shall be as follows:

FIRST: The name of the corporation is

KENTUCKY UTILITIES COMPANY

SECOND: The address of the registered office of the corporation, and the address of R. M. Watt, the resident agent of the corporation, is 159 West Main Street, Lexington, Kentucky.

THIRD: The nature of the business and the objects and purposes proposed to be transacted, promoted and carried on by the corporation are to do within or without the State of Kentucky any and all of the things herein mentioned and

set forth, as fully and to the same extent, to all intents and purposes, as natural persons might or could do, viz:

1. To manufacture, generate, buy, sell, accumulate, store, transmit, furnish and distribute electrical energy for light, heat, power and other purposes;

2. To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and appliances for the manufacture, generation, storage, accumulation, transmission, distribution and use of electrical energy and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever;

3. To carry on a general business of electricians, mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity;

4. To buy, sell, mortgage, operate and lease pole lines, erect poles, string wires thereon and on poles of individuals, and corporations, on any and all streets, avenues, highways and roads of counties, townships, villages and cities and over and along all canals and other waterways, and over and across bridges and through tunnels and over and across

all lands belonging to or controlled by individuals, corporations, counties, states, the national government or any governmental subdivision of the national government, and to use the same both as through lines and for local delivery for the transmission and distribution of electrical energy, and to sell and lease to other individuals or corporations the right to place electric wires on or attach electric wires to any or all poles so erected, owned or leased;

5. To build and construct, purchase and use for any of the purposes stated above, underground subways and conduits in such streets, avenues, highways, roads and under such canals and other waterways, and through any tunnels and under any public or private lands, and place electric wires and conductors therein, and to buy and lease from and sell and let to any individual or corporation the right to place and use as aforesaid electric wires or conductors in any such subways;

6. To manufacture, distribute and sell artificial gas for light, heat and power and other purposes, and also to sell the by-products and residual products therefrom, and to construct or in any manner acquire and to maintain, operate and mortgage, sell and in any manner dispose of works therefor;

7. To mine for, produce, buy and in any manner acquire and to sell and distribute natural gas;

8. To construct, lay, purchase or in any manner acquire, and to maintain and operate, and to sell, encumber or in any manner dispose of pipe lines and gas mains for the

sale, distribution and transportation of natural and artificial gas for light, heat, power and other purposes, in, over, through or under any street, alleys, roads, highways or other public places, and in, over, through or under any private or public property;

9. To construct and purchase or in any manner acquire, maintain and operate, and to sell, mortgage, or in any manner dispose of plants and works for the manufacture, distribution and transportation of natural and artificial gas;

10. To manufacture, buy, sell, mortgage, rent and deal in stoves, engines, motors, lamps and other apparatus, appliances and conveniences which may seem calculated, directly, or indirectly to promote the consumption of natural and artificial gas, petroleum, petroleum products and by-products;

11. To mine for, produce, buy and in any manner acquire, refine, sell and distribute petroleum, petroleum products and by-products;

12. To manufacture, buy, sell and deal in ice; to carry on and conduct the business of storage, cold-storage, refrigeration, or freezing and to construct, purchase, acquire, equip, own, operate, maintain, sell, mortgage and lease stores, buildings, warehouses, plants, machines and apparatus for said purposes;

13. To manufacture, produce and supply in any manner cold air, refrigeration and freezing compounds in any form for use, distribution and application for any and all purposes;

14. To mine, buy and sell, deal in export and import coal, coke and wood and similar combustible materials and to

act as an agent for persons and corporations in buying, selling and dealing for them in such materials, and to engage in the business of handling, buying, selling and dealing in and with coal for them or their account, and for the purpose of such business to own or rent or otherwise use or occupy storehouses, docks, piers, boats and barges and any real estate necessary to the carrying on of the said business;

15. To do a general quarrying, construction and building business and everything in the line thereof;

16. To acquire, own, construct, operate, lease, encumber or in any manner dispose of or sell street railways or tramways and interurban railways, and to transport, for hire thereon and thereover, passengers, baggage, mail, express, freight, produce, and to acquire, hold, own, construct, operate, lease, mortgage and sell street railway cars, tram cars, railway, passenger, freight and express cars, and all fixtures and appurtenances incident or necessary to the operation thereof;

17. To acquire, own, construct, operate, lease, sell and encumber houses, buildings, pipes, mains, fixtures, easements, franchises, ordinances and all other necessary or convenient things to enable it to furnish steam for power and heating purposes, and generally to carry on a business of generating, conveying and furnishing steam for power and heat to the general public;

18. To construct, acquire, own, operate, sell, mortgage and lease hydro-electric power plants together with

everything whatsoever pertaining thereto;

19. To purchase, appropriate, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, power privileges and appropriations for mining, milling, agriculture, domestic power and other uses and purposes, and more particularly for use in connection with the generation and distribution of electrical energy for light, heat and power and the operation of street railways and propelling of cars;

20. To acquire, sell, mortgage, lease, construct, maintain and operate water works, and to supply municipalities, corporations and individuals with water and water power, and to acquire, sell, mortgage, lease, construct, maintain and operate all necessary dams, buildings, plants, machinery, fixtures and apparatus of every sort for supplying municipalities, corporations, and individuals with water and water power for all purposes, and to carry on the business incidental thereto;

21. To purchase or to acquire and to construct, sell, mortgage, lease, control and to hold such real estate, personal property, rights, powers, privileges and easements in both real and personal property as may be necessary, desirable or convenient for the purposes of this corporation, including such lands, shoals, riparian and other rights and easements as may be necessary, desirable or convenient for pondage, storage overflow, diversion and retention of water,

and including power houses, plants, gas holders, machinery, railways, tramways, canals, reservoir sites, conduits, pole lines, transmission and distribution systems, rights-of-way, easements, water rights, filings, applications, privileges and franchises of every nature whatsoever;

22. To buy, sell, mortgage, lease and otherwise acquire, construct, maintain, operate and otherwise dispose of, public and private telegraph and telephone lines, and any interest therein and grants therefor; and all electrical and other instruments, machinery, contrivances, materials and things of every kind and nature for transmitting messages, as well as works, plants, buildings or conveniences appertaining thereto;

23. To acquire, use, lease, encumber or sell charters, contracts and franchises granted, issued or entered into by any persons, companies or corporations, county, state, government or any municipality or governmental subdivision;

24. To guarantee, purchase, acquire, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of the capital stock, bonds, debentures, evidences of indebtedness and other securities of any other corporation or association, whether foreign or domestic, and whether now or hereafter organized, and while the holder of any such shares of stock or other securities, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon to the same extent as a natural person might or could do;

25. To sell or in any manner dispose of, mortgage or pledge any stocks, bonds or other obligations or any property, real or personal, which at any time may be held by the corporation as and when and upon such terms and conditions as the Board of Directors shall determine;

26. To acquire the good-will, rights and properties of any person or persons, firm, corporation or association, and to pay for the same in cash, stock, bonds or otherwise;

27. To acquire, hold, use, sell, assign, lease and grant licenses in respect of, mortgage or otherwise dispose of, letters patent of the United States or any foreign country, patent, patent rights, licenses and privileges, inventions, improvements and processes, trade-marks and trade-names, relating to or useful in connection with any business of this corporation;

28. To aid, in any manner, facilitate and assist in the construction, building, extension, improvement, equipment, maintenance and operation of any electric light plant, artificial or natural gas plant, hydro-electric plant, water plant, gas or oil pipe line, street or interurban railway, and for that purpose, or in any manner whatsoever, to use the capital stock and bonds of this corporation or either of them or any part thereof. To aid, in any manner, any corporation or association, of which any bonds, evidences of indebtedness, or other securities, are held by the corporation, and to do any other acts or things designed to protect, preserve, improve or enhance the value of such bonds, or evidences of

indebtedness or other securities or stock;

29. In general, to carry on any other business in connection with the foregoing, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Kentucky. It is the intention that the objects specified in this Third Clause shall, except where otherwise expressed in said clause, be in no wise limited or restricted by reference to or inference from the terms of any other clause in this charter, but that the several objects specified in this clause shall be recorded as independent objects, nor shall anything in this clause be held to limit or restrict in any manner, the powers of this corporation.

FOURTH: The total number of shares, including those previously authorized, which the corporation will henceforth be authorized to have is (A) Two Hundred Thousand (200,000) shares of 4-3/4% Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereafter called the Preferred Stock); and (B) Three Million (3,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share.

A description of the respective classes of shares of stock of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

I

SHARES OF PREFERRED STOCK

(1) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the par value thereof at the rate of 4-3/4% per annum, and no more, payable quarter-yearly on March first, June first, September first and December first in each year, when and as declared by the Board of Directors, out of the surplus or net profits of the corporation. Dividends on the Preferred Stock shall be cumulative from the first day of the dividend period in which such stock shall have been originally issued and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock, so that if for any past dividend period or the current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be full paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of Preferred Stock unless at the same time there shall be paid on or set apart for all shares of Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive

calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained.

(2) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full out of the net assets of the corporation, (i) the par value of their shares plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up be involuntary, and (ii) the then current redemption price of their shares (accrued dividends to be computed to the date of distribution) if such dissolution, liquidation or winding up be voluntary. After such payment in full to the holders of shares of Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of Common Stock.

(3) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time, to redeem and retire all or part of the Preferred Stock upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing, as herein-

after provided for the benefit of such holders, the redemption price fixed for the shares to be redeemed, which shall be the sum of $104 for each share redeemed if the date of redemption thereof is prior to September 1, 1952, and $103 for each share redeemed if the date of redemption thereof is September 1, 1952, or thereafter prior to September 1, 1957, and $102 for each share redeemed if the date of redemption thereof is September 1, 1957 or thereafter prior to September 1, 1962, and $101 for each share redeemed if the date of redemption thereof is September 1, 1962 or thereafter, plus accrued dividends in each instance to the date of redemption; provided, however, that not less than thirty (30) days previous to the date fixed for redemption notice of the intention of the corporation to redeem such stock, specifying the stock to be redeemed and the date and place of redemption shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice unintentional omissions or errors in names or addresses shall not impair the validity of the notice of redemption. In every case of the redemption of less than all the outstanding shares of Preferred Stock, the shares to be redeemed shall be chosen by proration (so far as may be without the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit, with a bank or trust company,

which shall be named in the notice of redemption, shall be located in the City of New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holders of any shares of Preferred Stock called for redemption shall not, within ten years after the date fixed for redemption of such shares, claim the amount on deposit with any bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders with respect to said shares, and from and after the making of said deposit and the giving

of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and the said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from said bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates as aforesaid.

The term "accrued dividends" shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such shares. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(4) So long as any shares of Preferred Stock are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (4)) shall not, without the affirmative vote of the record holders of two-thirds of the outstanding shares of Preferred Stock,

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; or

(c) Issue any shares of the Preferred Stock, in addition to the first 130,000 shares issued by the corporation, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, other than in exchange for, or for the purpose of effecting the redemption or other retirement of, not less than an equal number of shares of Preferred Stock, or shares of any stock ranking prior thereto or on a parity therewith, at the time outstanding, unless

(i) the gross income (determined in accordance with accepted accounting principles) of the corporation available for the payment of interest charges shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half ($1\frac{1}{2}$) times the sum of (x) the interest for one year adjusted by provision for amortization of debt discount and expense, or of premium, as the case may

be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of Preferred Stock and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (4) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(5) So long as any shares of the Preferred Stock are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (5)) shall not, without the affirmative vote of the record holders of a majority of the total number of shares of Preferred Stock then outstanding,

(a) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for any purpose other than the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding, or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the corporation and then outstanding (not including the principal amount at the time outstanding at any time prior to December 31, 1952, of the $5,225,000 in principal amount of 2½% unsecured notes due November 1, 1947 - November 1, 1956, of the Company) would exceed ten per centum (10%), of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding, and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the outstanding shares of the Preferred Stock.

(7) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent

permitted by the following provisions of this paragraph (7):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") or the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%), or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declar-

ation of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%) except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity" as that term is used in this paragraph shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized, or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and

expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized, or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation (but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock, for such period, all as shall be determined in accordance with such system of accounts as may be prescribed by regulatory authorities having jurisdiction

in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (7), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(8) (a) No holder of the Preferred Stock shall be entitled to vote for the election of directors or in respect of any matter, except as provided in the preceding paragraphs (4) or (5) or in this paragraph (8), or as may be required by law.

(b) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation. For the purpose of exercising the right of cumulative

voting the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect, shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(c) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in subparagraph (b) of this paragraph (8), and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further

like default or defaults in dividends thereon. Dividends shall be deemed to have been paid, as that term is used in this subparagraph (c) of this paragraph (8), whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting right.

(d) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to subparagraph (b) of this paragraph (8), the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to subparagraph (b) of this paragraph (8), the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(e) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (8), or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (8), a special meeting of the holders of the shares of the Preferred Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Preferred Stock or of the Common Stock, as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the election of the directors to be elected by the holders of the shares of the Preferred Stock, voting as a class, and of those to be elected by the holders of the shares of the Common Stock, voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to

subparagraph (b) or (d) of this paragraph (8), the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either such class, the holders of a majority of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy.

(f) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring

or holding such shares, to have expressly consented to all and singular the terms and provisions of this paragraph (8) and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in this paragraph.

(9) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4), (5), (7) and (8), if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(10) No holder of Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(11) Notwithstanding anything to the contrary contained in paragraph (1), each holder of shares of the Preferred Stock shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of Preferred

Stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of Preferred Stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursement shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment, of the Preferred Stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such Preferred Stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such Preferred Stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any of such

shares of Preferred Stock shall be made on account of such reimbursement made by the corporation with respect to any such Tax.

II.

CONSIDERATION FOR NEWLY AUTHORIZED SHARES

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

III.

GENERAL PROVISIONS

(1) Each shareholder of record of any class of stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each shareholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon under the provisions of these Articles of Incorporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) Any shares of Common Stock now or hereafter authorized may be issued without first being offered to

stockholders (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation from time to time, (c) in exchange for funded debt of the corporation at any time outstanding, or (d) upon the sale of such shares to employees of the corporation. Any shares of Common Stock not issued for any of the above purposes shall, before being otherwise issued and disposed of, be offered for subscription at a price fixed by the Board of Directors, not less than par, to the holders of the outstanding shares of Common Stock of the Corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively. Any Common shares so offered for subscription to the holders of the Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, and for such corporate purposes as may be determined by the Board of Directors.

FIFTH: The names and places of residence of each of its stockholders and the number of shares subscribed for by each, are as follows:

| Names. | Residences. | Number of Shares Common. |
|---|---|---|
| Wm. R. Watson | Chicago, Illinois | 10 |
| Charles J. Ruebling | Chicago, Illinois | 10 |
| L. Earle Powell | Chicago, Illinois | 10 |

SIXTH: The corporation shall begin business as soon as authorized, as provided by statute, and shall have perpetual duration.

SEVENTH: The affairs of the corporation shall be conducted by a Board of nine Directors, or such other number of directors, not less than three, as shall from time to time be prescribed by the By-laws, who shall be elected at the annual meeting of the corporation, on a day to be fixed in the By-laws. The Directors, as soon as practicable after their election in each year, shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, an Auditor, and such other officers as may, from time to time, be provided for by the Board.

EIGHTH: The authority to make, and to change, the By-laws is hereby vested in the Board of Directors, subject to the power of the stockholders to change or repeal the By-laws.

NINTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

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IN TESTIMONY WHEREOF, witness our signatures on the 22nd day of December, 1948.

R. M. Watt
R. M. Watt, President

(SEAL)

A. A. Tuttle
A. A. Tuttle, Secretary

STATE OF KENTUCKY )
) SS
COUNTY OF FAYETTE )

I, Louise Price, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing Articles of Amendment to the Articles of Incorporation of Kentucky Utilities Company was this day produced before me in said County and acknowledged and delivered by R. M. Watt and A. A. Tuttle, the President and Secretary, respectively, of Kentucky Utilities Company, to be their act and deed.

WITNESS my signature and seal of office, this 22nd day of December, 1948.

My commission expires June 28, 1949.

(SEAL)

Louise Price

Louise Price
Notary Public, Fayette County, Kentucky

28494

# Commonwealth of Kentucky

## Department of State

## *Office of* Secretary of State

HENRY H. CARTER, SECRETARY

## ARTICLES OF AMENDMENT

*I, HENRY H. CARTER, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

Lexington, Kentucky

*have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Witness my official signature this* 26th *day of* March, *19* 63.

Henry H. Carter
Secretary of State

Lucille Barclay
~~Assistant Secretary of State~~

SECRETARY OF STATE

# ARTICLES OF AMENDENT

TO

# ARTICLES OF INCORPORATION

OF

# KENTUCKY UTILITIES COMPANY

The undersigned, Floyd I. Fairman and A. A. Tuttle, President and Secretary, respectively, of Kentucky Utilities Company, hereby certify that at a meeting of the holders of the shares of common stock of said corporation held at the offices of the corporation, 120 South Limestone Street, Lexington, Kentucky, at 12:00 Noon E.S.T. on March 26, 1963, which meeting was duly called upon notice of the specific purpose of considering an amendment to the Articles of Incorporation, the holders of 2,178,440 shares, being more than two-thirds of the 2,683,796 shares, being all, of the shares of common stock issued and outstanding, voted, in person or by proxy, in favor of, and by such vote adopted, an amendment to the Articles of Incorporation by which the said Articles of Incorporation, as previously amended, are amended as follows:

1. The total number of shares of common stock which the corporation shall be authorized to have is hereby increased FROM Three Million (3,000,000) shares of the par value of Ten Dollars ($10) each TO Seven Million Five Hundred Thousand (7,500,000) shares of the par value of Ten Dollars ($10) each; and the first paragraph of Article FOURTH of said Articles as previously amended is hereby amended as follows:

"The total number of shares, including those previously authorized, which the corporation will henceforth be authorized to have is (A) Two Hundred Thousand (200,000) shares of 4¾% Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereafter called the Preferred Stock); and (B) Seven Million Five Hundred Thousand (7,500,000) shares of Common Stock of the par value of Ten Dollars ($10) per share."

2. Each of the 2,683,796 shares of common stock of the par value of Ten Dollars ($10) of the corporation outstanding at the close of business on March 26, 1963, is hereby changed into two shares of common stock of the par value of Ten Dollars ($10) each. To each holder of outstanding shares of common stock of the corporation of record on its books at said time the corporation shall issue as soon as practicable a stock certificate, or certificates, for one additional share of common stock of the par value of Ten Dollars ($10) for each share of common stock registered in the name of such holder at said time; and in full payment for such additional shares the corporation shall transfer on its books from surplus to common stock capital the sum of Ten Dollars ($10) for each of such additional shares.

3. The designations, voting power, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each of the classes into which the shares of the corporation are divided, are unchanged.

IN TESTIMONY WHEREOF, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 26th day of March, 1963.

Floyd I. Fairman

FLOYD I. FAIRMAN, *President*

A. A. Tuttle

A. A. TUTTLE, *Secretary*

28497

# Commonwealth of Kentucky

## Department of State

*Office of* **Secretary of State**

ELMER BEGLEY, SECRETARY

## ARTICLES OF AMENDMENT

*I, ELMER BEGLEY, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

Lexington, Kentucky

*have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Witness my official signature this* 24th *day of* March, 19 70.

Elmer Begley
Secretary of State

Mary R. Sales
Assistant Secretary of State

SECRETARY OF STATE

ORIGINAL COPY
FILED AND RECORDED

MAR 24 1970

SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
ASSISTANT SECRETARY OF STATE

SECRETARY OF STATE
RECEIVED
MAR 24 1970
Commonwealth of Kentucky

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

The undersigned, William A. Duncan and John T. Newton, the President and the Secretary, respectively, of Kentucky Utilities Company (hereinafter called the "Company" or the "corporation"), a Kentucky corporation, hereby certify as follows:

1. The amendment to the Articles of Incorporation (as heretofore amended) of the Company hereinafter set forth was duly adopted by the stockholders of the Company at the annual meeting of stockholders of the Company held at the office of the Company, 120 South Limestone Street, Lexington, Kentucky, on March 24, 1970, at 12:00 o'clock Noon, Eastern Standard Time, which meeting was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment, which amendment is as follows:

The Articles of Incorporation (as amended) of the Company are hereby amended in the following respect:

Paragraph (5) (a) of Article "FOURTH" of the Articles of Incorporation (as amended) of the Company is hereby amended to read as follows:

(5) So long as any shares of the Preferred Stock are outstanding, the corporation (except as otherwise provided in the last sentence of this pargraph (5) shall not, without the affirmative vote of the record holders of a majority of the total number of shares of Preferred Stock then outstanding,

(a) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for any purpose, <u>other than</u> the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty per centum (20%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

2. Said amendment, which was proposed and declared advisable by the Board of Directors of the Company, was duly adopted at said meeting of stockholders, in accordance with the provisions of said Articles of Incorporation (as amended) and the laws of Kentucky, by the affirmative vote, in person or by proxy, of the record holders of (a) 155,887 shares of 4-3/4% Preferred Stock (par value $100 per share) of the Company, voting as a class, and being more than two-thirds of the 200,000 shares of the Preferred Stock of the Company issued and outstanding and entitled to vote on said amendment, and (b) 4,200,881 shares of Common Stock (par value $10 per share) of the Company, being more than a majority of the 5,367,592 shares of the Common Stock of the Company issued and outstanding and entitled to vote on said amendment.

IN TESTIMONY WHEREOF, witness the signatures of the undersigned President and Secretary, respectively, of said Kentucky Utilities Company, this 24th day of March, 1970.

William A. Duncan
President

(Corporate Seal)

John T. Newton
Secretary

STATE OF KENTUCKY }
COUNTY OF FAYETTE } SS

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing certificate setting forth Articles of Amendment to the Articles of Incorporation (as amended) of Kentucky Utilities Company was this day produced before me in my office by William A. Duncan and John T. Newton, known to me to be the President and the Secretary, respectively, of said Kentucky Utilities Company, and was acknowledged by each of them to be his act and deed.

Witness my signature this 24th day of March, 1970.

Linda Johnson
Linda Johnson
Notary Public
Fayette County, Kentucky

(Notarial Seal)

My commission expires February 17, 1973.

28494

# Commonwealth of Kentucky

## Department of State

*Office of* **Secretary of State**

THELMA L. STOVALL, SECRETARY

## ARTICLES OF AMENDMENT

*I, THELMA L. STOVALL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

Lexington, Kentucky

*have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Witness my official signature this* 29th *day of* March, *19* 72.

Thelma L. Stovall

Secretary of State

Assistant Secretary of State

SECRETARY OF STATE

# ARTICLES OF AMENDMENT
TO
# ARTICLES OF INCORPORATION
OF
# KENTUCKY UTILITIES COMPANY

The undersigned, W. A. Duncan and John T. Newton, the President and the Secretary, respectively, of KENTUCKY UTILITIES COMPANY (hereinafter sometimes called the "Company" or the "corporation"), a Kentucky corporation, hereby certify as follows:

1. The amendment to the Articles of Incorporation (as amended) of the Company hereinafter set forth, and which was proposed and declared advisable by the Board of Directors of the Company, was duly adopted by the stockholders of the Company, as hereinafter set forth, at the annual meeting of such stockholders held at the office of the Company, 120 South Limestone Street, Lexington, Kentucky, on March 28, 1972, at 12:00 o'clock Noon, Eastern Standard Time, which meeting was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment; said amendment being as follows:

The total number of shares of stock of all classes, including those previously authorized, which the corporation will henceforth be authorized to have is hereby increased (a) from 200,000 shares of Preferred Stock of the par value of $100 each to 400,000 shares of Preferred Stock of the par value of $100 each, including the 200,000 shares of 4¾% Preferred Stock of the par value of $100 each now outstanding, and (b) from 7,500,000 shares of Common Stock of the par value of $10 each to 15,000,000 shares of Common Stock of the par value of $10 each; and Article "FOURTH" of the Articles of Incorporation (as amended) of the corporation reflecting the foregoing and other required changes with respect to such Preferred Stock is hereby amended to read as follows:

> FOURTH: The total number of shares of stock which the corporation shall have authority to issue is (A) Four Hundred Thousand (400,000) shares of Preferred Stock of the par value of One Hundred Dollars ($100) per share (hereinafter called the "Preferred Stock"), which shall include the Two Hundred Thousand (200,000) shares of 4¾% Preferred Stock (hereinafter called the 4¾% Preferred Stock") of the corporation now outstanding, and (B) Fifteen Million (15,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share.
>
> A description of the respective classes of shares of stock of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:
>
> I. SHARES OF THE PREFERRED STOCK
>
> (1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock." The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of the series known as 4¾% Preferred Stock or may be issued in one or more other series with such rate of dividend (which shall be stated in the designation of the shares of each such series) and such redemption price or prices and terms and conditions, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by reso-

lution, to divide any of the authorized but unissued shares of the Preferred Stock into one or more additional series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, and the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the par value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from the first day of the dividend period in which such shares shall have been originally issued and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained. All shares of the Preferred Stock (including the 4¾% Preferred Stock), regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the rates of dividends thereon and the redemption prices and terms and conditions thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (12). All shares of the Preferred Stock bearing the same dividend rate at any time outstanding shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

(3) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of the Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full out of the net assets of the corporation, (i) the par value of their shares of Preferred Stock plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up shall be involuntary, and (ii) the then current redemption price of their shares of Preferred Stock (accrued dividends thereon to be computed to the date of distribution) if such dissolution, liquidation or winding up shall be voluntary. After such payment in full to the holders of shares of the Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Common Stock.

(4) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time to redeem and retire all or any part of the shares of Preferred Stock, or all or any part of the shares of any one or more series of the Preferred

Stock, upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing as hereinafter provided for the benefit of such holders, the then applicable redemption price of the shares to be redeemed, which in the case of shares of the series known as 4¾% Preferred Stock shall be the sum of $101 for each share redeemed plus accrued dividends to the date of redemption; *provided, however*, that not less than thirty (30) days previous to the date fixed for redemption notice of the intention of the corporation to redeem such shares, specifying the shares to be redeemed and the date and place of redemption, shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice of redemption unintentional omissions or errors in names or addresses shall not impair the validity of such notice. In every case of the redemption of less than all of the outstanding shares of any series of the Preferred Stock, the shares of such series to be redeemed shall be chosen by proration (so far as may be without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited, and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders of the corporation with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from such bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates therefor as aforesaid.

The term "accrued dividends", as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon become cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (5)) shall not, without the affirmative vote of the record holders of two-thirds of the outstanding shares of Preferred Stock of all series, voting separately as one class,

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, the consent only of the holders of at least two-thirds of the total number of shares of each series so adversely affected shall be required; or

(c) Issue any shares of Preferred Stock, in addition to the first 130,000 shares issued by the corporation, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, not less than an equal number of shares of Preferred Stock, or shares of any stock ranking prior thereto or on a parity therewith, at the time outstanding, unless

(i) the gross income (determined in accordance with accepted accounting principles) of the corporation available for the payment of interest charges shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half ($1\frac{1}{2}$) times the sum of (x) the interest for one year, adjusted by provision for amortization of debt discount and expense or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock of all series and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of the Preferred Stock of all series and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (6)) shall not, without the affirmative vote of the record holders of a majority of the oustanding shares of Preferred Stock of all series,

(a) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty per centum (20%) of the aggregate of (i) the total prin-

cipal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the outstanding shares of the Preferred Stock.

(8) So long at any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent premitted by the following provisions of this paragraph (8):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity", as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess

has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation (but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock for such period, all as shall be determined in accordance with such system of accounts as may be prescribed by regulatory authorities having jurisdiction in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (8), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(9) (a) No holder of the Preferred Stock shall be entitled to vote for the election of directors or in respect of any matter, except as provided in the preceding paragraph (5) or (6) or in this paragraph (9), or as may be required by law.

(b) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation. For the purpose of exercising the right of cumulative voting the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect, shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(c) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the

special right with respect to the election of directors provided in subparagraph (b) of this paragraph (9), and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon. Dividends shall be deemed to have been paid, as that term is used in this subparagraph (c) of this paragraph (9), whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting right.

(d) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(e) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), a special meeting of the holders of the shares of the Preferred Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Preferred Stock or of the Common Stock, as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the election of the directors to be elected by the holders of the shares of the Preferred Stock, voting as a class, and of those to be elected by the holders of the shares of the Common Stock, voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to subparagraph (b) or (d) of this paragraph (9), the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either such class, the holders of a majority of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy.

(f) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future

holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this paragraph (9) and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in this paragraph (9).

(10) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (5), (6), (8) and (9), if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(11) No holder of the Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(12) Notwithstanding anything to the contrary contained in paragraph (2), each holder of shares of the 4¾% Preferred Stock [redacted] shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of such stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of such stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursment shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky, not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment of such shares of stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any shares of such stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

## II. Consideration for Newly Authorized Shares

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

## III. General Provisions

(1) Each shareholder of record of any class of stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each shareholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon under the provisions of these Articles of Incorporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) Any shares of Common Stock now or hereafter authorized may be issued without first being offered to stockholders (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation from time to time, (c) in exchange for funded debt of the corporation at any time outstanding, or (d) upon the sale of such shares to employees of the corporation. Any shares of Common Stock not issued for any of the above purposes shall, before being otherwise issued and disposed of, be offered for subscription at a price fixed by the Board of Directors, not less than par, to the holders of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively. Any common shares so offered for subscription to the holders of the Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, and for such corporate purposes as may be determined by the Board of Directors.

2. Said amendment was duly adopted by the stockholders of the Company at said meeting of stockholders in accordance with the provisions of said Articles of Incorporation (as amended) and with the laws of the Commonwealth of Kentucky, as follows:

(a) That portion of said amendment increasing the total authorized Preferred Stock (par value $100 per share) of the Company from 200,000 shares to 400,000 shares and making the required changes in said Articles of Incorporation with respect to the Preferred Stock, was duly adopted by the affirmative vote, in person or by proxy, of the record holders of (i) 163,296 shares of the 4¾% Preferred Stock of the Company, voting as a class and constituting more than two-thirds of the 200,000 shares, being all, of the Preferred Stock of the Company outstanding and entitled to vote at the meeting on said amendment, and (ii) 163,296 shares of the 4¾% Preferred Stock and 4,716,169 shares of the Common Stock (par value $10 per share) of the Company, together aggregating 4,879,465 shares and constituting more than a majority of the 6,104,351 shares, being all, of the Preferred Stock and Common Stock of the Company outstanding and entitled to vote at the meeting on said amendment; and

(b) That portion of said amendment increasing the total authorized Common Stock (par value $10 per share) of the Company from 7,500,000 shares to 15,000,000 shares, was duly adopted by the affirmative vote, in person or by proxy, of the record holders of 4,861,963 shares of the Common Stock of the Company, voting as a class and constituting more than two-thirds of the 5,904,351 shares, being all, of the Common Stock of the Company outstanding and entitled to vote at the meeting on said amendment.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of said Kentucky Utilities Company, this 29th day of March, 1972.

KENTUCKY UTILITIES COMPANY
CORPORATE SEAL
KENTUCKY

W. A. Duncan, *President*

John T. Newton, *Secretary*

STATE OF KENTUCKY }
COUNTY OF FAYETTE } ss.

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing certificate setting forth Articles of Amendment to the Articles of Incorporation (as amended) of Kentucky Utilities Company was this day produced before me in my office by W. A. Duncan and John T. Newton, known to me to be the President and the Secretary, respectively, of said Kentucky Utilities Company, and was acknowledged by each of them to be his act and deed.

WITNESS my signature this 29th day of March, 1972.

LINDA JOHNSON
NOTARY
PUBLIC
FAYETTE COUNTY, KY.

Linda Johnson
LINDA JOHNSON
*Notary Public, Fayette County, Kentucky*

My commission expires February 17, 1973.

This instrument was prepared by Squire R. Ogden, 610 Marion E. Taylor Bldg., 312 South Fourth Street, Louisville, Kentucky, 40202.

Squire R. Ogden
Squire R. Ogden

ORIGINAL COPY
FILED AND RECORDED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAR 29 1972

Thelma L. Stovall
SECRETARY OF STATE
BY Thelma L. Stovall
SECRETARY OF STATE

SS-10-7-1-72

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

## STATEMENT OF RESOLUTION
## ESTABLISHING SERIES OF SHARES

***Pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:***

*The name of the corporation is* KENTUCKY UTILITIES COMPANY
Lexington, Kentucky

*The resolution establishing and designating said series of shares was duly adopted by the Board of Directors of said corporation* September 6, *19* 72, *and is attached hereto.*

*Dated* September 7, *19* 72.

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SEP 7 1972

Thelma L. Stovall
SECRETARY OF STATE
BY Frances M. Jones
ASSISTANT SECRETARY OF STATE

KENTUCKY UTILITIES COMPANY
NAME OF CORPORATION

By W A Duncan
NAME OF CORPORATE OFFICER
President
TITLE

And John F Newton Secretary
NAME OF CORPORATE OFFICER

Subscribed and sworn to before me this 7th day of September, 19 72

By John F Newton Secretary
NAME OF CORPORATE OFFICER TITLE

Linda Johnson
NOTARY PUBLIC

My Commission Expires February 17, 1973

INSTRUCTIONS

1. Mail to Secretary of State, Capitol Building, Frankfort, Kentucky 40601.
2. Enclose fee of $5.00.

STATEMENT OF
RESOLUTION ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock (par value $100 per share) and fixing and determining the relative rights and preferences of said shares:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of said shares, was duly adopted by the Board of Directors of the corporation on September 6, 1972, to-wit:

"RESOLVED, by the Board of Directors of Kentucky Utilities Company (hereinafter referred to as the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 200,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, par value $100 per share, of the Company; said series, and each share thereof, shall be designated "7.84% Preferred Stock"; and all of said 200,000 shares of said series are hereby authorized to be issued by the Company;

2. The rate of dividend per annum payable in respect of each share of said series shall be seven and eighty-four one-hundredths per centum (7.84%) per annum of the par value of such share;

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, upon the notice and in the manner and with the effect provided in the Articles of Incorporation (as amended) of the Company; and the redemption price or prices applicable to the shares of said series shall be $109.34 per share plus accrued dividends to the date of redemption if such date of redemption is prior to September 1, 1977; $107.38 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1977, and prior to September 1, 1982; $105.42 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1982, and prior to September 1, 1987; and $101.50 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1987; provided, that none of the shares of said series may be redeemed by the Company prior to September 1, 1977, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock of the Company, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the Company, as the case may be, of less than 7.82% per annum; and

4. The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Articles of Incorporation (as amended) of the Company with respect to shares of the Preferred Stock of the Company and, except only as to the rate of dividend per annum payable in respect of the shares of said series and the redemption price or prices and the terms and conditions of redemption applicable to the shares of said series and except as otherwise expressly provided in said Articles of Incorporation (as amended), shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the Company.

AND FURTHER RESOLVED: That prior to the issuance by the Company of any shares of said 7.84% Preferred Stock, the Company shall execute, and file or cause to be filed, such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other

documents, and to take such other action, as may be required by law or as shall be deemed appropriate or expedient in their judgment or the judgment of counsel for the Company in connection with the foregoing."

Dated September 7, 1972.

KENTUCKY UTILITIES COMPANY

By _____
Its President

By _____
Its Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, Linda Johnson, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 7th day of September, 1972, personally appeared before me W. A. Duncan, who, being by me first duly sworn, declared that he is the President of Kentucky Utilities Company, a Kentucky corporation; that he executed the foregoing document as said President of the corporation, and that the statements therein contained are true.

_____
Notary Public

(NOTARIAL SEAL)

My commission expires: Feb. 12, 1973

This instrument was prepared by R. A. Yolles, of Isham, Lincoln & Beale, attorneys-at-law, One First National Plaza, Chicago, Illinois 60670.

_____

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SEP 7 1972

Thelma L. Stovall
SECRETARY OF STATE
Francis M. Lewis
ASSISTANT SECRETARY OF STATE

SS-12-7-1-72

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

## ARTICLES OF AMENDMENT

*I, THELMA L. STOVALL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

Lexington, Kentucky

*amended pursuant to Kentucky Revised Statutes, 271A, duly signed and acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 28th *day of* March, *19* 73.

Thelma L Stovall

SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

SECRETARY OF STATE

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY



The undersigned, W. A. Duncan and John T. Newton, the President and the Secretary, respectively, of KENTUCKY UTILITIES COMPANY, a Kentucky corporation (hereinafter called the "corporation"), hereby certify as follows:

1. The amendment to the Articles of Incorporation (as amended) of the corporation set forth below was duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held at the office of the corporation, 120 South Limestone Street, Lexington, Kentucky, on March 27, 1973, at 12:00 o'clock Noon (Eastern Standard Time); namely:

The Articles of Incorporation (as amended) of the corporation are hereby amended in the following respect:

Paragraph (2) of Section III of Article "Fourth" of the Articles of Incorporation (as amended) of the corporation is hereby amended to read as follows:

(2) Shares of Common Stock of the corporation now or hereafter authorized, and any securities convertible into Common Stock, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation, (c) in exchange for funded debt of the corporation at any time outstanding, (d) upon the sale thereof to employees (including officers)

of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation, or (e) if sold for money, either by means of a public offering, or to or through underwriters or investment bankers who shall have agreed to make a prompt public offering thereof. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; provided that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors.

2. Said amendment was duly adopted by the affirmative vote, in person or by proxy, of the record holders of 4,341,252 shares of the Common Stock (par value $10 per share) of the corporation, constituting more than a majority of all the outstanding

shares of stock of the corporation entitled to vote at the meeting on said amendment (to wit: 5,954,351 shares of Common Stock); all in accordance with the provisions of said Articles of Incorporation (as amended) and with the laws of the Commonwealth of Kentucky.

3. Said amendment was proposed and declared advisable by the Board of Directors of the corporation; and said meeting of stockholders was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

IN TESTIMONY WHEREOF, witness the signatures of the undersigned President and Secretary, respectively, of the corporation, this 28th day of March, 1973.

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAR 28 1973

Thelma L. Stowe
SECRETARY OF STATE

W. A. Duncan, President

John T. Newton, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing certificate setting forth Articles of Amendment to the Articles of Incorporation (as amended) of Kentucky Utilities Company was this day produced before me in my office by W. A. Duncan and John T. Newton, known to me to be the President and the Secretary, respectively, of said Kentucky Utilities Company, and was acknowledged by each of them to be his act and deed and each of whom stated that the facts set forth in said Articles of Amendment are true.

WITNESS my signature this 28th day of March, 1973.

Linda Johnson
Notary Public, Fayette County, Kentucky

My commission expires February 17, 1977

The foregoing instrument was prepared by Squire R. Ogden, 610 Marion E. Taylor Bldg., 312 South Fourth Street, Louisville, Kentucky, 40202.

Squire R. Ogden

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

## ARTICLES OF AMENDMENT

*I, THELMA L. STOVALL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

LEXINGTON, KENTUCKY

*amended pursuant to Kentucky Revised Statutes, 271A, duly signed and acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

SECRETARY OF STATE

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 26th *day of* MARCH, *19* 74.

Thelma L. Stovall
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY



The undersigned, W. A. Duncan and John T. Newton, the President and the Secretary, respectively, of KENTUCKY UTILITIES COMPANY, a Kentucky corporation (hereinafter called the "corporation"), hereby certify as follows:

1. The amendment to the Articles of Incorporation (as amended) of the corporation set forth below, and which was proposed and declared advisable by the Board of Directors of the corporation, was duly adopted by the stockholders of the corporation, as hereinafter set forth, at the annual meeting of such stockholders held in Lexington, Kentucky, on March 26, 1974, namely:

The Articles of Incorporation (as amended) of the corporation are hereby amended in the following respect:

The aggregate number of shares of Preferred Stock (including such shares previously authorized) which the corporation shall have authority to issue is hereby increased from 400,000 shares of Preferred Stock of the par value of $100 each to 1,000,000 shares of Preferred Stock of the par value of $100 each; and, in order to reflect the foregoing increase in the number of such authorized shares, the first paragraph of Article "Fourth" of the Articles of Incorporation (as amended) of the corporation is hereby amended to read as follows:

"Fourth: The aggregate number of shares of stock which the corporation shall have authority to issue is Sixteen Million (16,000,000) shares, divided into and consisting of (A) One Million (1,000,000) shares of Preferred Stock of the par value of One Hundred Dollars ($100) per share, issuable in one or more series as hereinafter provided, and (B) Fifteen Million (15,000,000) shares of Common Stock of the par

value of Ten Dollars ($10) per share. The 1,000,000 shares of authorized Preferred Stock are hereinafter referred to as the 'Preferred Stock' and shall include the 200,000 shares of '4-3/4% Preferred Stock' and the 200,000 shares of '7.84% Preferred Stock' of the corporation now outstanding."

2. Said amendment was duly adopted by the affirmative vote, in person or by proxy, of the record holders of (a) 330,607 shares of the Preferred Stock (par value $100 per share) of the corporation, voting as a class and constituting more than a majority of the 400,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said amendment and (b) 5,370,842 shares of stock of the corporation (consisting of 330,607 shares of Preferred Stock and 5,040,235 shares of Common Stock, par value $10 per share, of the corporation) and constituting more than a majority of the 7,000,000 shares of stock of the corporation (consisting of said 400,000 shares of Preferred Stock and 6,600,000 shares of Common Stock) outstanding and entitled to vote at the meeting on said amendment, all in accordance with the provisions of said Articles of Incorporation and with the laws of the Commonwealth of Kentucky.

3. Said meeting of stockholders was called upon appropriate notice duly given to all stockholders (both preferred and common) of the corporation entitled to vote at the meeting on said amendment.

IN TESTIMONY WHEREOF, witness the signatures of the undersigned President and Secretary, respectively, of the corporation, this 26th day of March, 1974.

W. A. Duncan, President

John T. Newton, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing certificate setting forth Articles of Amendment to the Articles of Incorporation (as amended) of Kentucky Utilities Company was this day produced before me in my office by W. A. Duncan and John T. Newton, known to me to be the President and the Secretary, respectively, of said Kentucky Utilities Company, and was acknowledged by each of them to be his act and deed and each of whom stated that the facts set forth in said Articles of Amendment are true.

WITNESS my signature this 26 th day of March, 1974.

Notary Public, Fayette County
Kentucky

My commission expires May 16, 1975

The foregoing instrument was prepared by Squire R. Ogden, of Ogden, Robertson & Marshall, 1200 One Riverfront Plaza, Louisville, Kentucky 40270

Squire R. Ogden

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAR 26 1974

SECRETARY OF STATE

SS-12-7-1-72

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

## ARTICLES OF AMENDMENT

*I, THELMA L. STOVALL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

LEXINGTON, KENTUCKY

*amended pursuant to Kentucky Revised Statutes, 271A, duly signed and acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

SECRETARY OF STATE

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 27TH *day of* MARCH, *19* 75.

Thelma L. Stovall
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

# ARTICLES OF AMENDMENT
## TO THE
## ARTICLES OF INCORPORATION
## OF
# KENTUCKY UTILITIES COMPANY



The undersigned, KENTUCKY UTILITIES COMPANY, a Kentucky corporation (the "corporation"), by W.A. Duncan and John T. Newton, its President and Secretary, respectively, hereby certifies as follows:

1. The amendments to the Articles of Incorporation (as amended) of the corporation (the "Articles") set forth below in this paragraph 1 were duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held in the Second Floor Meeting Room at the First Security Bank Building, Lexington, Kentucky, on March 25, 1975, at 12:00 Noon, Lexington (Kentucky) Time, namely:

The Articles of Incorporation (as amended) of the corporation are hereby amended in the following respects:

(a) The corporation shall have authority to issue one or more series of Preferred Stock of the corporation with such terms and conditions as to sinking fund provisions for the redemption or purchase of shares of Preferred Stock as may be determined and fixed by the Board of Directors of the corporation in the resolution authorizing the issue of such shares, and paragraph (2) of Section I of Article FOURTH of said Articles of Incorporation is hereby amended by adding an additional paragraph at the end of said paragraph (2) which shall provide that (i) all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside prior to the declaration or payment of dividends on Common Stock of the Company and (ii) no amounts shall be paid or set aside for any such sinking fund unless all dividends on the Preferred Stock for all past dividend periods shall have been paid or declared and set aside for payment;

(b) Dividends on each share of any series of Preferred Stock of the corporation hereafter created or authorized to be issued shall be cumulative from and including the date of the original issuance of such share, rather than from the first day of the dividend period in which such share shall have been originally issued as now provided in said Articles of Incorporation; and

(c) The provisions of paragraph (6) of Section I of Article FOURTH of said Articles of Incorporation are hereby amended (i) to permit the issuance or assumption by the corporation from time to time, without the consent of the holders of a majority of the then outstanding shares of Preferred Stock, of unsecured debt securities having a final maturity date, determined as of the date of issuance or assumption thereof, of three years or more, and (ii) to permit the issuance or assumption by the corporation from time to time, without the consent of the holders of a majority of the then outstanding shares of Preferred Stock, of any other unsecured debt securities in such amounts as would not cause the total principal amount of all such other unsecured debt securities issued or assumed by the corporation and then outstanding to exceed twenty-five percent (25%) of the sum of (a) the then outstanding secured indebtedness issued or assumed by the corporation and (b) the total of the capital and surplus of the corporation, as then recorded on its books;

and, in order to reflect the foregoing amendments, the following portions of Section I of Article FOURTH of said Articles of Incorporation are hereby amended to read as hereinafter set forth:

The second and third sentences of paragraph (1) of Section I of Article FOURTH are amended to read as follows:

"The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such rate of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized but unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto."

The second sentence of paragraph (2) of Section I of Article FOURTH is amended to read as follows:

"Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock."

The sixth sentence of paragraph (2) of Section I of Article FOURTH is amended to read as follows:

"All shares of the Preferred Stock (including the 4¾% Preferred Stock), regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (12)."

An additional paragraph is hereby added to paragraph (2) of Section I of Article FOURTH at the end of said paragraph (2), to read as follows:

"In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof."

Paragraph (6) of Section I of Article FOURTH is amended to read as follows:

"(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (6)] shall not, without the affirmative vote of the record holders of a majority of the outstanding shares of Preferred Stock of all series:

"(a) Issue or assume any unsecured indebtedness (as hereinafter defined) for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if

immediately after such issue or assumption the total principal amount of all unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty-five per centum (25%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

"(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

" 'Unsecured indebtedness' as that term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder."

2. The foregoing amendments to the Articles were duly adopted by the stockholders of the corporation at said meeting in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky, as follows:

(a) That portion of said amendments permitting the Company to issue one or more series of its Preferred Stock with such sinking fund provisions for the redemption or purchase of shares of such stock as may be fixed by the Board of Directors and requiring that all sinking fund obligations in respect of Preferred Stock be satisfied prior to the declaration or payment of dividends on Common Stock and also requiring that dividends on the Preferred Stock for all past dividend periods shall have been paid or declared and set apart before any such sinking fund obligations are satisfied, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 309,183 shares of the Preferred Stock of the corporation, voting as a class and constituting more than two-thirds of the 400,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments, (ii) 4,732,595 shares the Common Stock of the corporation, voting as a class and constituting more than a majority of the 6,600,000 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments and (iii) 309,183 shares of Preferred Stock and 4,732,595 shares of Common Stock of the corporation, together aggregating 5,041,778 shares and constituting more than a majority of the 7,000,000 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments;

(b) That portion of said amendments providing that dividends on each share of any series of Preferred Stock hereafter created or authorized to be issued shall be cumulative from and including its date of original issuance, rather than from the first day of the dividend period in which such share shall have been originally issued as heretofore provided in the Articles, was duly adopted by the affirmative vote (in person or proxy) of the record holders of 336,195 shares of the Preferred Stock and 4,834,439 shares of the Common Stock of the corporation, together aggregating 5,170,634 shares and constituting more than a majority of the 7,000,000 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments;

(c) That portion of said amendments permitting the Company to issue or assume from time to time, without the consent of the holders of a majority of the then outstanding shares of Preferred Stock, unsecured debt securities having a final maturity date (determined as of the date of issuance or assumption thereof) of three years or more, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 308,325 shares of the Preferred Stock of the corporation, voting as a class and constituting more than two-thirds of the 400,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments and

(ii) 308,325 shares of the Preferred Stock and 4,853,846 shares of the Common Stock of the corporation, together aggregating 5,162,171 shares and constituting more than a majority of the 7,000,000 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments; and

(d) That portion of said amendments increasing the total amount of other unsecured debt securities which may be issued or assumed by the corporation from time to time, without the consent of the holders of a majority of the then outstanding shares of Preferred Stock, from 20% to 25% of the sum of (x) the then outstanding secured indebtedness issued or assumed by the Company and (y) the total of the capital and surplus of the Company, as then recorded on its books, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 286,975 shares of the Preferred Stock of the corporation, voting as a class and constituting more than two-thirds of the 400,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments and (ii) 286,975 shares of the Preferred Stock and 4,834,947 shares of the Common Stock of the corporation, together aggregating 5,121,922 shares and constituting more than a majority of the 7,000,000 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments.

3. Each of the foregoing amendments to the Articles was proposed and declared advisable by the Board of Directors of the corporation; and said meeting of stockholders was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of each of said amendments.

4. Paragraphs (1), (2) and (6) of Section 1 of Article FOURTH of the Articles, as amended by the foregoing amendments thereof set forth in paragraph 1 above, shall read in their entirety, respectively, as set forth below:

(1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock." The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such rate of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized but unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however,* to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the par value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all

shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period," as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained. All shares of the Preferred Stock (including the 4¾% Preferred Stock), regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (12). All shares of the Preferred Stock bearing the same dividend rate at any time outstanding shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (6)] shall not, without the affirmative vote of the record holders of a majority of the outstanding shares of Preferred Stock of all series:

(a) Issue or assume any unsecured indebtedness (as hereinafter defined) for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty-five per centum (25%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

"Unsecured indebtedness" as that term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed in triplicate by the corporation by its President and its Secretary, this 27th day of March, 1975.

KENTUCKY UTILITIES COMPANY

By W. A. Duncan

W. A. DUNCAN, *President*

John T. Newton

JOHN T. NEWTON, *Secretary*

STATE OF KENTUCKY }
COUNTY OF FAYETTE } SS.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 27th day of March, 1975, personally appeared before me W. A. Duncan, who being by me first duly sworn declared that he is President of KENTUCKY UTILITIES COMPANY, that he signed the foregoing Articles of Amendment to the Articles of Incorporation of KENTUCKY UTILITIES COMPANY, and that the statements therein contained are true.

WITNESS my signature this 27th day of March, 1975.

Marjorie Cook

MARJORIE COOK
Notary Public, Fayette County, Kentucky

My commission expires February 20, 1978.

The foregoing instrument was prepared by Robert A. Yolles, One First National Plaza, Chicago, Illinois 60603.

Robert A. Yolles

ROBERT A. YOLLES

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAR 27 1975

Thelma L. Stovall

SECRETARY OF STATE

SS-10-7-1-72

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT, KENTUCKY

RECEIVED
SEP 23 1975
CK #34906 16.00
Commonwealth of Kentucky

## STATEMENT OF RESOLUTION ESTABLISHING SERIES OF SHARES

986

*Pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:*

*The name of the corporation is* Kentucky Utilities Company
Lexington, Kentucky

*The resolution establishing and designating said series of shares was duly adopted by the Board of Directors of said corporation* September 22, *19* 75, *and is attached hereto.*

*Dated* September 23, *19* 75.

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SEP 23 1975

Thelma L. Stovall
SECRETARY OF STATE

Kentucky Utilities Company
NAME OF CORPORATION

By W. A. Duncan
NAME OF CORPORATE OFFICER

President
TITLE

And John P. Newton
NAME OF CORPORATE OFFICER

Secretary

Subscribed and sworn to before me this 23rd day of September, 19 75.

By John P. Newton
NAME OF CORPORATE OFFICER

Secretary
TITLE

Marjorie Cook
NOTARY PUBLIC

My Commission Expires February 20, 1978

INSTRUCTIONS

1. Mail to Secretary of State, Capitol Building, Frankfort, Kentucky 40601.
2. Enclose fee of $5.00.

STATEMENT OF
RESOLUTION ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock (par value $100 per share) and fixing and determining the relative rights and preferences of said shares:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of said shares, was duly adopted by the Board of Directors of the corporation on September 22, 1975:

*RESOLVED*, by the Board of Directors of Kentucky Utilities Company (the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 200,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, par value $100 per share, of the Company; said series, and each share thereof, shall be designated "10.60 % Preferred Stock"; and all of said 200,000 shares of said series are hereby authorized to be issued by the Company.

2. The rate of dividend per annum payable in respect of each share of said series shall be 10.60% per annum of the par value of such share.

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, as provided in this resolution; provided that none of the shares of said series may be redeemed by the Company prior to December 1, 1980, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its

Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the Company, as the case may be, of less than 10.73% per annum. Subject to the terms of this resolution, any redemption of shares of said series shall be made upon the notice and in the manner and with the effect provided in the Articles of Incorporation (as amended) of the Company.

4. The redemption price or prices applicable to the shares of said series, except for the redemption of shares of said series made pursuant to the provisions of paragraph 5 hereof, shall be $ 110.60 per share plus accrued dividends to the date of redemption if such date of redemption is prior to December 1, 1980; $ 107.40 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1985; $ 104.20 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1985, and prior to December 1, 1990; and $ 101.00 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1990.

5. There is hereby created and established a sinking fund for the retirement of shares of said series. Subject to the restrictions contained in the Articles of Incorporation (as amended) of the Company, the Company shall redeem and retire during each 12-month period ending December 1 in each year, beginning in 1981, in satisfaction of the sinking fund for the retirement of shares of said series, a total of 10,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the Company shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the Company as soon as practicable.

The Company may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of said series purchased or otherwise acquired by the Company or shares of said series redeemed by the Company otherwise than pursuant to the provisions of this paragraph 5.

Subject to the restrictions contained in the Articles of Incorporation (as amended) of the Company, the Company may redeem from time to time through the sinking fund during any such 12-month period not more than 10,000 additional shares of said series (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative.

Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this paragraph 5 shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund.

6. The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Articles of Incorporation (as amended) of the Company with respect to shares of the Preferred Stock of the Company and, except only as to the rate of dividend per annum payable in respect of the shares of said series, the redemption price or prices and the terms and conditions of redemption applicable to the shares of said series and the sinking fund provisions applicable to the shares of said series and except as otherwise expressly provided in said Articles of Incorporation (as amended), the shares of said series shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the Company.

All shares of said series redeemed, cancelled and retired pursuant to the provisions of paragraph 4 or 5 hereof, and all shares of said series purchased or otherwise acquired and cancelled and retired by the Company, shall constitute authorized and unissued shares of the Preferred Stock of the Company; provided, that all shares of said series redeemed pursuant to the provisions of said paragraph 5, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

AND FURTHER RESOLVED: That prior to the issuance of any shares of said series the Company shall execute and file (or cause to be filed) such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other documents, and to take such other action, as may be required by law or as shall be deemed proper or appropriate in their judgment or the judgment of counsel for the Company in connection with the foregoing.

IN TESTIMONY WHEREOF, this Statement of Resolution Establishing Series of Shares of Preferred Stock is executed in triplicate by the corporation by its President and its Secretary, this 23rd day of September, 1975.

KENTUCKY UTILITIES COMPANY

(CORPORATE SEAL)

By _____
President

By _____
Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 23rd day of September, 1975, personally appeared before me W. A. Duncan, who being by me first duly sworn declared that he is President of KENTUCKY UTILITIES COMPANY, that he signed the foregoing Statement of Resolution Establishing Series of Shares of Preferred Stock of KENTUCKY UTILITIES COMPANY, and that the statements therein contained are true.

WITNESS my signature this 23rd day of September, 1975.

Margie Cook
Notary Public, Fayette County, Kentucky

(NOTARIAL SEAL)

My commission expires Feb. 20, 1978

The foregoing instrument was prepared by Squire R. Ogden, of Ogden, Robertson & Marshall, 1200, One Riverfront Plaza, Louisville, Kentucky 40270

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SEP 23 1975

Squire R. Ogden

Thelma L. Stowe
SECRETARY OF STATE

SS-12-1-1-76

28424

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

*I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

LEXINGTON, KENTUCKY

*amended pursuant to Kentucky Revised Statutes, 271A, (1972) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 27th *day of* APRIL, *1976*.

Drexell R. Davis
SECRETARY OF STATE

SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ORIGINAL COPY
FILED AND RECORDED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 27 1976

Drexel R. Davis
SECRETARY OF STATE
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COMMONWEALTH OF KENTUCKY

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ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

The undersigned, W. A. Duncan and John T. Newton, the President and the Secretary, respectively, of KENTUCKY UTILITIES COMPANY, a Kentucky corporation (hereinafter called the "corporation"), hereby certify as follows:

1. The amendment to the Articles of Incorporation (as amended) of the corporation set forth below was duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held at the First Security Bank Building, Lexington, Kentucky, on April 27, 1976, at 12:00 o'clock Noon, Lexington (Kentucky) Time; namely:

The Articles of Incorporation (as amended) of the corporation are hereby amended in the following respect:

The Articles of Incorporation (as amended) of the corporation are hereby amended to provide that shares of Common Stock of the corporation, whenever authorized, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, to or for the benefit of employees (including officers) of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation; and, in order to reflect the foregoing proposed amendment, paragraph (2) of Section III of Article

"Fourth" of the Articles of Incorporation (as amended) of the corporation is hereby amended to read as follows:

"(2) Shares of Common Stock of the corporation now or hereafter authorized, and any securities convertible into Common Stock, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation, (c) in exchange for funded debt of the corporation at any time outstanding, (d) to or for the benefit of employees (including officers) of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation, or (e) if sold for money, either by means of a public offering, or to or through underwriters or investment bankers who shall have agreed to make a prompt public offering thereof. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; provided that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock

issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors "

2. Said amendment was duly adopted by the affirmative vote, in person or by proxy, of the record holders of 5,614,801 shares of Common Stock (par value $10 per share) of the corporation, constituting more than a majority of all the outstanding shares of stock of the corporation entitled to vote at the meeting on said amendment (to wit: 7,500,000 shares of Common Stock); all in accordance with the Commonwealth of Kentucky.

3. Said amendment was proposed and declared advisable by the Board of Directors of the corporation; and said meeting of stockholders was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

IN TESTIMONY WHEREOF, witness the signatures of the undersigned President and Secretary, respectively, of the corporation, this 27th day of April, 1976.

W. A. Duncan, President

John T. Newton, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing certificate setting forth Articles of Amendment to the Articles of Incorporation (as amended) of Kentucky Utilities Company was this day produced before me in my office by W. A. Duncan and John T. Newton, known to me to be the President and the Secretary, respectively, of said Kentucky Utilities Company, and was acknowledged by each of them to be his act and deed and each of whom stated that the facts set forth in said Articles of Amendment are true.

WITNESS my signature this 27th day of April, 1976.

Marjorie Cook
Notary Public, Fayette County, Kentucky

My commission expires February 20, 1978.

The foregoing instrument
was prepared by Squire R. Ogden,
Ogden, Robertson & Marshall,
1200 One Riverfront Plaza,
Louisville, Kentucky 40270.

Squire R. Ogden
Squire R. Ogden

SECRETARY OF STATE
RECEIVED
10 1977

Commonwealth of Kentucky

We hereby acknowledge receipt of the following fees, 56504

Organization tax _____

Recording fee _____

Certificate _____

Filing fee _____

Process agent fee _____

Certified copy $10.00

Land patent _____

For: Kentucky Utilities Company

Secretary of State
Commonwealth of Kentucky

By Sandra Perry
Corporation Clerk

SS-14-1-1-76

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## RESTATED CERTIFICATE OF INCORPORATION

## OF

KENTUCKY UTILITIES COMPANY

*I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, hereby certify that triplicate originals of Restated Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

*duly signed and verified pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, have been received in this office and are found to conform to law. Therefore, as Secretary of State and by virtue of the authority vested in me by law, I hereby issue this Restated Certificate of Incorporation of*

KENTUCKY UTILITIES COMPANY (LEXINGTON, KENTUCKY)

*and attach hereto one of the originals of the Restated Articles of Incorporation.*

SECRETARY OF STATE

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 28TH *day of* APRIL, *19*76.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 28 1976

Ck 15.00
Drexell R. Davis
SECRETARY OF STATE

18027

# RESTATED ARTICLES OF INCORPORATION

OF

# KENTUCKY UTILITIES COMPANY

The undersigned, KENTUCKY UTILITIES COMPANY, a Kentucky corporation (the "corporation"), by W. A. Duncan and John T. Newton, its President and Secretary, respectively, hereby certifies as follows:

1. By resolution duly adopted by the Board of Directors of the corporation at a meeting thereof duly held on April 27, 1976, the Articles of Incorporation of the corporation, as theretofore amended (including the amendment adopted by vote of the stockholders on that date), were restated to read as set forth below.

2. The following Restated Articles of Incorporation of the corporation (a) set forth all of the operative provisions of the Articles of Incorporation of the corporation, as amended through the date of said meeting of the Board of Directors of the corporation, (b) correctly set forth without change the corresponding provisions of the Articles of Incorporation of the corporation, as so amended, and (c) supersede the original Articles of Incorporation of the corporation and all amendments thereto through the date of said meeting of the Board of Directors of the corporation.

3. The Restated Articles of Incorporation of the corporation shall read as follows:

## RESTATED ARTICLES OF INCORPORATION

FIRST: The name of the corporation is KENTUCKY UTILITIES COMPANY.

SECOND: The address of the registered office of the corporation, and the address of W. A. Duncan, the resident agent of the corporation, is 120 South Limestone Street, Lexington, Kentucky.

THIRD: The nature of the business and the objects and purposes proposed to be transacted, promoted and carried on by the corporation are to do within or without the State of Kentucky any and all of the things herein mentioned and set forth, as fully and to the same extent, to all intents and purposes, as natural persons might or could do, viz:

1. To manufacture, generate, buy, sell, accumulate, store, transmit, furnish and distribute electrical energy for light, heat, power and other purposes;

2. To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and appliances for the manufacture, generation, storage, accumulation, transmission, distribution and use of electrical energy and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever;

3. To carry on a general business of electricians, mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity;

4. To buy, sell, mortgage, operate and lease pole lines, erect poles, string wires thereon and on poles of individuals, and corporations, on any and all streets, avenues, highways and roads of counties, townships, villages and cities and over and along all canals and other waterways, and over and across bridges and through tunnels and over and across all lands belonging to or controlled by individuals, corporations, counties, states, the national government or any governmental subdivision of the national government, and to use the same both as through lines and for local delivery for the transmission and distribution of electrical energy, and to sell and lease to other individuals or corporations the right to place electric wires on or attach electric wires to any or all poles so erected, owned or leased;

5. To build and construct, purchase and use for any of the purposes stated above, underground subways and conduits in such streets, avenues, highways, roads and under such canals and other waterways, and through any tunnels and under any public or private lands, and place electric wires and conductors therein, and to buy and lease from and sell and let to any individual or corporation the right to place and use as aforesaid electric wires or conductors in any such subways;

6. To manufacture, distribute and sell artificial gas for light, heat and power and other purposes, and also to sell the by-products and residual products therefrom, and to construct or in any manner acquire and to maintain, operate and mortgage, sell and in any manner dispose of works therefor;

7. To mine for, produce, buy and in any manner acquire and to sell and distribute natural gas;

8. To construct, lay, purchase or in any manner acquire, and to maintain and operate, and to sell, encumber or in any manner dispose of pipe lines and gas mains for the sale, distribution and transportation of natural and artificial gas for light, heat, power and other purposes, in, over, through or under any street, alleys, roads, highways or other public places, and in, over, through or under any private or public property;

9. To construct and purchase or in any manner acquire, maintain and operate, and to sell, mortgage, or in any manner dispose of plants and works for the manufacture, distribution and transportation of natural and artificial gas;

10. To manufacture, buy, sell, mortgage, rent and deal in stoves, engines, motors, lamps and other apparatus, appliances and conveniences which may seem calculated, directly, or indirectly to promote the consumption of natural and artificial gas, petroleum, petroleum products and by-products;

11. To mine for, produce, buy and in any manner acquire, refine, sell and distribute petroleum, petroleum products and by-products;

12. To manufacture, buy, sell, and deal in ice; to carry on and conduct the business of storage, cold-storage, refrigeration, or freezing and to construct, purchase, acquire, equip, own, operate, maintain, sell, mortgage and lease stores, buildings, warehouses, plants, machines and apparatus for said purposes;

13. To manufacture, produce and supply in any manner cold air, refrigeration and freezing compounds in any form for use, distribution and application for any and all purposes;

14. To mine, buy and sell, deal in export and import coal, coke and wood and similar combustible materials and to act as an agent for persons and corporations in buying, selling and dealing for them in such materials, and to engage in the business of handling, buying, selling and dealing in and with coal for them or their account, and for the purpose of such business to own or rent or otherwise use or occupy storehouses, docks, piers, boats and barges and any real estate necessary to the carrying on of the said business;

15. To do a general quarrying, construction and building business and everything in the line thereof;

16. To acquire, own, construct, operate, lease, encumber or in any manner dispose of or sell street railways or tramways and interurban railways, and to transport, for hire thereon and thereover, passengers, baggage, mail, express, freight, produce, and to acquire, hold, own, construct, operate, lease, mortgage and sell street railway cars, tram cars, railway, passenger, freight and express cars, and all fixtures and appurtenances incident or necessary to the operation thereof;

17. To acquire, own, construct, operate, lease, sell and encumber houses, buildings, pipes, mains, fixtures, easements, franchises, ordinances and all other necessary or convenient things to enable it to furnish steam for power and heating purposes, and generally to carry on a business of generating, conveying and furnishing steam for power and heat to the general public;

18. To construct, acquire, own, operate, sell, mortgage and lease hydro-electric power plants together with everything whatsoever pertaining thereto;

19. To purchase, appropriate, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, power privileges and appropriations for mining, milling, agriculture, domestic power and other uses and purposes, and more particularly for use in connection with the generation and distribution of electrical energy for light, heat and power and the operation of street railways and propelling of cars;

20. To acquire, sell, mortgage, lease, construct, maintain and operate water works, and to supply municipalities, corporations and individuals with water and water power, and to acquire, sell, mortgage, lease, construct, maintain and operate all necessary dams, buildings, plants, machinery, fixtures and apparatus of every sort for supplying municipalities, corporations, and individuals with water and water power for all purposes, and to carry on the business incidental thereto;

21. To purchase or to acquire and to construct, sell, mortgage, lease, control and to hold such real estate, personal property, rights, powers, privileges and easements in both real and personal property as may be necessary, desirable or convenient for the purposes of this corporation, including such lands, shoals, riparian and other rights and easements as may be necessary, desirable or convenient for pondage, storage overflow, diversion and retention of water, and including power houses, plants, gas holders, machinery, railways, tramways, canals, reservoir sites, conduits, pole lines, transmission and distribution systems, rights-of-way, easements, water rights, filings, applications, privileges and franchises of every nature whatsoever;

22. To buy, sell, mortgage, lease and otherwise acquire, construct, maintain, operate and otherwise dispose of, public and private telegraph and telephone lines, and any interest therein and grants therefor; and all electrical and other instruments, machinery, contrivances, materials and things of every kind and nature for transmitting messages, as well as works, plants, buildings or conveniences appertaining thereto;

23. To acquire, use, lease, encumber or sell charters, contracts and franchises granted, issued or entered into by any persons, companies or corporations, county, state, government or any municipality or governmental subdivision;

24. To guarantee, purchase, acquire, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of the capital stock, bonds, debentures, evidences of indebtedness and other securities of any other corporation or association, whether foreign or domestic, and whether now or hereafter organized, and while the holder of any such shares of stock or other securities, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon to the same extent as a natural person might or could do;

25. To sell or in any manner dispose of, mortgage or pledge any stocks, bonds or other obligations or any property, real or personal, which at any time may be held by the corporation as and when and upon such terms and conditions as the Board of Directors shall determine;

26. To acquire the good-will, rights and properties of any person or persons, firm, corporation or association, and to pay for the same in cash, stock, bonds or otherwise;

27. To acquire, hold, use, sell, assign, lease and grant licenses in respect of, mortgage or otherwise dispose of, letters patent of the United States or any foreign country, patent, patent rights, licenses and privileges, inventions, improvements and processes, trademarks and tradenames, relating to or useful in connection with any business of this corporation;

28. To aid, in any manner, facilitate and assist in the construction, building, extension, improvement, equipment, maintenance and operation of any electric light plant, artificial or natural gas plant, hydro-electric plant, water plant, gas or oil pipe line, street or interurban railway, and for that purpose, or in any manner whatsoever, to use the capital stock and bonds of this corporation or either of them or any part thereof. To aid, in any manner, any corporation or association, of which any bonds, evidences of indebtedness or other securities, are held by the corporation, and to do any other acts or things designed to protect, preserve, improve or enhance the value of such bonds, or evidences of indebtedness or other securities or stock;

29. In general, to carry on any other business in connection with the foregoing, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Kentucky. It is the intention that the objects specified in this Third Clause shall, except where otherwise expressed in said clause, be in no wise limited or restricted by reference to or inference from the terms of any other clause in this charter, but that the several objects specified in this clause shall be recorded as independent objects, nor shall anything in this clause be held to limit or restrict in any manner, the powers of this corporation.

FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Sixteen Million (16,000,000) shares, divided into and consisting of (A) One Million (1,000,000) shares of Preferred Stock of the par value of One Hundred Dollars ($100) per share, issuable in one or more series as hereinafter provided, and (B) Fifteen Million (15,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share. The 1,000,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4¾% Preferred Stock", the 200,000 shares of "7.84% Preferred Stock" and the 200,000 shares of "10.60% Preferred Stock" of the corporation now outstanding.

A description of the respective classes of shares of stock of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

## I. SHARES OF THE PREFERRED STOCK

(1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock", the 200,000 shares of 7.84% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.84% Preferred Stock" and the 200,000 shares of 10.60% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "10.60% Preferred Stock." The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such rate of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized and unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however,* to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the par value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared

and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period," as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained. All shares of the Preferred Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¼% Preferred Stock, as otherwise provided in paragraph (12). All shares of the Preferred Stock bearing the same dividend rate at any time outstanding shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(3) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of the Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full out of the net assets of the corporation, (i) the par value of their shares of Preferred Stock plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up shall be involuntary, and (ii) the then current redemption price of their shares of Preferred Stock (accrued dividends thereon to be computed to the date of distribution) if such dissolution, liquidation or winding up shall be voluntary. After such payment in full to the holders of shares of the Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Common Stock.

(4) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time to redeem and retire all or any part of the shares of Preferred Stock, or all or any part of the shares of any one or more series of the Preferred Stock, upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing as hereinafter provided for the benefit of such holders, the then applicable redemption price of the shares to be redeemed, which (a) in case of the shares of the 4¼% Preferred Stock shall be $101 per share plus accrued dividends to the date of redemption, (b) in case of the shares of the 7.84% Preferred Stock shall be $109.34 per share plus accrued dividends to the date of redemption if such date of redemption is prior to September 1, 1977, $107.38 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1977, and prior to September 1, 1982, $105.42 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1982, and prior to September 1, 1987, and $101.50 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1987, provided that none of the shares of 7.84% Preferred Stock may be redeemed by the corporation prior to September 1, 1977, if such redemption is for the purpose of refunding, or is in

anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the corporation, as the case may be, of less than 7.82% per annum, and (c) in case of the shares of the 10.60% Preferred Stock shall be $110.60 per share plus accrued dividends to the date of redemption if such date of redemption is prior to December 1, 1980, $107.40 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1985, $104.20 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1985, and prior to December 1, 1990, and $101.00 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1990, provided that none of the shares of 10.60% Preferred Stock may be redeemed by the corporation prior to December 1, 1980, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the corporation, as the case may be, of less than 10.73% per annum. It shall be a condition of any redemption pursuant to this paragraph (4) that the corporation shall, not less than thirty (30) days previous to the date fixed for redemption, give notice of the intention of the corporation to redeem such shares, specifying the shares to be redeemed and the date and place of redemption, which notice shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice of redemption unintentional omissions or errors in names or addresses shall not impair the validity of such notice. In every case of the redemption of less than all of the outstanding shares of any series of the Preferred Stock, the shares of such series to be redeemed shall be chosen by proration (so far as may be without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited, and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders of the corporation with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from such bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates therefor as aforesaid.

Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation shall redeem and retire during each 12-month period ending December 1 in each year, beginning in 1981, in satisfaction of the sinking fund for the retirement of shares of 10.60% Preferred Stock, a total of 10,000 shares of 10.60% Preferred Stock (or such lesser aggregate number of shares of 10.60% Preferred Stock as

may be outstanding) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the corporation shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the corporation as soon as practicable. The corporation may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of 10.60% Preferred Stock purchased or otherwise acquired by the corporation or shares of 10.60% Preferred Stock redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation may redeem from time to time through the sinking fund during any such 12-month period not more than 10,000 additional shares of 10.60% Preferred Stock (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of 10.60% Preferred Stock to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund. All shares of 10.60% Preferred Stock redeemed, cancelled and retired, and all shares of 10.60% Preferred Stock purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock; provided, that all shares of 10.60% Preferred Stock redeemed pursuant to the provisions of this grammatical paragraph, and all shares of 10.60% Preferred Stock applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of 10.60% Preferred Stock.

The term "accrued dividends", as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of two-thirds of the outstanding shares of Preferred Stock of all series, voting separately as one class:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, the consent only of the holders of at least two-thirds of the total number of shares of each series so adversely affected shall be required; or

(c) Issue any shares of Preferred Stock, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, not less than an equal number of shares of Preferred Stock, or shares of any stock ranking prior thereto or on a parity therewith, at the time outstanding, unless

(i) the gross income (determined in accordance with accepted accounting principles) of the corporation available for the payment of interest charges shall, for a period of twelve consecutive

calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half (1½) times the sum of (x) the interest for one year, adjusted by provision for amortization of debt discount and expense or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock of all series and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of the Preferred Stock of all series and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (6)] shall not, without the affirmative vote of the record holders of a majority of the outstanding shares of Preferred Stock of all series:

(a) Issue or assume any unsecured indebtedness (as hereinafter defined) for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty-five per centum (25%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

"Unsecured indebtedness" as that term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the consent of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity", as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation (but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock for such period, all as shall be determined in accordance with such system of account, as may be prescribed by regulatory authorities having jurisdiction in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (8), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(9) (a) No holder of the Preferred Stock shall be entitled to vote for the election of directors or in respect of any matter, except as provided in the preceding paragraph (5) or (6) or in this paragraph (9), or as may be required by law.

(b) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation. For the purpose of exercising the right of cumulative voting the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect, shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(c) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in subparagraph (b) of this paragraph (9), and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon. Dividends shall be deemed to have been paid, as that term is used in this subparagraph (c) of this paragraph (9), whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting right.

(d) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(e) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), a special meeting of the holders of the shares of the Preferred Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Preferred Stock or of the Common Stock, as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the election of the directors to be elected by the holders of the shares of the Preferred Stock, voting as a class, and of those to be elected by the holders of the shares of the Common Stock, voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred

Stock shall have the special right, voting separately as one class, to elect directors pursuant to subparagraph (b) or (d) of this paragraph (9), the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either such class, the holders of a majority of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy.

(f) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this paragraph (9) and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in this paragraph (9).

(10) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (5), (6), (8) and (9), if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(11) No holder of the Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(12) Notwithstanding anything to the contrary contained in paragraph (2), each holder of shares of the 4¼% Preferred Stock shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of such stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of such stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursement shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky, not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment of such shares of stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any shares of such stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

## II. Consideration for Newly Authorized Shares

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

## III. General Provisions

(1) Each shareholder of record of any class of stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each shareholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon under the provisions of these Articles of Incorporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) Shares of Common Stock of the corporation now or hereafter authorized, and any securities convertible into Common Stock, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation, (c) in exchange for funded debt of the corporation at any time outstanding, (d) to or for the benefit of employees (including officers) of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation, or (e) if sold for money, either by means of a public offering, or to or through underwriters or investment bankers who shall have agreed to make a prompt public offering thereof. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; *provided* that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors.

Fifth: The names and places of residence of each of its stockholders and the number of shares subscribed for by each, are as follows:

| Names | Residences | Number of Shares Common |
|---|---|---|
| Wm. R. Watson | Chicago, Illinois | 10 |
| Charles J. Ruebling | Chicago, Illinois | 10 |
| L. Earle Powell | Chicago, Illinois | 10 |

Sixth: The corporation shall begin business as soon as authorized, as provided by statute, and shall have perpetual duration.

Seventh: The affairs of the corporation shall be conducted by a Board of nine directors, or such other number of directors, not less than three, as shall from time to time be prescribed by the By-laws, who shall be elected at the annual meeting of the corporation, on a day to be fixed in the By-laws. The directors, as soon as practicable after their election in each year, shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, an Auditor, and such other officers as may, from time to time, be provided for by the Board.

Eighth: The authority to make, and to change, the By-laws is hereby vested in the Board of Directors, subject to the power of the stockholders to change or repeal the By-laws.

Ninth: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

IN TESTIMONY WHEREOF, the foregoing Restated Articles of Incorporation are executed in triplicate by the corporation by its President and its Secretary, this 28th day of April, 1976.

KENTUCKY UTILITIES COMPANY

By W. A. Duncan

W. A. DUNCAN, *President*

John T. Newton

JOHN T. NEWTON, *Secretary*

STATE OF KENTUCKY
COUNTY OF FAYETTE } ss:

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 28th day of April, 1976, personally appeared before me W. A. Duncan, who being by me first duly sworn declared that he is *President* of KENTUCKY UTILITIES COMPANY, that he signed the foregoing Restated Articles of Incorporation of KENTUCKY UTILITIES COMPANY, and that the statements therein contained are true.

WITNESS my signature this 28th day of April, 1976.

Marjorie Cook

MARJORIE COOK
Notary Public, Fayette County, Kentucky

My commission expires February 20, 1978.

The foregoing instrument was prepared by Robert A. Yolles, One First National Plaza, Chicago, Illinois 60603.

Robert A. Yolles

ROBERT A. YOLLES

SS-12 -1-1-76

28494 ✓

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

*I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

*amended pursuant to Kentucky Revised Statutes, 271A, (~~1972~~) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 2ND *day of* MAY, *19* 77.

Drexell R. Davis
SECRETARY OF STATE

SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

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Drexell R. Davis
SECRETARY OF STATE

# ARTICLES OF AMENDMENT

TO THE

# RESTATED ARTICLES OF INCORPORATION

OF

# KENTUCKY UTILITIES COMPANY

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by W. A. Duncan and John T. Newton, its President and Secretary, respectively, hereby certifies as follows:

1. The amendments to the Restated Articles of Incorporation of the corporation (the "Articles") set forth below in this paragraph 1 were duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held in the Second Floor Meeting Room at the First Security Bank Building, Lexington, Kentucky, on April 26, 1977, at 12:00 Noon, Lexington (Kentucky) Time, namely:

The Restated Articles of Incorporation of the corporation are hereby amended in the following respects:

(a) Shares of Common Stock of the corporation may be issued from time to time, without first being offered to all stockholders for subscription or purchase, to any or all security holders pursuant to a plan permitting the purchase by them of additional shares of Common Stock through the reinvestment of cash dividends and/or interest and which may also permit the purchase of additional shares of Common Stock with optional cash payments;

(b) All presently authorized shares of Preferred Stock of the par value of $100 per share of the corporation (including those shares which are issued and outstanding) are reclassified as shares of Preferred Stock without par value; the stated value of the presently outstanding shares of Preferred Stock of the corporation shall be $100 per share; and all authorized and unissued shares of Preferred Stock of the corporation (including those shares at any time having the status of authorized and unissued shares) shall be without par value, but shall have, as to each series, such stated value per share as shall be fixed and determined by the Board of Directors of the corporation in the resolution establishing such series; and

(c) The aggregate number of authorized shares of stock is hereby changed *from* 16,000,000 shares divided into 1,000,000 shares of Preferred Stock and 15,000,000 shares of Common Stock *to* 17,600,000 shares divided into 2,600,000 shares of Preferred Stock having a maximum aggregate stated value of $110,000,000 and 15,000,000 shares of Common Stock,

which amendments are effected by amending the Restated Articles of Incorporation of the corporation as set forth below.

Article Fourth of the Restated Articles of Incorporation is amended to read in its entirety as follows:

FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Seventeen Million Six Hundred Thousand (17,600,000) shares, divided into and consisting of (A) Two Million Six Hundred Thousand (2,600,000) shares of Preferred Stock without par value but with a maximum aggregate stated value of $110,000,000, issuable in one or more series as hereinafter provided, and (B) Fifteen Million (15,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share. The 2,600,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4.64% Preferred Stock", the 200,000 shares of "7.84% Preferred Stock" and the 200,000 shares of "10.60% Preferred Stock" of the corporation now outstanding.

the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period," as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to the restrictions hereinafter contained.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(3) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of the Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full out of the net assets of the corporation, (i) the stated value of their shares of Preferred Stock plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up shall be involuntary, and (ii) the then current redemption price of their shares of Preferred Stock (accrued dividends thereon to be computed to the date of distribution) if such dissolution, liquidation or winding up shall be voluntary. After such payment in full to the holders of shares of the Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Common Stock.

(4) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time to redeem and retire all or any part of the shares of Preferred Stock, or all or any part of the shares of any one or more series of the Preferred Stock, upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing as hereinafter provided for the benefit of such holders, the then applicable redemption price of the shares to be redeemed, which (a) in case of the shares of the 4¼% Preferred Stock shall be $101 per share plus accrued dividends to the date of redemption, (b) in case of the shares of the 7.84% Preferred Stock shall be $109.34 per share plus accrued dividends to the date of redemption if such date of redemption is prior to September 1, 1977, $107.38 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1977, and prior to September 1, 1982, $105.42 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1982, and prior to September 1, 1987, and $101.50 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1987, provided that none of the shares of 7.84% Preferred Stock may be redeemed by the corporation prior to September 1, 1977, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the corporation, as the case may be, of less than 7.82% per annum, and (c) in case of the shares of the 10.60% Preferred Stock shall be $110.60 per share plus accrued dividends to the date of redemption if such date of redemption is prior to December 1, 1980, $107.40 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1985, $104.20 per

the corporation as soon as practicable. The corporation may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of 10.60% Preferred Stock purchased or otherwise acquired by the corporation or shares of 10.60% Preferred Stock redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation may redeem from time to time through the sinking fund during any such 12-month period not more than 10,000 additional shares of 10.60% Preferred Stock (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of 10.60% Preferred Stock to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund. All shares of 10.60% Preferred Stock redeemed, cancelled and retired, and all shares of 10.60% Preferred Stock purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock; provided, that all shares of 10.60% Preferred Stock redeemed pursuant to the provisions of this grammatical paragraph, and all shares of 10.60% Preferred Stock applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of 10.60% Preferred Stock.

The term "accrued dividends", as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (9) hereof, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (9) hereof, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series; or

(c) Issue any shares of Preferred Stock, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, shares of Preferred Stock, or of any stock ranking prior thereto or on a parity therewith, or both, at the time outstanding having an

required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8).

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity", as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of

corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting right.

(d) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to subparagraph (b) of this paragraph (9), the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(e) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to subparagraph (b) or (d) of this paragraph (9), a special meeting of the holders of the shares of the Preferred Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Common Stock or shares of the Preferred Stock with an aggregate stated value of not less than $100,000, as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the election of the directors to be elected by the holders of the shares of the Preferred Stock, voting as a class, and of those to be elected by the holders of the shares of the Common Stock, voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to subparagraph (b) or (d) of this paragraph (9), the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preferred Stock having a majority of the votes entitled to be cast by the Preferred Stock at the meeting shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either such class, the holders of the stock of such class who are present in person or by proxy shall have power upon the majority vote of those votes represented at the meeting to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite number of votes of such class shall be represented by stockholders present in person or by proxy.

(f) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this paragraph (9) and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in this paragraph (9).

(10) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (5), (6), (8) and (9), if, prior to or

adopted by the corporation which permits the purchase by them of additional shares of Common Stock through the reinvestment of cash dividends and/or interest and which may also permit the purchase of additional shares of Common Stock with optional cash payments. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; *provided* that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors.

2. The foregoing amendments to the Articles were adopted by the stockholders of the corporation at said meeting in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky, as follows:

(a) That portion of said amendments permitting the corporation to issue shares of its Common Stock from time to time, without first offering the shares to all stockholders for subscription or purchase, to any or all security holders pursuant to a plan permitting the purchase by them of additional shares of Common Stock through the reinvestment of cash dividends and/or interest and which may also permit the purchase of additional shares of Common Stock with optional cash payments, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of 6,530,785 shares of the corporation's Common Stock, par value $10 per share, constituting more than a majority of the 8,511,085 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments;

(b) That portion of said amendments reclassifying all presently authorized shares of Preferred Stock of the par value of $100 per share of the corporation (including those shares which are issued and outstanding) as shares of Preferred Stock without par value, and providing that the stated value of the presently outstanding shares of Preferred Stock shall be $100 per share and that all authorized and unissued shares of Preferred Stock of the corporation (including those shares at any time having the status of authorized and unissued shares) shall be without par value, but shall have, as to each series, such stated value per share as shall be fixed and determined by the Board of Directors of the corporation in the resolution establishing such series, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 476,531 shares of the Preferred Stock of the corporation, voting as a class and constituting more than a majority of the 600,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments, (ii) 6,298,970 shares of the Common Stock of the corporation, voting as a class and constituting more than a majority of the 8,511,085 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments and (iii) an aggregate of 6,775,501 shares of Preferred Stock and Common Stock of the corporation, together constituting more than a majority of the 9,111,085 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendments;

(c) That portion of said amendments increasing the aggregate number of authorized shares of stock of the corporation *from* 16,000,000 shares divided into 1,000,000 shares of Preferred Stock and 15,000,000 shares of Common Stock *to* 17,600,000 shares divided into 2,600,000 shares of Preferred Stock having a maximum aggregate stated value of $110,000,000 and 15,000,000 shares of Common Stock, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 476,459 shares of the Preferred Stock of the corporation, voting as a class and constituting more than a majority of the 600,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at

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# Commonwealth of Kentucky

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FRANKFORT, KENTUCKY
NOV 4 - 1977
Drexel R. Davis
SECRETARY OF STATE

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

SECRETARY OF STATE
RECEIVED
NOV 4 - 1977
Commonwealth of Kentucky

## STATEMENT OF RESOLUTION ESTABLISHING SERIES OF SHARES

76668

***Pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:***

***The name of the corporation is*** Kentucky Utilities Company
Lexington, Kentucky

***The resolution establishing and designating said series of shares was duly adopted by the Board of Directors of said corporation*** June 23, ***19*** 77, ***and is attached hereto.***

***Dated*** November 3, ***19*** 77.

Kentucky Utilities Company
NAME OF CORPORATION

By [signature]
NAME OF CORPORATE OFFICER

President
TITLE

And [signature] Secretary
NAME OF CORPORATE OFFICER

Subscribed and sworn to before me this 3rd day of November, 19 77

By [signature] Secretary
NAME OF CORPORATE OFFICER TITLE

Margorie Cook
NOTARY PUBLIC

My Commission Expires February 20, 1978

INSTRUCTIONS

1. Mail to Secretary of State, Capitol Building, Frankfort, Kentucky 40601.
2. Enclose fee of ~~$5.00~~ 10.00

STATEMENT OF RESOLUTION
ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Restated Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock without par value and fixing and determining the relative rights and preferences of the shares of said series:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of the shares of said series, was duly adopted by the Board of Directors of the corporation on June 23, 1977:

RESOLVED, by the Board of Directors of Kentucky Utilities Company (the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 100,000 shares, is hereby created and established out of the authorized and unissued shares of

the Preferred Stock without par value of the Company; said series, and each share thereof, shall be designated "7.50% Preferred Stock"; the stated value of each share of said series shall be $100; and all of said 100,000 shares of said series are hereby authorized to be issued by the Company.

2. The rate of dividend per annum payable in respect of each share of said series shall be 7.50% per annum of the stated value of such share.

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, as provided in this resolution; provided that none of the shares of said series may be redeemed by the Company prior to December 1, 1982 if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its Preferred Stock or of any other stock ranking prior to the Common Stock as to the payment of dividends or the making of distributions on liquidation if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) to the Company, as the case may be, of less than 7.50% per annum. Subject to the terms of this resolution, any redemption of shares of said series shall be made upon the notice and in the manner and with the effect provided in the Restated Articles of Incorporation (as amended) of the Company.

4. The redemption price or prices applicable to the shares of said series shall be: $107.50 per share if such date of redemption is prior to December 1, 1978; $106.75 per share if such date of redemption is on or subsequent to December 1, 1978, and prior to December 1, 1979; $106.00 per share if such date of redemption is on or subsequent to December 1, 1979, and prior to December 1, 1980; $105.25 per share if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1981; $104.50 per share if such date of redemption is on or subsequent to December 1, 1981, and prior to December 1, 1982; $103.75 per share if such date of redemption is on or subsequent to December 1, 1982, and prior to December 1, 1983; $103.00 per share if such date of redemption is on or subsequent to December 1, 1983, and prior to December 1, 1984; $102.25 per share if such date of redemption is on or subsequent to December 1, 1984, and prior to December 1, 1985; $101.50 per share if such date of redemption is on or subsequent to

December 1, 1985, and prior to December 1, 1986; $100.75 per share if such date of redemption is on or subsequent to December 1, 1986, and prior to December 1, 1987; and $100.00 per share if such date of redemption is on or subsequent to December 1, 1987; plus, in each case, an amount equal to all dividends accrued and unpaid thereon to the date of redemption.

5. As a sinking fund for said series, the Company shall, on August 1, 1985, and on each August 1 thereafter (so long as any shares of said series are outstanding), offer to purchase out of funds legally available for the purchase or redemption by the Company of shares of said series on the next succeeding December 1 not less than 20,000 shares of said series (or the number of such shares then outstanding if less than 20,000), at a purchase price of $100 per share, plus an amount equal to accrued and unpaid dividends thereon to the date of purchase. Each such offer is hereinafter referred to as an "Annual Call for Tenders". The offer shall be made by mailing a notice thereof by first class mail, postage prepaid, to all holders of record of shares of said series at their respective addresses then appearing on the books of the Company. The notice shall specify the total number of such shares which the Company is offering to purchase thereunder and the date of purchase. Each holder of record wishing to accept such offer shall tender to the Company not later than 60 days prior to the date of purchase the number of shares of said series then owned by such holder which the holder proposes to sell in response to the offer, whereupon there shall be deemed to be a binding contract of purchase and sale between such holder and the Company with respect to so many of the shares so tendered as the Company shall be required to purchase pursuant to the following provisions.

Each holder of record of shares of said series shall have the right pursuant to each Annual Call for Tenders subsequent to the time he becomes such a holder of record to have the Company purchase from him not less than 1/5th of the difference between (i) the sum of the number of shares of said series originally registered in the name of such holder of record plus the number of shares of said series thereafter (and through the date of acceptance of the applicable Annual Call for Tenders) issued or transferred of record into the name of such holder of record, and (ii) the number of shares of said series at any time theretofore transferred by such holder of record to anyone other than the Company; provided, however, that nothing contained in this Paragraph 5 shall be deemed to require the Company to purchase more than 20,000 shares of said series pursuant to any Annual Call for Tenders.

If the aggregate number of shares tendered by all holders of record of shares of said series pursuant to any Annual Call for Tenders shall be more than the number of shares of said series offered to be purchased by the Company pursuant to such Annual Call for Tenders, the Company shall first purchase from each such tendering holder of record the number of shares of said series required to be purchased from such holder in accordance with the provisions of the immediately preceding paragraph. If after such application of the provisions of the preceding paragraph the Company shall have been required to purchase pursuant to any Annual Call for Tenders less than the 20,000 shares of said series (or such lesser number of shares as shall then be outstanding) offered to be purchased, then the Company shall purchase the remainder of such shares required to be purchased pursuant to such Annual Call for Tenders (the "Remaining Shares"), from those holders of record, if any, who have tendered more shares than the Company shall have been required as aforesaid to purchase from them in the following manner: the Company shall purchase from each such holder of record a number of shares determined by multiplying the Remaining Shares by a fraction, the numerator of which is the number of shares tendered by such holder of record but not required as aforesaid to be purchased from him and the denominator of which is the total number of all shares tendered by all holders of record but not required as aforesaid to be purchased from them.

If the total number of shares tendered pursuant to any Annual Call for Tenders by all holders of record of shares of said series is equal to or less than the total number of shares which the Company has offered to purchase, the Company shall be required to purchase on such December 1 all shares so tendered.

The Company shall notify each such tendering holder of record of the number of shares to be purchased from such tendering holder of record not later than 25 days prior to the date of purchase. The Company may make reasonable regulations with respect to the form and manner of tender.

On each purchase pursuant to this Paragraph 5, the Company shall pay any transfer or similar taxes imposed by the United States or any State thereof or any political subdivision of any such State (not including any income or similar taxes) to which any holder of record selling shares of the Company may become subject, as a result of such sale. To the extent that any offer to purchase shares pursuant to

any such Annual Call for Tenders is not accepted by holders of record of shares of said series, the Company shall be under no obligation to purchase such shares under this Paragraph 5 except pursuant to subsequent Annual Calls for Tenders. The obligation of the Company to make Annual Calls for Tenders to purchase shares of said series shall be cumulative so that if the Company shall fail to make any Annual Call for Tenders or shall fail or have been unable to purchase pursuant to any Annual Call for Tenders all or any part of the number of shares of said series required to be purchased by it pursuant thereto, it shall, as soon thereafter as funds become legally available, purchase in accordance with the provisions of this Paragraph 5 a number of such shares equal to the difference between the number required to be purchased and the number, if any, actually purchased pursuant to such Annual Call for Tenders. No redemption, purchase or other acquisition of shares of said series other than pursuant to this Paragraph 5 shall constitute a credit against any Annual Call for Tenders requirement of this Paragraph 5.

6. All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired and cancelled and retired by the Company, shall constitute authorized and unissued shares of the Preferred Stock of the Company, but shall not be reissued as shares of said series.

AND FURTHER RESOLVED: That prior to the issuance of any shares of said series the Company shall execute and file (or cause to be filed) such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other documents, and to take such other action, as may be required by law or as shall be deemed proper or appropriate in their judgment or the judgment of counsel for the Company in connection with the foregoing.

IN TESTIMONY WHEREOF, this Statement of Resolution Establishing Series of Shares of Preferred Stock is executed in triplicate by the corporation by its President and its

Secretary, this 3rd day of November , 1977.

KENTUCKY UTILITIES COMPANY

(CORPORATE SEAL) By _____
President

By _____
Secretary

The foregoing instrument was prepared by Squire R. Ogden, Ogden, Robertson & Marshall, 1200 One Riverfront Plaza, Louisville, Kentucky 40270.

_____
Squire R. Ogden

SS-12 -1-1-76

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

***I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of***

KENTUCKY UTILITIES COMPANY

***amended pursuant to Kentucky Revised Statutes, 271A, (273) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.***

SECRETARY OF STATE

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 24TH *day of* APRIL, *19*79.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

A

$ 3315.00

ORIGINAL COPY.
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 24 1979

Drexell R. Davis
SECRETARY OF STATE

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ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by W. B. Bechanan and Michael R. Whitley, its President and Secretary, respectively, hereby certifies as follows:

1. The amendment to the Restated Articles of Incorporation, as amended, of the corporation (the "Articles") set forth below in this paragraph 1 was duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held in the Second Floor Meeting Room at the First Security Bank Building, Walnut and Main Streets, Lexington, Kentucky, on April 24, 1979, at 12:00 Noon, Lexington (Kentucky) Time, namely:

The Restated Articles of Incorporation, as amended, of the corporation are hereby amended in the following respect:

The aggregate number of authorized shares of stock of the corporation is increased to 19,600,000 shares from 17,600,000 shares; and the corporation shall be authorized to issue, in addition to the securities presently authorized by the Restated Articles of Incorporation, 2,000,000 shares of Preference Stock, issuable in series, without par value; such Preference Stock (i) to be junior to the Preferred Stock with respect to the declaration and payment of dividends, sinking fund requirements, and the distribution of assets upon dissolution, liquidation or winding up of the corporation, (ii) to be senior to the Common Stock with respect to the declaration and payment of dividends, sinking fund requirements, and the distribution of assets upon dissolution, liquidation or winding up of the corporation, (iii) to have such stated values per share, rates of dividend, redemption terms and provisions, if any, sinking fund provisions, if any, amounts payable on the voluntary or involuntary dissolution, liquidation or winding up of the corporation, and terms

and conditions, if any, regarding the conversion of shares into shares of Common Stock, as may be determined by the Board of Directors and (iv) to have such voting rights and other terms and conditions as set forth in the following form of amendment to the Restated Articles of Incorporation,

which amendment is effected by amending the Restated Articles of Incorporation, as amended, of the corporation as set forth below:

Article Fourth of the Restated Articles of Incorporation, as amended, is amended to read in its entirety as follows:

FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Nineteen Million Six Hundred Thousand (19,600,000) shares, divided into and consisting of (A) Two Million Six Hundred Thousand (2,600,000) shares of Preferred Stock without par value but with a maximum aggregate stated value of $110,000,000, issuable in one or more series as hereinafter provided, (B) Two Million (2,000,000) shares of Preference Stock without par value issuable in one or more series as hereinafter provided, and (C) Fifteen Million (15,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share. The 2,600,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4¾% Preferred Stock", the 200,000 shares of "7.84% Preferred Stock", the 200,000 shares of "10.60% Preferred Stock" and the 100,000 shares of "7.50% Preferred Stock" of the corporation now outstanding.

A description of the respective classes of shares of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

I. PROVISIONS RELATING TO THE PREFERRED STOCK

(1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock (stated value $100 per share)", the 200,000 shares of 7.84% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.84% Preferred Stock (stated value $100 per share)", the 200,000 shares of 10.60% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "10.60% Preferred Stock (stated value $100 per share)" and the 100,000 shares of 7.50% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.50% Preferred Stock (stated value $100 per share)". The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such stated values, such rates of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized and unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each

such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preferred Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preferred Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preferred Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the stated values thereof, the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (11) of this Division I. All shares of the Preferred Stock of the same stated value per share at any time outstanding which bear the same dividend rate shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Preference Stock and the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Preference Stock and the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Preference Stock or the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(3) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of the Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Preference Stock or the Common Stock, to be paid in full out of the net assets of the corporation, (i) the stated value of their shares of Preferred Stock plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up shall be involuntary, and (ii) the then current redemption price of their shares of Preferred Stock (accrued dividends thereon to be computed to the date of distribution) if such dissolution, liquidation or winding up shall be voluntary. After such payment in full to the holders of shares of the Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Preference Stock and to the holders of shares of the Common Stock, as hereinafter provided.

(4) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time to redeem and retire all or any part of the shares of Preferred Stock, or all or any part of the shares of any one or more series of the Preferred Stock, upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing as hereinafter provided for the benefit of such holders, the then applicable redemption price of the shares to be redeemed, which (a) in case of the shares of the 4¼% Preferred Stock shall be $101 per share plus accrued dividends to the date of redemption, (b) in case of the shares of the 7.84% Preferred Stock shall be $107.38 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1977, and prior to September 1, 1982, $105.42 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1982, and prior to September 1, 1987, and $101.50 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1987, (c) in case of the shares of the 10.60% Preferred Stock shall be $110.60 per share plus accrued dividends to the date of redemption if such date of redemption is prior to December 1, 1980, $107.40 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1985, $104.20 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1985, and prior to December 1, 1990, and $101.00 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1990, provided that none of the shares of 10.60% Preferred Stock may be redeemed by the corporation prior to December 1, 1980, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the corporation, as the case may be, of less than 10.73% per annum, and (d) in case of the shares of the 7.50% Preferred Stock shall be $106.75 per share if the date of redemption is during the 12-month period ending November 30, 1979, which price shall then decrease for each successive 12-month period ending November 30 by the amount of $.75, until such price equals $100.00, and shall be $100.00 per share if the date of redemption is on or subsequent to December 1, 1987, plus in each case an amount equal to all accrued dividends to the date of redemption, provided that none of the shares of 7.50% Preferred Stock may be redeemed by the corporation prior to December 1, 1982 if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to the Common Stock as to the payment of dividends or the making of distributions on liquidation if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) to the corporation, as the case may be, of less than 7.50% per annum. It shall be a condition of any redemption pursuant to this paragraph (4) that the corporation shall, not less than thirty (30) days previous to the date fixed for redemption, give notice of the intention of the corporation to redeem such shares, specifying the shares to be redeemed and the date and place of redemption, which notice shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be

redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice of redemption unintentional omissions or errors in names or addresses shall not impair the validity of such notice. In every case of the redemption of less than all of the outstanding shares of any series of the Preferred Stock, the shares of such series to be redeemed shall be chosen by proration (so far as may be without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited, and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders of the corporation with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from such bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates therefor as aforesaid.

Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation shall redeem and retire during each 12-month period ending December 1 in each year, beginning in 1981, in satisfaction of the sinking fund for the retirement of shares of 10.60% Preferred Stock, a total of 10,000 shares of 10.60% Preferred Stock (or such lesser aggregate number of shares of 10.60% Preferred Stock as may be outstanding) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the corporation shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the corporation as soon as practicable. The corporation may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of 10.60% Preferred Stock purchased or otherwise acquired by the corporation or shares of 10.60% Preferred Stock redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation may redeem from time to time through the sinking fund during any such 12-month period not more than 10,000 additional shares of 10.60% Preferred Stock (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of 10.60% Preferred Stock to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund. All shares of

10.60% Preferred Stock redeemed, cancelled and retired, and all shares of 10.60% Preferred Stock purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock; provided, that all shares of 10.60% Preferred Stock redeemed pursuant to the provisions of this grammatical paragraph, and all shares of 10.60% Preferred Stock applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of 10.60% Preferred Stock.

As a sinking fund for the retirement of shares of the 7.50% Preferred Stock (sometimes in this grammatical paragraph referred to as "said series"), the corporation shall, on August 1, 1985, and on each August 1 thereafter (so long as any shares of said series are outstanding), offer to purchase out of funds legally available for the purchase or redemption by the corporation of shares of said series on the next succeeding December 1 not less than 20,000 shares of said series (or the number of such shares then outstanding if less than 20,000), at a purchase price of $100 per share, plus an amount equal to accrued dividends thereon to the date of purchase. Each such offer is hereinafter referred to as an "Annual Call for Tenders". The offer shall be made by mailing a notice thereof by first class mail, postage prepaid, to all holders of record of shares of said series at their respective addresses then appearing on the books of the corporation. The notice shall specify the total number of such shares which the corporation is offering to purchase thereunder and the date of purchase. Each holder of record wishing to accept such offer shall tender to the corporation not later than 60 days prior to the date of purchase the number of shares of said series then owned by such holder which the holder proposes to sell in response to the offer, whereupon there shall be deemed to be a binding contract of purchase and sale between such holder and the corporation with respect to so many of the shares so tendered as the corporation shall be required to purchase pursuant to the following provisions. Each holder of record of shares of 7.50% Preferred Stock shall have the right pursuant to each Annual Call for Tenders subsequent to the time he becomes such a holder of record to have the corporation purchase from him not less than 1/5th of the difference between (i) the sum of the number of shares of said series originally registered in the name of such holder of record plus the number of shares of said series thereafter (and through the date of acceptance of the applicable Annual Call for Tenders) issued or transferred of record into the name of such holder of record, and (ii) the number of shares of said series at any time theretofore transferred by such holder of record to anyone other than the corporation; provided, however, that nothing contained in this grammatical paragraph shall be deemed to require the corporation to purchase more than 20,000 shares of said series pursuant to any Annual Call for Tenders. If the aggregate number of shares tendered by all holders of record of shares of said series pursuant to any Annual Call for Tenders shall be more than the number of shares of said series offered to be purchased by the corporation pursuant to such Annual Call for Tenders, the corporation shall first purchase from each such tendering holder of record the number of shares of said series required to be purchased from such holder in accordance with the provisions of the immediately preceding sentence. If after such application of the provisions of the preceding sentence the corporation shall have been required to purchase pursuant to any Annual Call for Tenders less than the 20,000 shares of said series (or such lesser number of shares as shall then be outstanding) offered to be purchased, then the corporation shall purchase the remainder of such shares required to be purchased pursuant to such Annual Call for Tenders (the "Remaining Shares"), from those holders of record, if any, who have tendered more shares than the corporation shall have been required as aforesaid to purchase from them in the following manner: the corporation shall purchase from each such holder of record a number of shares determined by multiplying the Remaining Shares by a fraction, the numerator of which is the number of shares tendered by such holder of record but not required as aforesaid to be purchased from him and the denominator of which is the total number of all shares tendered by all holders of record but not required as aforesaid to be purchased from them. If the total number of shares tendered pursuant to any Annual Call for Tenders by all holders of record of shares of said series is equal to or less than the total number of shares which the corporation has offered to purchase, the corporation shall be required to purchase on such December 1 all shares so tendered. The corporation shall notify each such tendering holder of record of the number of shares to be purchased from such tendering holder of record not later than 25 days prior to the date of purchase. The corporation may make reasonable regulations with respect to the

form and manner of tender. On each purchase pursuant to this grammatical paragraph, the corporation shall pay any transfer or similar taxes imposed by the United States or any State thereof or any political subdivision of any such State (not including any income or similar taxes) to which any holder of record selling shares of the corporation may become subject, as a result of such sale. To the extent that any offer to purchase shares pursuant to any such Annual Call for Tenders is not accepted by holders of record of shares of 7.50% Preferred Stock, the corporation shall be under no obligation to purchase such shares under this grammatical paragraph except pursuant to subsequent Annual Calls for Tenders. The obligation of the corporation to make Annual Calls for Tenders to purchase shares of said series shall be cumulative so that if the corporation shall fail to make any Annual Call for Tenders or shall fail or have been unable to purchase pursuant to any Annual Call for Tenders all or any part of the number of shares of said series required to be purchased by it pursuant thereto, it shall, as soon thereafter as funds become legally available, purchase in accordance with the provisions of this grammatical paragraph a number of such shares equal to the difference between the number required to be purchased and the number, if any, actually purchased pursuant to such Annual Call for Tenders. No redemption, purchase or other acquisition of shares of said series other than pursuant to this grammatical paragraph shall constitute a credit against any Annual Call for Tenders requirement of this grammatical paragraph. All shares of 7.50% Preferred Stock redeemed, cancelled and retired, and all shares of 7.50% Preferred Stock purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock of the corporation, but shall not be reissued as shares of 7.50% Preferred Stock.

The term "accrued dividends", as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series; or

(c) Issue any shares of Preferred Stock, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, shares of Preferred Stock, or of any stock ranking prior thereto or on a parity therewith, or both, at the time outstanding having an

aggregate amount of par or stated value of not less than the aggregate amount of par or stated value of the shares to be issued, unless

(i) the gross income (determined in accordance with accepted accounting principles) of the corporation available for the payment of interest charges shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half (1½) times the sum of (x) the interest for one year, adjusted by provision for amortization of debt discount and expense or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock of all series and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of the Preferred Stock of all series and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (6)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to a majority of the total number of votes, as so calculated, possessed by all such holders:

(a) Issue or assume any unsecured indebtedness (as hereinafter defined) for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty-five per centum (25%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

"Unsecured indebtedness" as that term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be

required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Sto[illegible] each such payment, distribution, purchase and/or acquisition being herein referred to as a "Cor[illegible] Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8).

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity", as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets

on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation (but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock for such period, all as shall be determined in accordance with such system of accounts as may be prescribed by regulatory authorities having jurisdiction in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (8), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(9) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (5), (6) and (8) of this Division I, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(10) No holder of the Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(11) Notwithstanding anything to the contrary contained in paragraph (2), each holder of shares of the 4¾% Preferred Stock shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of such stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of such stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursement shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky, not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment of such shares of stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any such shares of such stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

## II. Provisions Relating to the Preference Stock

(1) The shares of the authorized Preference Stock, and all shares of the Preference Stock at any time having the status of authorized and unissued shares of Preference Stock, may be issued in one or more series with (a) such stated values, (b) such rates of dividend (which shall be stated in the designation of the shares of each such series), (c) such redemption price or prices and terms and conditions, (d) such sinking fund provisions, if any, for the redemption or purchase of shares, (e) such amounts payable upon the voluntary or involuntary dissolution, liquidation or winding up of the corporation, and (f) such terms and conditions, if any, regarding the conversion of shares into shares of Common Stock, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any authorized and unissued shares of the Preference Stock into one or more series and to determine and fix by resolution the relative rights and preferences of the shares of any such series, the number of shares of each such series and the provisions with respect to the shares of such series referred to in items (a) through (f) above and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preference Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preference Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preference Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to those provisions which the Articles of Incorporation authorize the Board of Directors of the corporation to fix by resolution. All shares of any one series of Preference Stock shall be alike in all respects.

(2) Subject to the preferential rights of the holders of the Preferred Stock with respect to the declaration and payment of dividends as set forth in paragraph (2) of Division I, subject to the provisions of the second grammatical paragraph of paragraph (2) of Division I and subject to the provisions of paragraph (8) of Division I, holders of the Preference Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preference Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preference Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preference Stock unless at the same time there shall be paid on or set apart for all shares of the Preference Stock then outstanding dividends in such amount that the holders of all shares of Preference Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preference Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by

the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preference Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preference Stock of any series unless all dividends on the Preference Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(3) Subject to the preferential rights of the holders of the Preferred Stock with respect to the payment of amounts upon the dissolution, liquidation or winding up of the corporation as set forth in paragraph (3) of Division I, upon the dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, the holders of shares of the Preference Stock of each series shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid *in full* out of the net assets of the corporation such amount or amounts per share as shall have been fixed for such series by the Board of Directors of the corporation as the voluntary or involuntary liquidation price, as the case may be, in the resolution establishing such series. After such payment in full to the holders of shares of the Preference Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Common Stock.

(4) So long as any shares of the Preference Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (4)] shall not, without the affirmative vote of the record holders of shares of the Preference Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock of any class, other than the Preferred Stock, ranking prior in any respect to the Preference Stock or any security convertible into shares of stock of such class, other than the Preferred Stock; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preference Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preference Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series.

No consent of the holders of the Preference Stock shall be required in respect of any transaction enumerated in this paragraph (4) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(5) So long as any shares of the Preference Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preference Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to a majority of the total number of votes, as so calculated, possessed by all such holders, merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation; *provided, however*, that the foregoing restriction shall not apply to (i) a merger or consolidation of the corporation with or into, or the sale or lease of all or substantially all of the assets of the corporation to, any corporation 50% or more of the voting securities of which is owned by the corporation, directly or indirectly, or (ii) any merger, consolidation, sale or lease required by order or regulation of any regulatory body, federal or state, then having jurisdiction in the premises or which shall have been approved or permitted by all such regulatory bodies. No consent or vote of the holders of the Preference Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other

retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preference Stock.

(7) No shares of Preference Stock shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4) and (5) of this Division II, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall have been deposited in trust for that purpose and the requisite notice for the redemption thereof shall have been given or the depositary of such funds shall have been irrevocably authorized and directed to give or complete such notice of redemption.

(8) No holder of the Preference Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## III. Provisions Relating to the Common Stock

Shares of Common Stock of the corporation now or hereafter authorized, and any securities convertible into Common Stock, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation, (c) in exchange for funded debt of the corporation at any time outstanding, (d) to or for the benefit of employees (including officers) of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation, (e) if sold for money, either by means of a public offering, or to or through underwriters or investment bankers who shall have agreed to make a prompt public offering thereof or (f) to any or all security holders of the corporation pursuant to a plan adopted by the corporation which permits the purchase by them of additional shares of Common Stock through the reinvestment of cash dividends and/or interest and which may also permit the purchase of additional shares of Common Stock with optional cash payments. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; *provided* that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors.

## IV. Voting Rights

The voting rights in respect of the shares of capital stock of the corporation shall be as follows:

(1) Shares of Common Stock of the corporation shall have full voting rights. Each shareholder of record of Common Stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each holder of shares of Common Stock shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon, multiplied by the number of directors to be elected at such election, and each such shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) No holder of shares of the Preferred Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (5) or (6) of Division I or in paragraph (3) or (8) of this Division IV, or as may be required by law. No holder of shares of the Preference Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (4) or (5) of Division II or in paragraph (4) or (8) of this Division IV, or as may be required by law. In such excepted cases, each record holder of Preferred Stock shall have, for each share of Preferred Stock held by him, and each record holder of Preference Stock shall have, for each share of Preference Stock held by him, that number of votes (including any fractional vote) determined by dividing the stated value of such share by 100, *except* that, when holders of Preferred Stock are entitled to elect directors as provided in this Division IV and when holders of Preference Stock are entitled to elect directors as provided in this Division IV, each holder of Preferred Stock and each holder of Preference Stock, as the case may be, shall have the right to cast the number of votes attributable to him as so computed multiplied by the number of directors to be so elected in such election by the Preferred Stock or the Preference Stock, as the case may be, and each such holder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(3) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation, subject to the special right of the holders of shares of Preference Stock to elect directors as provided in paragraph (4) of this Division IV, if then applicable. For the purpose of exercising the right of cumulative voting, the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation elected pursuant to the provisions of this paragraph (3) shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(4) If and when dividends payable on the Preference Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preference Stock then outstanding and until all dividends then in default on the Preference Stock shall have been paid, the record holders of the shares of Preference Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect two directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation, subject to the special right of the holders of shares of Preferred Stock to elect directors as provided in paragraph (3) of this Division IV, if then applicable. For the purpose of exercising the right of cumulative voting, the election by the record holders of shares of Preference Stock of the number of directors which they are entitled to elect shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered a separate election. The term of office of each director of the corporation elected pursuant to the provisions of this paragraph (4) shall terminate upon the election of his successor. At each election of directors by a class vote of the Preference Stock or the Common Stock pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to

elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(5) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (3) of this Division IV, and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon and, in the case of the Common Stock, subject to the special right of the holders of shares of Preference Stock to elect directors as provided in paragraph (4) of this Division IV, if then applicable.

(6) If and when all dividends in default on the Preference Stock then outstanding shall be paid, the holders of the shares of the Preference Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (4) of this Division IV, and the voting power of holders of shares of the Preference Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preference Stock in case of further like default or defaults in dividends thereon.

(7) Dividends shall be deemed to have been paid, as that term is used in paragraphs (3) and (4) of this Division IV, whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special votir ·ights.

(8) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to paragraph (3) of this Division IV, the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preference Stock, as a class, pursuant to paragraph (4) of this Division IV, the holders of the shares of the Preference Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to paragraph (3) or (4) of this Division IV, the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(9) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3) or (8) of this Division IV, or whenever the holders of the shares of the Preference Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (4) or (8) of this Division IV, or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3), (4) or (8) of this Division IV, a special meeting of the holders of the shares of the Preferred Stock, of the holders of the shares of the Preference Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Common Stock, shares of the Preferred Stock with an aggregate stated value of not less than $100,000 or shares of the Preference Stock with an aggregate stated value of not less than $100,000, as the case may be, or upon call by the Secretary of the corporation at the request in writing of

any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the respective elections of the directors to be elected by the holders of the shares of the Preferred Stock, the Preference Stock, and the Common Stock, each voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock or the holders of shares of the Preference Stock shall have the special right, each voting separately as one class, to elect directors pursuant to this Division IV, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preference Stock having a majority of the votes entitled to be cast by the Preference Stock at the meeting shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preferred Stock having a majority of the votes entitled to be cast by the Preferred Stock at the meeting shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of any such class shall not prevent the election at any such meeting or adjournment thereof of directors by any other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and *provided further* that in the absence of a quorum of the holders of stock of any such class, the holders of the stock of such class who are present in person or by proxy shall have power upon the majority vote of those votes represented at the meeting to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite number of votes of such class shall be represented by stockholders present in person or by proxy.

(10) Notwithstanding the provisions of Article Seventh and Article Eighth of the Articles of Incorporation of the corporation and any provisions of the By-laws of the corporation, during any period in which both holders of shares of Preferred Stock and holders of shares of Preference Stock, each voting separately as a class, shall have the special right to elect directors as provided in this Division IV, the number of directors constituting the full Board of Directors shall not be less than seven.

(11) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this Division IV and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in the Articles of Incorporation of the corporation.

(12) No shares of Preferred Stock or Preference Stock shall be deemed to be "outstanding", as that term is used in this Division IV, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

## V. Consideration for Newly Authorized Shares

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

2. The foregoing amendment to the Articles was duly adopted by the stockholders of the corporation at said meeting in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky, by the affirmative vote (in person or by proxy) of the record holders of 6,130,114 shares of the corporation's Common Stock, constituting more than a majority of the 8,661,052 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said amendment, the Common Stock being the only class of shares entitled to vote on said amendment.

3. The foregoing amendment to the Articles was proposed and declared advisable by the Board of Directors of the corporation and said meeting of stockholders of the corporation was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed in triplicate by the corporation by its President and its Secretary, this 24th day of April, 1979.

KENTUCKY UTILITIES COMPANY

By W. B. Bechanan
W. B. Bechanan, President

(Corporate Seal)

Michael R. Whitley
Michael R. Whitley, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 24th day of April, 1979, personally appeared before me W. B. Bechanan, who being by me first duly sworn declared that he is President of Kentucky Utilities Company, that he signed the foregoing Articles of Amendment to the Restated Articles

of Incorporation of Kentucky Utilities Company, and that the statements therein contained are true.

WITNESS my signature this 24th day of April, 1979.

Marjorie Cook

Marjorie Cook
Notary Public, Fayette County, Kentucky

My commission expires February 20, 1982.

The foregoing instrument was prepared by
Robert A. Yolles
Isham, Lincoln & Beale
One First National Plaza
Chicago, Illinois 60603.

Robert A. Yolles

SB-12-1-1-76

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

***I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of***

KENTUCKY UTILITIES COMPANY

***amended pursuant to Kentucky Revised Statutes, 271A, (~~273~~) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.***

***Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this*** 15TH ***day of*** MAY, ***19*** 79.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

SECRETARY OF STATE

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAY 15 1979

Drexell R. Davis
SECRETARY OF STATE

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ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by W. B. Bechanan and Michael R. Whitley, its President and Secretary, respectively, hereby certifies as follows:

1. The amendment to the Restated Articles of Incorporation, as amended, of the corporation (the "Articles") set forth below in this paragraph 1 was duly adopted by the stockholders of the corporation at an adjourned session of the annual meeting of such stockholders held in the Fourth Floor Conference Room at the offices of the Company, 120 South Limestone Street, Lexington, Kentucky, on May 15, 1979, at 12:00 Noon, Lexington (Kentucky) Time, namely:

The Restated Articles of Incorporation, as amended, of the corporation are hereby amended in the following respect:

> The provisions of paragraph (5)(c)(i) of Division I of Article Fourth of the Restated Articles of Incorporation relating to the issuance of shares of Preferred Stock, or shares of parity stock, or securities convertible into shares of such stock, without the vote or consent of the holders of the Preferred Stock are amended to provide that the coverage test shall be based on the net income of the corporation, determined in accordance with generally accepted accounting principles, plus all amounts representing interest charges and all amounts for or in respect of taxes based on or measured by income,

which amendment is effected by amending the Restated Articles of Incorporation, as amended, of the corporation as set forth below:

Paragraph (5) of Division I of Article Fourth of the Restated Articles of Incorporation, as amended, is amended to read in its entirety as follows:

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however,* that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series; or

(c) Issue any shares of Preferred Stock, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, shares of Preferred Stock, or of any stock ranking prior thereto or on a parity therewith, or both, at the time outstanding having an aggregate amount of par or stated value of not less than the aggregate amount of par or stated value of the shares to be issued, unless

(i) the net income of the corporation (determined in accordance with generally accepted accounting principles) plus all amounts representing interest charges and all amounts for or in respect of taxes based on or measured by income shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half (1½) times the sum of (x) the interest for one year, adjusted by provision for amortization of debt discount and expense or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock of all series and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of the Preferred Stock of all series and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

2. The foregoing amendment to the Articles was adopted by the stockholders of the corporation at said meeting, in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky, by the affirmative vote (in person or by proxy) of the record holders of (i) shares of the Preferred Stock of the corporation voting as a class having 486297 votes, which number of votes constitutes more than two-thirds of the 700,000 votes possessed by all such record holders of shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said amendment and (ii) 5,869117 shares of the Common Stock of the corporation voting as a class and constituting more than a majority of the 8,661,052 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said amendment; and the aggregate number of votes cast in favor of said amendment by such record holders of Preferred Stock and Common Stock was 6,355,414, which number of votes constitutes more than a majority of the 9,361,052 votes possessed by all such record holders of shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said amendment.

3. The foregoing amendment to the Articles of was proposed and declared advisable by the Board of Directors of the corporation and said meeting of stockholders of the corporation was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed in triplicate by the corporation by its President and its Secretary, this 15th day of May, 1979.

KENTUCKY UTILITIES COMPANY

By W B Bechanan
W. B. Bechanan, President

(Corporate Seal)

Michael R. Whitley
Michael R. Whitley, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 15th day of May, 1979, personally appeared beofre me W. B. Bechanan, who being by me first duly sworn declared that he is President of Kentucky Utilities Company, that he signed the foregoing Articles of Amendment to the Restated Articles of Incorporation of Kentucky Utilities Company, and that the statements therein contained are true.

WITNESS my signature this 15th day of May, 1979.

Marjorie Cook
Marjorie Cook
Notary Public, Fayette County,
Kentucky

My commission expires February 20, 1982.

The foregoing instrument was prepared by
Robert A. Yolles
Isham, Lincoln & Beale
One First National Plaza
Chicago, Illinois 60603.

Robert A. Yolles
Robert A. Yolles

28494 ✓

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT
KENTUCKY

SECRETARY OF STATE
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## STATEMENT OF RESOLUTION ESTABLISHING SERIES OF SHARES

***Pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:***

***The name of the corporation is*** Kentucky Utilities Company
Lexington, Kentucky

***The resolution establishing and designating said series of shares and fixing and determining the relative rights and preferences thereof was duly adopted by the Board of Directors of said corporation on*** August 8, ***19*** 79, ***and is attached hereto.***

***Dated*** August 8, ***19*** 79.

Kentucky Utilities Company
NAME OF CORPORATION

By W. B. Bechanan W B Bechanan
PRESIDENT OR VICE PRESIDENT

President
TITLE

And Michael R. Whitley
NAME OF CORPORATE OFFICER

By Michael R Whitley Secretary
NAME OF CORPORATE OFFICER SECRETARY OR ASSISTANT SECRETARY

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
AUG 1979
Drexell R Davis
SECRETARY OF STATE
DRB

### INSTRUCTIONS

1. Mail to Secretary of State, Capitol Building, Frankfort, Kentucky 40601.
2. Enclose fee of $10.00. Make check payable to "Kentucky State Treasurer."
3. Execute this form in triplicate by the president or vice president or by secretary or assistant secretary.
4. All copies must be originally signed. Verify by one of officers signing statement.

STATEMENT OF RESOLUTION
ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Restated Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock without par value and fixing and determining the relative rights and preferences of the shares of said series:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of the shares of said series, was duly adopted by the Board of Directors of the corporation on August 8, 1979:

RESOLVED, by the Board of Directors of Kentucky Utilities Company (the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 200,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, without par value, of the Company; said series, and each share thereof, shall be designated "8.65% Preferred Stock"; the stated value of each

share of said series shall be $100; and all of said 200,000 shares of said series are hereby authorized to be issued by the Company.

2. The rate of dividend per annum payable in respect of each share of said series shall be 8.65% per annum of the stated value of such share, which in the case of periods of less than a full quarter shall be computed on the basis of actual days elapsed and a year of 360 days.

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, as provided in this resolution; provided that none of the shares of said series may be redeemed by the Company prior to September 1, 1989, except pursuant to paragraph 5 hereof, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest rate, dividend rate or cost to the Company (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) of less than 8.65% per annum. Subject to the terms of this resolution, any redemption of shares of said series shall be made upon the notice and in the manner and with the effect provided in the Restated Articles of Incorporation, as amended, of the Company.

4. The redemption price or prices applicable to the shares of said series (to which there shall be added in each case an amount equal to accrued dividends to the date of redemption), except for the redemption of shares of said series made pursuant to the provisions of paragraph 5 hereof, shall be $108.65 per share if such date of redemption is prior to September 1, 1980, shall be $108.35 per share if such date of redemption is during the 12-month period beginning September 1, 1980 and ending August 31, 1981, and thereafter shall decrease by $.30 per share for each successive 12-month period ending August 31; provided, however, that the redemption price shall be $100.00 per share, plus an amount equal to accrued dividends to the date of redemption, in the case of any redemption of shares of said series on or subsequent to September 1, 2008.

5. There is hereby created and established a sinking fund for the retirement of shares of said series. Subject to the restrictions contained in the Restated

Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company shall redeem and retire during each 12-month period ending August 31 in each year, beginning with the 12-month period ending August 31, 1985, in satisfaction of the sinking fund for the retirement of shares of said series, a total of 8,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the Company shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the Company as soon as practicable.

Shares of said series purchased or otherwise acquired by the Company or shares of said series redeemed by the Company otherwise than pursuant to the provisions of this paragraph 5 shall not be used to satisfy the sinking fund requirement for any such 12-month period referred to in the immediately preceding grammatical paragraph.

Subject to the restrictions contained in the Restated Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company may redeem from time to time through the sinking fund during each such 12-month period, not more than 8,000 additional shares of said series (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption. The total aggregate number of additional shares of said series to be so redeemed shall not exceed 75,000. The right of the Company so to redeem additional shares may be exercised in any one or more of such 12-month periods, until the stated maximum is reached. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative.

Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this paragraph

5 shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund and shall specify whether such redemption is being effected in respect of a mandatory or optional sinking fund provisions.

6. The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Restated Articles of Incorporation, as amended, of the Company with respect to shares of the Preferred Stock of the Company and, except only as to the stated value per share of said series, the rate of dividend per annum payable in respect of the shares of said series, the redemption price or prices and the terms and conditions of redemption applicable to the shares of said series and the sinking fund provisions applicable to the shares of said series and except as otherwise expressly provided in said Restated Articles of Incorporation, as amended, the shares of said series shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the Company.

All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired and cancelled and retired by the Company, shall constitute authorized and unissued shares of the Preferred Stock of the Company; provided, that all shares of said series redeemed pursuant to the provisions of paragraph 5 hereof, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

AND FURTHER RESOLVED: That prior to the issuance of any shares of said series the Company shall execute and file (or cause to be filed) such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other documents, and to take such other action, as may be required by law or as shall be deemed proper or appropriate in their judgment or the judgment of counsel for the Company in connection with the foregoing.

IN TESTIMONY WHEREOF, this Statement of Resolution Establishing Series of Shares of Preferred Stock is executed in triplicate by the corporation by its President and its

Secretary, this 8th day of August, 1979.

KENTUCKY UTILITIES COMPANY

BY W B Beckham
President

(CORPORATE SEAL)

BY Michael M. Miller
Secretary

The foregoing instrument was prepared by Robert A. Yolles, Isham, Lincoln & Beale, One First National Plaza, Chicago, Illinois 60603.

Robert A. Yolles
Robert A. Yolles

SS-14-1-1-76

28424

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
*Secretary*

FRANKFORT,
KENTUCKY

## RESTATED CERTIFICATE OF INCORPORATION

## OF

KENTUCKY UTILITIES COMPANY

***I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, hereby certify that triplicate originals of Restated Articles of Incorporation of***

KENTUCKY UTILITIES COMPANY

***duly signed and verified pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, have been received in this office and are found to conform to law. Therefore, as Secretary of State and by virtue of the authority vested in me by law, I hereby issue this Restated Certificate of Incorporation of***

KENTUCKY UTILITIES COMPANY

***and attach hereto one of the originals of the Restated Articles of Incorporation.***

SECRETARY OF STATE

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 26TH *day of* SEPTEMBER, *19* 79.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

Check
15.00

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SEP 26 1979

Drexell R. Davis
SECRETARY OF STATE

DP

# RESTATED ARTICLES OF INCORPORATION

OF

148294

# KENTUCKY UTILITIES COMPANY

148294

September, 1979

# RESTATED ARTICLES OF INCORPORATION

OF

# KENTUCKY UTILITIES COMPANY

The undersigned, KENTUCKY UTILITIES COMPANY, a Kentucky corporation (the "corporation"), by W. B. Bechanan and Michael R. Whitley, its President and Secretary, respectively, hereby certifies as follows:

1. By resolution duly adopted by the Board of Directors of the corporation at a meeting thereof duly held on September 25, 1979, the Restated Articles of Incorporation of the corporation, as theretofore amended, were restated to read as set forth below.

2. The following Restated Articles of Incorporation of the corporation (a) set forth all of the operative provisions of the Articles of Incorporation of the corporation, as amended through the date of said meeting of the Board of Directors of the corporation, (b) correctly set forth without change the corresponding provisions of the Articles of Incorporation of the corporation, as so amended, and (c) supersede the original Articles of Incorporation of the corporation and all amendments thereto and restatements thereof through the date of said meeting of the Board of Directors of the corporation.

3. The Restated Articles of Incorporation of the corporation shall read as follows:

## RESTATED ARTICLES OF INCORPORATION

FIRST: The name of the corporation is KENTUCKY UTILITIES COMPANY.

SECOND: The address of the registered office of the corporation, and the address of W. B. Bechanan, the resident agent of the corporation, is One Quality Street, Lexington, Kentucky.

THIRD: The nature of the business and the objects and purposes proposed to be transacted, promoted and carried on by the corporation are to do within or without the State of Kentucky any and all of the things herein mentioned and set forth, as fully and to the same extent, to all intents and purposes, as natural persons might or could do, viz:

1. To manufacture, generate, buy, sell, accumulate, store, transmit, furnish and distribute electrical energy for light, heat, power and other purposes;

2. To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and appliances for the manufacture, generation, storage, accumulation, transmission, distribution and use of electrical energy and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever;

3. To carry on a general business of electricians, mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity;

4. To buy, sell, mortgage, operate and lease pole lines, erect poles, string wires thereon and on poles of individuals, and corporations, on any and all streets, avenues, highways and roads of counties, townships, villages and cities and over and along all canals and other waterways, and over and across bridges and through tunnels and over and across all lands belonging to or controlled by individuals, corporations, counties, states, the national government or any governmental subdivision of the national government, and to use the same both as through lines and for local delivery for the transmission and distribution of electrical energy, and to sell and lease to other individuals or corporations the right to place electric wires on or attach electric wires to any or all poles so erected, owned or leased;

5. To build and construct, purchase and use for any of the purposes stated above, underground subways and conduits in such streets, avenues, highways, roads and under such canals and other waterways, and through any tunnels and under any public or private lands, and place electric wires and conductors therein, and to buy and lease from and sell and let to any individual or corporation the right to place and use as aforesaid electric wires or conductors in any such subways;

6. To manufacture, distribute and sell artificial gas for light, heat and power and other purposes, and also to sell the by-products and residual products therefrom, and to construct or in any manner acquire and to maintain, operate and mortgage, sell and in any manner dispose of works therefor;

7. To mine for, produce, buy and in any manner acquire and to sell and distribute natural gas;

8. To construct, lay, purchase or in any manner acquire, and to maintain and operate, and to sell, encumber or in any manner dispose of pipe lines and gas mains for the sale, distribution and transportation of natural and artificial gas for light, heat, power and other purposes, in, over, through or under any street, alleys, roads, highways or other public places, and in, over, through or under any private or public property;

9. To construct and purchase or in any manner acquire, maintain and operate, and to sell, mortgage, or in any manner dispose of plants and works for the manufacture, distribution and transportation of natural and artificial gas;

10. To manufacture, buy, sell, mortgage, rent and deal in stoves, engines, motors, lamps and other apparatus, appliances and conveniences which may seem calculated, directly, or indirectly to promote the consumption of natural and artificial gas, petroleum, petroleum products and by-products;

11. To mine for, produce, buy and in any manner acquire, refine, sell and distribute petroleum, petroleum products and by-products;

12. To manufacture, buy, sell, and deal in ice; to carry on and conduct the business of storage, cold-storage, refrigeration, or freezing and to construct, purchase, acquire, equip, own, operate, maintain, sell, mortgage and lease stores, buildings, warehouses, plants, machines and apparatus for said purposes;

13. To manufacture, produce and supply in any manner cold air, refrigeration and freezing compounds in any form for use, distribution and application for any and all purposes;

14. To mine, buy and sell, deal in, export and import coal, coke and wood and similar combustible materials and to act as an agent for persons and corporations in buying, selling and dealing for them in such materials, and to engage in the business of handling, buying, selling and dealing in and with coal for them or their account, and for the purpose of such business to own or rent or otherwise use or occupy storehouses, docks, piers, boats and barges and any real estate necessary to the carrying on of the said business;

15. To do a general quarrying, construction and building business and everything in the line thereof;

16. To acquire, own, construct, operate, lease, encumber or in any manner dispose of or sell street railways or tramways and interurban railways, and to transport, for hire thereon and thereover, passengers, baggage, mail, express, freight, produce, and to acquire, hold, own, construct, operate, lease, mortgage and sell street railway cars, tram cars, railway, passenger, freight and express cars, and all fixtures and appurtenances incident or necessary to the operation thereof;

17. To acquire, own, construct, operate, lease, sell and encumber houses, buildings, pipes, mains, fixtures, easements, franchises, ordinances and all other necessary or convenient things to enable it to furnish steam for power and heating purposes, and generally to carry on a business of generating, conveying and furnishing steam for power and heat to the general public;

18. To construct, acquire, own, operate, sell, mortgage and lease hydro-electric power plants together with everything whatsoever pertaining thereto;

19. To purchase, appropriate, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, power privileges and appropriations for mining, milling, agriculture, domestic power and other uses and purposes, and more particularly for use in connection with the generation and distribution of electrical energy for light, heat and power and the operation of street railways and propelling of cars;

20. To acquire, sell, mortgage, lease, construct, maintain and operate water works, and to supply municipalities, corporations and individuals with water and water power, and to acquire, sell, mortgage, lease, construct, maintain and operate all necessary dams, buildings, plants, machinery, fixtures and apparatus of every sort for supplying municipalities, corporations, and individuals with water and water power for all purposes, and to carry on the business incidental thereto;

21. To purchase or to acquire and to construct, sell, mortgage, lease, control and to hold such real estate, personal property, rights, powers, privileges and easements in both real and personal property as may be necessary, desirable or convenient for the purposes of this corporation, including such lands, shoals, riparian and other rights and easements as may be necessary, desirable or convenient for pondage, storage overflow, diversion and retention of water, and including power houses, plants, gas holders, machinery, railways, tramways, canals, reservoir sites, conduits, pole lines, transmission and distribution systems, rights-of-way, easements, water rights, filings, applications, privileges and franchises of every nature whatsoever;

22. To buy, sell, mortgage, lease and otherwise acquire, construct, maintain, operate and otherwise dispose of, public and private telegraph and telephone lines, and any interest therein and grants therefor; and all electrical and other instruments, machinery, contrivances, materials and things of every kind and nature for transmitting messages, as well as works, plants, buildings or conveniences appertaining thereto;

23. To acquire, use, lease, encumber or sell charters, contracts and franchises granted, issued or entered into by any persons, companies or corporations, county, state, government or any municipality or governmental subdivision;

24. To guarantee, purchase, acquire, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of the capital stock, bonds, debentures, evidences of indebtedness and other securities of any other corporation or association, whether foreign or domestic, and whether now or hereafter organized, and while the holder of any such shares of stock or other securities, to exercise all the rights, powers and priviledges of ownership, including the right to vote thereon to the same extent as a natural person might or could do;

25. To sell or in any manner dispose of, mortgage or pledge any stocks, bonds or other obligations or any property, real or personal, which at any time may be held by the corporation as and when and upon such terms and conditions as the Board of Directors shall determine;

26. To acquire the good-will, rights and properties of any person or persons, firm, corporation or association, and to pay for the same in cash, stock, bonds or otherwise;

27. To acquire, hold, use, sell, assign, lease and grant licenses in respect of, mortgage or otherwise dispose of, letters patent of the United States or any foreign country, patent, patent rights, licenses and privileges, inventions, improvements and processes, trademarks and tradenames, relating to or useful in connection with any business of this corporation;

28. To aid, in any manner, facilitate and assist in the construction, building, extension, improvement, equipment, maintenance and operation of any electric light plant, artificial or natural gas plant, hydro-electric plant, water plant, gas or oil pipe line, street or interurban railway, and for that purpose, or in any manner whatsoever, to use the capital stock and bonds of this corporation or either of them or any part thereof. To aid, in any manner, any corporation or association, of which any bonds, evidences of indebtedness or other securities, are held by the corporation, and to do any other acts or things designed to protect, preserve, improve or enhance the value of such bonds, or evidences of indebtedness or other securities or stock;

29. In general, to carry on any other business in connection with the foregoing, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Kentucky. It is the intention that the objects specified in this Third Clause shall, except where otherwise expressed in said clause, be in no wise limited or restricted by reference to or inference from the terms of any other clause in this charter, but that the several objects specified in this clause shall be recorded as independent objects, nor shall anything in this clause be held to limit or restrict in any manner, the powers of this corporation.

FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Nineteen Million Six Hundred Thousand (19,600,000) shares, divided into and consisting of (A) Two Million Six Hundred Thousand (2,600,000) shares of Preferred Stock without par value but with a maximum aggregate stated value of $110,000,000, issuable in one or more series as hereinafter provided, (B) Two Million (2,000,000) shares of Preference Stock without par value issuable in one or more series as hereinafter provided, and (C) Fifteen Million (15,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share. The 2,600,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4¾% Preferred Stock", the 200,000 shares of "7.84% Preferred Stock", the 200,000 shares of "10.60% Preferred Stock", the 100,000 shares of "7.50% Preferred Stock" and the 200,000 shares of "8.65% Preferred Stock" of the corporation now outstanding.

A description of the respective classes of shares of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

I. PROVISIONS RELATING TO THE PREFERRED STOCK

(1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock (stated value $100 per share)", the 200,000 shares of 7.84% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.84% Preferred Stock (stated value $100 per share)", the 200,000 shares of 10.60% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "10.60% Preferred Stock (stated value $100 per share)", the 100,000 shares of 7.50% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.50% Preferred Stock (stated value $100 per share)" and the 200,000 shares of 8.65% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "8.65% Preferred Stock (stated value $100 per share)". The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such stated values, such rates of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized and unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such

series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preferred Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preferred Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preferred Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the stated values thereof, the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¼% Preferred Stock, as otherwise provided in paragraph (11) of this Division I. All shares of the Preferred Stock of the same stated value per share at any time outstanding which bear the same dividend rate shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of Preferred Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Preference Stock and the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Preference Stock and the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Preference Stock or the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series unless all dividends on the Preferred Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

In the case of periods of less than a full quarter, dividends on the 8.65% Preferred Stock shall be computed on the basis of actual days elapsed and a year of 360 days.

(3) Upon the dissolution, liquidation or winding up of the corporation, the holders of shares of the Preferred Stock shall be entitled, before any amount shall be paid to the holders of shares of the Preference Stock or the Common Stock, to be paid in full out of the net assets of the corporation, (i) the stated value of their shares of Preferred Stock plus an amount equal to the accrued dividends on such shares, if such dissolution, liquidation or winding up shall be involuntary, and (ii) the then current redemption price of their shares of Preferred Stock (accrued dividends thereon to be computed to the date of distribution) if such dissolution, liquidation or winding up shall be voluntary. After such payment in full to the holders of shares of the Preferred Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Preference Stock and to the holders of shares of the Common Stock, as hereinafter provided.

(4) The corporation, on the sole authority of its Board of Directors, shall have the right at any time or from time to time to redeem and retire all or any part of the shares of Preferred Stock, or all or any part of the shares of any one or more series of the Preferred Stock, upon and by the payment to the holders of the shares to be redeemed, or upon and by depositing as hereinafter provided for the benefit of such holders, the then applicable redemption price of the shares to be redeemed, which (a) in case of the shares of the 4¾% Preferred Stock shall be $101 per share plus accrued dividends to the date of redemption, (b) in case of the shares of the 7.84% Preferred Stock shall be $107.38 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1977, and prior to September 1, 1982, $105.42 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1982, and prior to September 1, 1987, and $101.50 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to September 1, 1987, (c) in case of the shares of the 10.60% Preferred Stock shall be $110.60 per share plus accrued dividends to the date of redemption if such date of redemption is prior to December 1, 1980, $107.40 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1980, and prior to December 1, 1985, $104.20 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1985, and prior to December 1, 1990, and $101.00 per share plus accrued dividends to the date of redemption if such date of redemption is on or subsequent to December 1, 1990, provided that none of the shares of 10.60% Preferred Stock may be redeemed by the corporation prior to December 1, 1980, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost to the corporation, as the case may be, of less than 10.73% per annum, (d) in case of the shares of the 7.50% Preferred Stock shall be $106.75 per share if the date of redemption is during the 12-month period ending November 30, 1979, which price shall then decrease for each successive 12-month period ending November 30 by the amount of $.75, until such price equals $100.00, and shall be $100.00 per share if the date of redemption is on or subsequent to December 1, 1987, plus in each case an amount equal to all accrued dividends to the date of redemption, provided that none of the shares of 7.50% Preferred Stock may be redeemed by the corporation prior to December 1, 1982 if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to the Common Stock as to the payment of dividends or the making of distributions on liquidation if such debt to be so incurred or such shares to be so issued shall have an effective interest cost or dividend cost (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) to the corporation, as the case may be, of less than 7.50% per annum, and (e) in case of the shares of the 8.65% Preferred Stock shall be $108.65 per share if such date of redemption is prior to September 1, 1980, shall be $108.35 per share if such date of redemption is during the 12-month period beginning September 1, 1980 and ending August 31, 1981, and thereafter shall decrease by $.30 per share for each successive 12-month period ending August 31, *provided, however*, that the redemption price shall be $100.00 per share in the case of any redemption of

shares of 8.65% Preferred Stock on or subsequent to September 1, 2008 (to which amounts there shall be added in each case an amount equal to accrued dividends to the date of redemption), and *provided further* that none of the shares of 8.65% Preferred Stock may be redeemed by the corporation prior to September 1, 1989 (except in respect of or through the sinking fund for retirement of the 8.65% Preferred Stock as hereinafter provided) if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of the Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest rate, dividend rate or cost to the corporation (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) of less than 8.65% per annum. It shall be a condition of any redemption pursuant to this paragraph (4) that the corporation shall, not less than thirty (30) days previous to the date fixed for redemption, give notice of the intention of the corporation to redeem such shares, specifying the shares to be redeemed and the date and place of redemption, which notice shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice of redemption unintentional omissions or errors in names or addresses shall not impair the validity of such notice. In every case of the redemption of less than all of the outstanding shares of any series of the Preferred Stock, the shares of such series to be redeemed shall be chosen by proration (so far as may be without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois, or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited, and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders of the corporation with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from such bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates therefor as aforesaid.

Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation shall redeem and retire during each 12-month period ending December 1 in each year, beginning in 1981, in satisfaction of the sinking fund for the retirement of shares of 10.60% Preferred Stock, a total of 10,000 shares of 10.60% Preferred Stock (or such lesser aggregate number of shares of 10.60% Preferred Stock as may be outstanding) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the corporation shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month

periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the corporation as soon as practicable. The corporation may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of 10.60% Preferred Stock purchased or otherwise acquired by the corporation or shares of 10.60% Preferred Stock redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the corporation, the corporation may redeem from time to time through the sinking fund during any such 12-month period not more than 10,000 additional shares of 10.60% Preferred Stock (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of 10.60% Preferred Stock to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund. All shares of 10.60% Preferred Stock redeemed, cancelled and retired, and all shares of 10.60% Preferred Stock purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock; provided, that all shares of 10.60% Preferred Stock redeemed pursuant to the provisions of this grammatical paragraph, and all shares of 10.60% Preferred Stock applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of 10.60% Preferred Stock.

As a sinking fund for the retirement of shares of the 7.50% Preferred Stock (sometimes in this grammatical paragraph referred to as "said series"), the corporation shall, on August 1, 1985, and on each August 1 thereafter (so long as any shares of said series are outstanding), offer to purchase out of funds legally available for the purchase or redemption by the corporation of shares of said series on the next succeeding December 1 not less than 20,000 shares of said series (or the number of such shares then outstanding if less than 20,000) at a purchase price of $100 per share, plus an amount equal to accrued dividends thereon to the date of purchase. Each such offer to be hereinafter referred to as an "Annual Call for Tenders". The offer shall be made by mailing a notice thereof by first class mail, postage prepaid, to all holders of record of shares of said series at their respective addresses then appearing on the books of the corporation. The notice shall specify the total number of such shares which the corporation is offering to purchase thereunder and the date of purchase. Each holder of record wishing to accept such offer shall tender to the corporation not later than 60 days prior to the date of purchase the number of shares of said series then owned by such holder which the holder proposes to sell in response to the offer, whereupon there shall be deemed to be a binding contract of purchase and sale between such holder and the corporation with respect to so many of the shares so tendered as the corporation shall be required to purchase pursuant to the following provisions. Each holder of record of shares of 7.50% Preferred Stock shall have the right pursuant to each Annual Call for Tenders subsequent to the time he becomes such a holder of record to have the corporation purchase from him not less than 1/5th of the difference between (i) the sum of the number of shares of said series originally registered in the name of such holder of record plus the number of shares of said series thereafter (and through the date of acceptance of the applicable Annual Call for Tenders) issued or transferred of record into the name of such holder of record, and (ii) the number of shares of said series at any time theretofore transferred by such holder of record to anyone other than the corporation, provided, however, that nothing contained in this grammatical paragraph shall be deemed to require the corporation to purchase more than 20,000 shares of said series pursuant to any Annual Call for Tenders. If the aggregate number of shares tendered by all holders of record of shares of said series pursuant to any Annual Call for Tenders shall be more than the number of shares of said series offered to be purchased by the corporation pursuant to such Annual Call for Tenders, the corporation shall first purchase from each such tendering holder of record the number of shares of said series required to be purchased from such holder in accordance with the provisions of the immediately preceding sentence. If after such application of the provisions of the preceding sentence the corporation shall have been required to purchase pursuant to any Annual Call for Tenders less than the 20,000 shares

of said series (or such lesser number of shares as shall then be outstanding) offered to be purchased, then the corporation shall purchase the remainder of such shares required to be purchased pursuant to such Annual Call for Tenders (the "Remaining Shares"), from those holders of record, if any, who have tendered more shares than the corporation shall have been required as aforesaid to purchase from them in [illegible] the corporation shall purchase from each such holder of record a number of shares [illegible] the Remaining Shares by a fraction, the numerator of which is the number of shares tendered by such holder of record but not required as aforesaid to be purchased from him and the [illegible] number of all shares tendered by all holders of record but not required [illegible] If the total number of shares tendered pursuant to any Annual [illegible] shares of said series is equal to or less than the total number of shares [illegible] the corporation shall be required to purchase on [illegible] shall notify each such tendering holder of [illegible] tendering holder of record not later than 25 days [illegible] make reasonable regulations with respect to the [illegible] grammatical paragraph, the corporation shall [illegible] States or any State thereof or any political subdivision [illegible] which any holder of record selling shares [illegible] To the extent that any offer to purchase shares [illegible] holders of record of shares of [illegible] such shares under this [illegible] Tenders. The obligation of the [illegible] be cumulative so that [illegible] have been unable to purchase [illegible] of said series required to be [illegible] legally available, purchase in accordance [illegible] such shares equal to the difference between [illegible] actually purchased pursuant to such [illegible] acquisition of shares of said series other than [illegible] credit against any Annual Call for Tenders [illegible] 7.50% Preferred Stock redeemed, cancelled [illegible] purchased or otherwise acquired and cancelled and [illegible] and unissued shares of the Preferred Stock of the corporation [illegible] Preferred Stock.

Subject to the restrictions contained in the Articles of Incorporation of the corporation including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the corporation shall redeem and retire during each 12-month period ending August 31 in each year, beginning with the 12-month period ending August 31, 1985, in satisfaction of the sinking fund for the retirement of the shares of 8.65% Preferred Stock (sometimes in this grammatical paragraph referred to as "said series"), a total of 8,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption (each such required redemption being hereinafter referred to as the "sinking fund requirement"). The sinking fund requirement shall be cumulative so that, if the corporation shall fail to satisfy such requirement in respect of any such 12-month period, the amount of such deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the corporation as soon as practicable. Shares of said series purchased or otherwise acquired by the corporation or shares of said series redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph shall not be used to satisfy the sinking fund requirement for any such 12-month period referred to above in this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the

corporation (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the corporation may redeem from time to time through the sinking fund during each such 12-month period, not more than 8,000 additional shares of said series (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption. The total aggregate number of additional shares of said series to be so redeemed shall not exceed 75,000. The right of the corporation so to redeem additional shares may be exercised in any one or more of such 12-month periods, until the stated maximum is reached. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund and shall specify whether such redemption is being effected in respect of mandatory or optional sinking fund provisions. All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock; provided, that all shares of said series redeemed pursuant to the provisions of this grammatical paragraph, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

The term "accrued dividends", as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such share, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation (except as otherwise provided in the last sentence of this paragraph (5)) shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock, or any security convertible into shares of such stock, or issue any such stock or convertible security, or

(b) Change, by amendment to the Articles of Incorporation or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof, *provided, however*, that if any such change will affect adversely the holders of more or less, but less than all, of the series of Preferred Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series, or

(c) Issue any shares of Preferred Stock, or shares of any stock ranking on a parity with the Preferred Stock, or any securities convertible into shares of such stock, *other than* in exchange for, or for the purpose of effecting the redemption or other retirement of, shares of Preferred Stock, or of any stock ranking prior thereto or on a parity therewith, or both, at the time outstanding having an

aggregate amount of par or stated value of not less than the aggregate amount of par or stated value of the shares to be issued, unless

(i) the net income of the corporation (determined in accordance with generally accepted accounting principles) plus all amounts representing interest charges and all amounts for or in respect of taxes based on or measured by income shall, for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the issue of such shares, have been at least one and one-half (1½) times the sum of (x) the interest for one year, adjusted by provision for amortization of debt discount and expense or of premium, as the case may be, on all funded indebtedness and notes payable of the corporation maturing more than twelve months after the date of issue of such shares or convertible securities which shall be outstanding at the date of the issue of said shares or convertible securities, and (y) an amount equal to the dividend requirement for one year on all shares of the Preferred Stock of all series and on all other shares of stock, if any, ranking prior to or on a parity with the Preferred Stock, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued; and

(ii) the capital represented by the Common Stock plus the surplus accounts of the corporation shall be not less than the aggregate amount payable on the involuntary dissolution, liquidation or winding up of the corporation, in respect of all shares of the Preferred Stock of all series and all shares of stock, if any, ranking prior thereto, or on a parity therewith, which shall be outstanding after the issue of the shares or convertible securities proposed to be issued.

No consent of the holders of the Preferred Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (6)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to a majority of the total number of votes, as so calculated, possessed by all such holders:

(a) Issue or assume any unsecured indebtedness (as hereinafter defined) for any purpose, *other than* the refunding of secured or unsecured indebtedness theretofore created or assumed by the corporation and then outstanding or the retiring, by redemption or otherwise, of shares of the Preferred Stock or shares of any stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured indebtedness issued or assumed by the corporation and then outstanding would exceed twenty-five per centum (25%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

"Unsecured indebtedness" as that term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be

required in respect of any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity", as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all outstanding indebtedness of the corporation maturing one year or more after the date of the issue thereof and (ii) the par value of, or if without par value the capital represented by, all outstanding shares of

capital stock (including premiums on capital stock) of all classes of the corporation, and (iii) the surplus accounts of the corporation. The term "net income of the corporation available for dividends on its Common Stock" for any period shall be determined by deducting from the sum of the operating revenues and income from investments and other miscellaneous income for such period, all operating expenses for such period, including maintenance and provision for depreciation as recorded on the books of the corporation (but not less than an amount equal to fifteen per centum (15%) of the gross operating revenues of the corporation less the cost of electric energy, gas and ice purchased for resale, during such period), income and excess profits and other taxes, all proper accruals, interest charges, amortization charges, other proper income deductions and all dividends paid or accrued on all outstanding shares of stock of the corporation having a preference as to dividends over the Common Stock for such period, all as shall be determined in accordance with such system of accounts as may be prescribed by regulatory authorities having jurisdiction in the premises or, in the absence thereof, in accordance with sound accounting practices. All indebtedness and capital stock of the corporation owned by the corporation shall be excluded in determining total capital. Purchases or other acquisitions of Common Stock shall be deemed, for the purposes of this paragraph (8), to constitute a Common Stock dividend declared as of the date on which such purchases or acquisitions are consummated.

(9) No shares of preference stocks or evidence of indebtedness shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (5), (6) and (8) of this Division I, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

(10) No holder of the Preferred Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

(11) Notwithstanding anything to the contrary contained in paragraph (2), each holder of shares of the 4¼% Preferred Stock shall be entitled to reimbursement by the corporation for the amount of any personal property tax, not exceeding in the aggregate four mills per annum on each dollar of taxable value of each share of such stock owned by such holder, which may be legally assessed by the Commonwealth of Pennsylvania or any taxing authority therein upon each share of such stock held of record at the time of assessment of such tax thereon, or upon such holder by reason of his ownership thereof, and actually paid by such holder; provided that application for such reimbursement shall be made by such holder to the corporation at its office or agency in the City of Lexington, Kentucky, not later than 120 days after such tax shall have been paid, and that such application shall set forth the record ownership, at the time of such assessment of such shares of stock with respect to which such tax has been paid, the amount (exclusive of penalty and interest) of such tax actually paid by such holder, the due date thereof, and the tax year for which paid, together with the number or numbers of the certificate or certificates representing such stock, the residence of the applicant at the time such tax was assessed, and that such tax was assessed and was paid by him because of his ownership of such stock, and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any such shares of such stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

## II. Provisions Relating to the Preference Stock

(1) The shares of the authorized Preference Stock, and all shares of the Preference Stock at any time having the status of authorized and unissued shares of Preference Stock, may be issued in one or more series with (a) such stated values, (b) such rates of dividend (which shall be stated in the designation of the shares of each such series), (c) such redemption price or prices and terms and

conditions, (d) such sinking fund provisions, if any, for the redemption or purchase of shares, (e) such amounts payable upon the voluntary or involuntary dissolution, liquidation or winding up of the corporation and (f) such terms and conditions, if any, regarding the conversion of shares into shares of Common Stock, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any authorized and unissued shares of the Preference Stock into one or more series and to determine and fix by resolution the relative rights and preferences of the shares of any such series, the number of shares of each such series and the provisions with respect to the shares of such series referred to in items (a) through (f) above and to change redeemed or reacquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preference Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preference Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preference Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to those provisions which the Articles of Incorporation authorize the Board of Directors of the corporation to fix by resolution. All shares of any one series of Preference Stock shall be alike in all respects.

(2) Subject to the preferential rights of the holders of the Preferred Stock with respect to the declaration and payment of dividends as set forth in paragraph (2) of Division I, subject to the provisions of the second grammatical paragraph of paragraph (2) of Division I and subject to the provisions of paragraph (8) of Division I, holders of the Preference Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, *and no more*, payable *quarter-yearly* on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preference Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preference Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preference Stock unless at the same time there shall be paid on or set apart for all shares of the Preference Stock then *outstanding dividends in such amount that the holders of all shares of Preference Stock then outstanding* shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preference Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this parugraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preference Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been

paid or set aside in accordance with the terms of the shares of such series. No funds shall be paid into or set aside for any sinking fund for the redemption or purchase of shares of Preference Stock of any series unless all dividends on the Preference Stock, for all past dividend periods, shall have been fully paid or declared and funds set apart for the payment thereof.

(3) Subject to the preferential rights of the holders of the Preferred Stock with respect to the payment of amounts upon the dissolution, liquidation or winding up of the corporation as set forth in paragraph (3) of Division I, upon the dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, the holders of shares of the Preference Stock of each series shall be entitled, before any amount shall be paid to the holders of shares of the Common Stock, to be paid in full out of the net assets of the corporation such amount or amounts per share as shall have been fixed for such series by the Board of Directors of the corporation as the voluntary or involuntary liquidation price, as the case may be, in the resolution establishing such series. After such payment in full to the holders of shares of the Preference Stock, the remaining assets and profits shall be divided among and paid to the holders of shares of the Common Stock.

(4) So long as any shares of the Preference Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (4)] shall not, without the affirmative vote of the record holders of shares of the Preference Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock of any class, other than the Preferred Stock, ranking prior in any respect to the Preference Stock or any security convertible into shares of stock of such class, other than the Preferred Stock; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preference Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preference Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series.

No consent of the holders of the Preference Stock shall be required in respect of any transaction enumerated in this paragraph (4) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(5) So long as any shares of the Preference Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preference Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to a majority of the total number of votes, as so calculated, possessed by all such holders, merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation; *provided, however*, that the foregoing restriction shall not apply to (i) a merger or consolidation of the corporation with or into, or the sale or lease of all or substantially all of the assets of the corporation to, any corporation 50% or more of the voting securities of which is owned by the corporation, directly or indirectly, or (ii) any merger, consolidation, sale or lease required by order or regulation of any regulatory body, federal or state, then having jurisdiction in the premises or which shall have been approved or permitted by all such regulatory bodies. No consent or vote of the holders of the Preference Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other

retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preference Stock.

(7) No shares of Preference Stock shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4) and (5) of this Division II, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall have been deposited in trust for that purpose and the requisite notice for the redemption thereof shall have been given or the depositary of such funds shall have been irrevocably authorized and directed to give or complete such notice of redemption

(8) No holder of the Preference Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## III. Provisions Relating to the Common Stock

Shares of Common Stock of the corporation now or hereafter authorized, and any securities convertible into Common Stock, may be issued by the corporation from time to time, without first being offered to stockholders for subscription or purchase, (a) in payment of dividends on outstanding shares of Common Stock, (b) in payment for property (other than money) to be acquired by the corporation, (c) in exchange for funded debt of the corporation at any time outstanding, (d) to or for the benefit of employees (including officers) of the corporation and/or of any corporation of which at least a majority of its outstanding voting stock is owned by the corporation, (e) if sold for money, either by means of a public offering, or to or through underwriters or investment bankers who shall have agreed to make a prompt public offering thereof or (f) to any or all security holders of the corporation pursuant to a plan adopted by the corporation which permits the purchase by them of additional shares of Common Stock through the reinvestment of cash dividends and/or interest and which may also permit the purchase of additional shares of Common Stock with optional cash payments. Any shares of Common Stock, and any securities convertible into Common Stock, not issued for any one or more of the foregoing purposes shall, before being otherwise issued and disposed of, be offered for subscription, at such price (not less than par) as shall be fixed by the Board of Directors, to the holders of record of the outstanding shares of Common Stock of the corporation, pro rata, in accordance with the number of shares of such stock held by such holders, respectively; *provided* that such holders shall have no right to subscribe for any fractional shares of stock or for fractional units of any such convertible securities or for any shares of stock issuable upon the conversion of any such convertible securities. Any shares of Common Stock, or any such convertible securities, so offered for subscription to the holders of Common Stock and not subscribed for may be issued and sold to such persons, whether stockholders or not, for such consideration (not less than par), in such manner and for such corporate purposes as may be determined by the Board of Directors.

## IV Voting Rights

The voting rights in respect of the shares of capital stock of the corporation shall be as follows:

(1) Shares of Common Stock of the corporation shall have full voting rights. Each shareholder of record of Common Stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation each holder of shares of Common Stock shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon, multiplied by the number of directors to be elected at such election, and each such shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) No holder of shares of the Preferred Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (5) or (6) of Division I or in paragraph (3) or (8) of this Division IV, or as may be required by law. No holder of shares of the Preference Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (4) or (5) of Division II or in paragraph (4) or (8) of this Division IV, or as may be required by law. In such excepted cases, each record holder of Preferred Stock shall have, for each share of Preferred Stock held by him, and each record holder of Preference Stock shall have, for each share of Preference Stock held by him, that number of votes (including any fractional vote) determined by dividing the stated value of such share by 100, *except* that, when holders of Preferred Stock are entitled to elect directors as provided in this Division IV and when holders of Preference Stock are entitled to elect directors as provided in this Division IV, each holder of Preferred Stock and each holder of Preference Stock, as the case may be, shall have the right to cast the number of votes attributable to him as so computed multiplied by the number of directors to be so elected in such election by the Preferred Stock or the Preference Stock, as the case may be, and each such holder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(3) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation, subject to the special right of the holders of shares of Preference Stock to elect directors as provided in paragraph (4) of this Division IV, if then applicable. For the purpose of exercising the right of cumulative voting, the election by the record holders of shares of Preferred Stock of the number of directors which they are entitled to elect shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered another election. The term of office of each director of the corporation elected pursuant to the provisions of this paragraph (3) shall terminate upon the election of his successor. At each election of directors by a class vote pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(4) If and when dividends payable on the Preference Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preference Stock then outstanding and until all dividends then in default on the Preference Stock shall have been paid, the record holders of the shares of Preference Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect two directors, and the record holders of the shares of Common Stock, voting separately as a class, shall be entitled at any such meeting to elect the remaining directors of the corporation, subject to the special right of the holders of shares of Preferred Stock to elect directors as provided in paragraph (3) of this Division IV, if then applicable. For the purpose of exercising the right of cumulative voting, the election by the record holders of shares of Preference Stock of the number of directors which they are entitled to elect shall be considered one election, and the election by the record holders of shares of Common Stock of the number of directors which they are entitled to elect shall be considered a separate election. The term of office of each director of the corporation elected pursuant to the provisions of this paragraph (4) shall terminate upon the election of his successor. At each election of directors by a class vote of the Preference Stock or the Common Stock pursuant to the provisions of this paragraph, the class first electing the directors which it is entitled to

elect shall name the directors who are to be succeeded by the directors then elected by such class, whereupon the term of office of the directors so named shall terminate. The term of office of the directors not so named shall terminate upon the election by the other class of the directors which it is entitled to elect.

(5) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (3) of this Division IV, and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon and, in the case of the Common Stock, subject to the special right of the holders of shares of Preference Stock to elect directors as provided in paragraph (4) of this Division IV, if then applicable

(6) If and when all dividends in default on the Preference Stock then outstanding shall be paid, the holders of the shares of the Preference Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (4) of this Division IV, and the voting power of holders of shares of the Preference Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preference Stock in case of further like default or defaults in dividends thereon.

(7) Dividends shall be deemed to have been paid, as that term is used in paragraphs (3) and (4) of this Division IV, whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting rights

(8) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to paragraph (3) of this Division IV, the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preference Stock, as a class, pursuant to paragraph (4) of this Division IV, the holders of the shares of the Preference Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to paragraph (3) or (4) of this Division IV, the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(9) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3) or (8) of this Division IV, or whenever the holders of the shares of the Preference Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (4) or (8) of this Division IV, or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3), (4) or (8) of this Division IV, a special meeting of the holders of the shares of the Preferred Stock, of the holders of the shares of the Preference Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Common Stock, shares of the Preferred Stock with an aggregate stated value of not less than $100,000 or shares of the Preference Stock with an aggregate stated value of not less than $100,000, as the case may be, or upon call by the Secretary of the corporation at the request in writing of

any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the respective elections of the directors to be elected by the holders of the shares of the Preferred Stock, the Preference Stock, and the Common Stock, each voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock or the holders of shares of the Preference Stock shall have the special right, each voting separately as one class, to elect directors pursuant to this Division IV, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preference Stock having a majority of the votes entitled to be cast by the Preference Stock at the meeting shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preferred Stock having a majority of the votes entitled to be cast by the Preferred Stock at the meeting shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of any such class shall not prevent the election at any such meeting or adjournment thereof of directors by any other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and *provided further* that in the absence of a quorum of the holders of stock of any such class, the holders of the stock of such class who are present in person or by proxy shall have power upon the majority vote of those votes represented at the meeting to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite number of votes of such class shall be represented by stockholders present in person or by proxy.

(10) Notwithstanding the provisions of Article Seventh and Article Eighth of the Articles of Incorporation of the corporation and any provisions of the By-laws of the corporation, during any period in which both holders of shares of Preferred Stock and holders of shares of Preference Stock, each voting separately as a class, shall have the special right to elect directors as provided in this Division IV, the number of directors constituting the full Board of Directors shall not be less than seven.

(11) In consideration of the issue by the corporation, and the purchase by the holders thereof, of shares of the capital stock of the corporation, each and every present and future holder of shares of the capital stock of the corporation shall be conclusively deemed, by acquiring or holding such shares, to have expressly consented to all and singular the terms and provisions of this Division IV and to have agreed that the voting rights of such holders and the restrictions and qualifications thereof shall be as set forth in the Articles of Incorporation of the corporation

(12) No shares of Preferred Stock or Preference Stock shall be deemed to be "outstanding", as that term is used in this Division IV, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall be deposited in trust for that purpose and the requisite notice for the redemption thereof shall be given or the depositary of such funds shall be irrevocably authorized and directed to give or complete such notice of redemption.

## V. Consideration for Newly Authorized Shares

The Board of Directors is hereby authorized to make the determinations provided for in Section 271.175 of "An Act to revise the law relating to private corporations", enacted by the General Assembly of the Commonwealth of Kentucky and effective as of July 1, 1946.

FIFTH: The names and places of residence of each of its stockholders and the number of shares subscribed for by each, are as follows:

| Names | Residences | Number of Shares Common |
|---|---|---|
| Wm. R. Watson ..... | Chicago, Illinois | 10 |
| Charles J. Ruebling..... | Chicago, Illinois | 10 |
| L. Earle Powell ..... | Chicago, Illinois | 10 |

SIXTH: The corporation shall begin business as soon as authorized, as provided by statute, and shall have perpetual duration.

SEVENTH: The affairs of the corporation shall be conducted by a Board of nine directors, or such other number of directors, not less than three, as shall from time to time be prescribed by the By-laws, who shall be elected at the annual meeting of the corporation, on a day to be fixed in the By-laws. The directors, as soon as practicable after their election in each year, shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, an Auditor, and such other officers as may, from time to time, be provided for by the Board.

EIGHTH: The authority to make, and to change, the By-laws is hereby vested in the Board of Directors, subject to the power of the stockholders to change or repeal the By-laws.

NINTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

IN TESTIMONY WHEREOF, the foregoing Restated Articles of Incorporation are executed in triplicate by the corporation by its President and its Secretary, this 26th day of September, 1979.

KENTUCKY UTILITIES COMPANY

By W. B. Bechanan

W. B. BECHANAN, *President*

Michael R. Whitley

MICHAEL R. WHITLEY, *Secretary*

STATE OF KENTUCKY }
COUNTY OF FAYETTE } ss:

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 26th day of September, 1979, personally appeared before me W. B. Bechanan, who being by me first duly sworn declared that he is President of KENTUCKY UTILITIES COMPANY, that he signed the foregoing Restated Articles of Incorporation of KENTUCKY UTILITIES COMPANY, and that the statements therein contained are true.

WITNESS my signature this 26th day of September, 1979.

Marjorie Cook
MARJORIE COOK
Notary Public, Fayette County, Kentucky

My commission expires February 20, 1982.

The foregoing instrument was prepared by Robert A. Yolles, One First National Plaza, Chicago, Illinois 60603.

ROBERT A. YOLLES

SS-10-7-1-72

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
MAR 26 1980

THELMA L. STOVALL
*Secretary*

FRANKFORT,
KENTUCKY

## STATEMENT OF RESOLUTION
## ESTABLISHING SERIES OF SHARES 166167

***Pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:***

***The name of the corporation is*** Kentucky Utilities Company

***The resolution establishing and designating said series of shares was duly adopted by the Board of Directors of said corporation*** March 19, ***19*** 80, ***and is attached hereto.***

***Dated*** March 26, ***19*** 80.

Kentucky Utilities Company
NAME OF CORPORATION

By W B Buchanan
NAME OF CORPORATE OFFICER

President
TITLE

And _____
NAME OF CORPORATE OFFICER

Subscribed and sworn to before me this 26th day of March, 19 80.

By Melissa A. Shelley, Secretary
NAME OF CORPORATE OFFICER — TITLE

Anne Lee Zontsich
NOTARY PUBLIC

My Commission Expires May 16, 1983

INSTRUCTIONS

1. Mail to Secretary of State, Capitol Building, Frankfort, Kentucky 40601.
2. Enclose fee of ~~$5.00~~. 10.00

STATEMENT OF RESOLUTION
ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Restated Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock without par value and fixing and determining the relative rights and preferences of the shares of said series:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of the shares of said series, was duly adopted by the Board of Directors of the corporation on March 19, 1980:

RESOLVED, by the Board of Directors of Kentucky Utilities Company (the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 200,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, without par value, of the Company; said series, and each share thereof, shall be designated "9.96% Preferred Stock"; and stated value of each share of said series shall be $100; and all of said 200,000 shares of said series are hereby authorized to be issued by the Company.

2. The rate of dividend per annum payable in respect of each share of said series shall be 9.96% per annum of the stated value of such share, which in the case of periods of less than a full quarter shall be computed on the basis of actual days elapsed and a year of 360 days.

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, as provided in this resolution; provided that none of the shares of said series may be redeemed by the Company prior to June 1, 1990, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest rate, dividend rate or cost to the Company (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) of less than 9.96% per annum. Subject to the terms of this resolution, any redemption of shares of said series shall be made upon the notice and in the manner and with the effect provided in the Restated Articles of Incorporation, as amended, of the Company.

4. The redemption price or prices applicable to the shares of said series (to which there shall be added in each case an amount equal to accrued dividends to the date of redemption), except for the redemption of shares of said series made pursuant to the provisions of paragraph 2 hereof, shall be $109.96 per share if such date of redemption is prior to June 1, 1981; $109.62 per share if such date of redemption is on or subsequent to June 1, 1981 and prior to June 1, 1982; $109.28 per share if such date of redemption is on or subsequent to June 1, 1982 and prior to June 1, 1983; $108.93 per share if such date of redemption is on or subsequent to June 1, 1983 and prior to June 1, 1984; $108.59 per share if such date of redemption is on or subsequent to June 1, 1984 and prior to June 1, 1985; $108.25 per share if such date of redemption is on or subsequent to June 1, 1985 and prior to June 1, 1986; $107.90 per share if such date of redemption is on or subsequent to June 1, 1986 and prior to June 1, 1987; $107.56 per share if such date of redemption is on or subsequent to June 1, 1987 and prior to June 1, 1988; $107.22 per share if such date of redemption is on or subsequent to June 1, 1988 and prior to June 1, 1989; $106.87 per share if such date of redemption is on or subsequent to June 1, 1989 and prior to June 1, 1990; $106.53 per share if such date of redemption is on or subsequent to June 1, 1990 and prior to June 1, 1991; $106.19 per share if such date of redemption is on or subsequent to June 1, 1991 and prior to June 1, 1992; $105.84

per share if such date of redemption is on or subsequent to June 1, 1992 and prior to June 1, 1993; $105.50 per share if such date of redemption is on or subsequent to June 1, 1993 and prior to June 1, 1994; $105.16 per share if such date of redemption is on or subsequent to June 1, 1994 and prior to June 1, 1995; $104.81 per share if such date of redemption is on or subsequent to June 1, 1995 and prior to June 1, 1996; $104.47 per share if such date of redemption is on or subsequent to June 1, 1996 and prior to June 1, 1997; $104.13 per share if such date of redemption is on or subsequent to June 1, 1997 and prior to June 1, 1998; $103.78 per share if such date of redemption is on or subsequent to June 1, 1998 and prior to June 1, 1999; $103.44 per share if such date of redemption is on or subsequent to June 1, 1999 and prior to June 1, 2000; $103.10 per share if such date of redemption is on or subsequent to June 1, 2000 and prior to June 1, 2001; $102.75 per share if such date of redemption is on or subsequent to June 1, 2001 and prior to June 1, 2002; $102.41 per share if such date of redemption is on or subsequent to June 1, 2002 and prior to June 1, 2003; $102.07 per share if such date of redemption is on or subsequent to June 1, 2003 and prior to June 1, 2004; $101.72 per share if such date of redemption is on or subsequent to June 1, 2004 and prior to June 1, 2005; $101.38 per share if such date of redemption is on or subsequent to June 1, 2005 and prior to June 1, 2006; $101.04 per share if such date of redemption is on or subsequent to June 1, 2006 and prior to June 1, 2007; $100.69 per share if such date of redemption is on or subsequent to June 1, 2007 and prior to June 1, 2008; $100.35 per share if such date of redemption is on or subsequent to June 1, 2008 and prior to June 1, 2009; and $100.00 per share if such date of redemption is on or subsequent to June 1, 2009.

5. There is hereby created and established a sinking fund for the retirement of shares of said series. Subject to the restrictions contained in the Restated Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company shall redeem and retire on June 1, 1990, and on June 1 of each year thereafter through and including 2009, a total of 5,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding) and the Company shall redeem and retire on June 1, 2010, a total of 100,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding). Such redemptions and retirements shall be in satisfaction of the sinking fund for the retirement of shares of said series. The sinking fund redemption price shall be $100.00 per share

plus an amount equal to accrued divideds to the date of redemption. Each required redemption pursuant to the sinking fund is hereinafter referred to as the "sinking fund requirement". The sinking fund requirement shall be cumulative so that, if the Company shall fail to satisfy such requirement on any such June 1, the deficiency shall be satisfied by the Company as soon as practicable.

Shares of said series purchased or otherwise acquired by the Company or shares of said series redeemed by the Company otherwise than pursuant to the provisions of this paragraph 5 shall not be used to satisfy the sinking fund requirement for any June 1 referred to in the immediately preceding grammatical paragraph.

Subject to the restrictions contained in the Restated Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company may redeem through the sinking fund on June 1 of any year 1990 through 2009, both inclusive, not more than 5,000 additional shares of said series (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption. The total aggregate number of additional shares of said series to be so redeemed shall not exceed 80,000. The right of the Company so to redeem additional shares may be exercised on June 1 of any one or more of such years, until the stated maximum is reached. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any subsequent June 1; and the right to redeem such additional shares, if not exercised, shall not be cumulative.

Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this paragraph 5 shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund and shall specify whether such redemption is being effected in respect of a mandatory or optional sinking fund provision.

6. The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Restated Articles of Incorporation, as amended, of the Company with respect to shares of the Preferred Stock of the Company and, except only as to the stated value per share of said series, the rate of dividend per annum payable in respect of the shares of said series, the redemption price or prices and the terms and conditions of redemption applicable to the shares of said series and the sinking fund provisions

applicable to the shares of said series and except as otherwise expressly provided in said Restated Articles of Incorporation, as amended, the shares of said series shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the Company.

All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired, and cancelled and retired by the Company, shall constitute authorized and unissued shares of the Preferred Stock of the Company; provided, that all shares of said series redeemed pursuant to the provisions of paragraph 5 hereof, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

AND FURTHER RESOLVED: That prior to the issuance of any shares of said series the Company shall execute and file (or cause to be filed) such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other documents, and to take such other action, as may be required by law or as shall be deemed proper or appropriate in their judgment or the judgment of counsel for the Company in connection with the foregoing.

IN TESTIMONY WHEREOF, this Statement of Resolution Establishing Series of Shares of Preferred Stock is executed in triplicate by the corporation by its President and its Secretary, this 19th day of March 1980.

KENTUCKY UTILITIES COMPANY

By W B Buchanan

(CORPORATE SEAL)

By Michael A. Whitley

The foregoing instrument was prepared by Robert A. Yolles Isham, Lincoln & Beale, One First National Plaza, Chicago, Illinois 60603.

Robert A. Yolles

SS-12-1-1-76

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

FRANCES JONES MILLS
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

***I, FRANCES JONES MILLS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of***

KENTUCKY UTILITIES COMPANY

***amended pursuant to Kentucky Revised Statutes, 271A, (~~273~~) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.***

***Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this*** 24TH ***day of*** APRIL, ***19*** 80.

Frances Jones Mills
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

SECRETARY OF STATE

ORIGINAL COPY
FILED AND RECORDED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
APR 24 1980

ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

SECRETARY OF STATE
RECEIVED
APR 24 1980
#35 $15.00
Commonwealth of Kentucky

SECRETARY OF STATE

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by W. B. Bechanan and Michael R. Whitley, its President and Secretary, respectively, hereby certifies as follows:

168943

1. The amendment to the Restated Articles of Incorporation of the corporation (the "Articles") set forth below in this paragraph 1 was duly adopted by the stockholders of the corporation at the annual meeting of such stockholders held in the Second Floor Assembly Room at the offices of the corporation, One Quality Street, Lexington, Kentucky, on April 22, 1980, at 1:30 P.M., Lexington (Kentucky) Time, namely:

The Restated Articles of Incorporation of the corporation are hereby amended in the following respects:

> The aggregate number of authorized shares of stock of the corporation is hereby increased to 37,300,000 shares from 19,600,000 shares by increasing the aggregate number of shares of Preferred Stock (including such shares previously authorized) which the corporation shall have authority to issue to 5,300,000 shares of Preferred Stock, without par value, but with a maximum aggregate stated value of $200,000,000, from 2,600,000 shares of Preferred Stock, without par value, but with a maximum aggregate stated value of $110,000,000; and by increasing the aggregate number of shares of Common Stock (including such shares previously authorized) which the corporation shall have authority to issue to 30,000,000 shares of Common Stock of the par value of $10 per share from 15,000,000 shares of Common Stock of the par value of $10 per share,

which amendment is effected by amending the Restated Articles of Incorporation of the corporation as set forth below:

The first paragraph of Article Fourth of the Restated Articles of Incorporation is amended to read in its entirety as follows:

FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Thirty-seven Million Three Hundred Thousand (37,300,000) shares, divided into and consisting of (A) Five Million Three Hundred Thousand (5,300,000) shares of Preferred Stock without par value but with a maximum aggregate stated value of $200,000,000, issuable in one or more series as hereinafter provided, (B) Two Million (2,000,000) shares of Preference Stock without par value issuable in one or more series as hereinafter provided, and (C) Thirty Million (30,000,000) shares of Common Stock of the par value of Ten Dollars ($10) per share. The 5,300,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4-3/4% Preferred Stock," the 200,000 shares of "7.84% Preferred Stock," the 200,000 shares of "10.60% Preferred Stock," the 100,000 shares of "7.50% Preferred Stock" and the 200,000 shares of "8.65% Preferred Stock" of the corporation now outstanding.

2. The foregoing amendment to the Articles was duly adopted by the stockholders of the corporation at said meeting in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky, as follows:

(a) That portion of said amendment increasing the number of shares of Preferred Stock without par value which the corporation is authorized to issue to 5,300,000 shares having a maximum aggregate stated value of $200,000,000 from 2,600,000 shares having a maximum aggregate stated value of $110,000,000, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of (i) 642,170 shares of the Preferred Stock of the corporation, voting as a class and constituting more than a majority of the 900,000 shares of Preferred Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendment, (ii) 7078,507 shares of the Common Stock of the corporation, voting as a class and constituting more than a majority of the 10,796,327 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendment and (iii) 7720,677 shares of Preferred Stock and Common Stock voting together, constituting more than a majority of the 11,696,327 shares of the Preferred Stock and Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendment; and

(b) That portion of said amendment increasing the number of shares of Common Stock of the par value of $10 per share which the corporation is authorized to issue to 30,000,000 shares from 15,000,000 shares, was duly adopted by the affirmative vote (in person or by proxy) of the record holders of 7,692,809 shares of the Common Stock of the corporation, voting as a class and constituting more than a majority of the 10,796,327 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said portion of the amendment.

3. The foregoing amendment to the Articles was proposed and declared advisable by the Board of Directors of the corporation and said meeting of stockholders of the corporation was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed in triplicate by the corporation by its President and its Secretary, this 22nd day of April, 1980.

KENTUCKY UTILITIES COMPANY

By W B Bechanan
W. B. Bechanan, President

(Corporate Seal)

Michael R. Whitley
Michael R. Whitley, Secretary

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 22nd day of April, 1980, there personally appeared before me W. B. Bechanan, who being by me first duly sworn declared that he is President of Kentucky Utilities Company, that he signed the foregoing Articles of Amendment to the Restated Articles of Incorporation of Kentucky Utilities Company, and that the statements therein contained are true.

WITNESS my signature this 22nd day of April, 1980.

Anne Lee Gartabell
Notary Public
Fayette County, Kentucky

My commission expires May 16, 1983

The foregoing instrument was prepared by

Robert A. Yolles
Isham, Lincoln & Beale
One First National Plaza
Suite 4200
Chicago, Illinois 60603

R. A. Yolles
Robert A. Yolles

28494

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SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

JUL 1 1981

SECRETARY OF STATE

SECRETARY OF STATE
RECEIVED
APR 28 1981
COMMONWEALTH OF KENTUCKY

Ck 10.00

STATEMENT OF CANCELLATION OF
REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

216718

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation

Kentucky Utilities Company

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

10,500 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class Of Stock | Series | Number Of Outstanding Shares |
|---|---|---|
| Preferred | 4 3/4% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 189,500 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 200,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 1,089,500 |
| Common Stock | | 14,155,640 |
| Total Capital Stock Outstanding | | 15,245,140 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class Of Stock | Series | Outstanding Shares | Value Of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4 3/4% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 189,500 | 18,950,000.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Total Preferred | | 1,089,500 | $108,950,000.00 |
| Common Stock | | 14,155,640 | 303,698,745.29 |
| Total Capital Stock Outstanding | | 15,245,140 | $412,648,745.29 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 30th day of June, 1981.

W B Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 30th day of June, 1981.

Anne Lee Gaitskill

Anne Lee Gaitskill
Notary Public

(SEAL)

My commission expires May 16, 1983.

28494

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY

JUL 30 1982
ck 910

SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation

202043

Kentucky Utilities Company

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

1,330 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class Of Stock | Series | Number Of Outstanding Shares |
|---|---|---|
| Preferred | 4 3/4% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 188,170 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 200,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 1,088,170 |
| Common Stock | | 15,941,977 |
| Total Capital Stock Outstanding | | 17,030,147 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class Of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4 3/4% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 188,170 | 18,817,000.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Total Preferred | | 1,088,170 | $108,817,000.00 |
| Common Stock | | 15,941,977 | 340,731,840.76 |
| Total Capital Stock Outstanding | | 17,030,147 | $449,548,840.76 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 28th day of July, 1982.

W B Bechanan

W. B. Bechanan, President

Michael R Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 28th day of July, 1982.

Anne Lee Gaitskill

Anne Lee Gaitskill
Notary Public

(SEAL)

My commission expires May 16, 1983.

28494 ✓

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

AUG 24 1982

STATEMENT OF RESOLUTION
ESTABLISHING SERIES OF SHARES OF PREFERRED STOCK
OF
KENTUCKY UTILITIES COMPANY

SECRETARY OF STATE

265007

Pursuant to the provisions of Section 16 of the Kentucky Business Corporation Act and of Article Fourth of the Restated Articles of Incorporation (as amended) of Kentucky Utilities Company, a Kentucky corporation, the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares of its Preferred Stock without par value and fixing and determining the relative rights and preferences of the shares of said series:

1. The name of the corporation is Kentucky Utilities Company.

2. The following resolution, establishing and designating a series of shares of the Preferred Stock of the corporation and fixing and determining the relative rights and preferences of the shares of said series, was duly adopted by the Board of Directors of the corporation on August 24, 1982:

RESOLVED, by the Board of Directors of Kentucky Utilities Company (the "Company"), as follows:

1. An additional series of the Preferred Stock of the Company, consisting of 250,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, without par value, of the Company; said series, and each share thereof, shall be designated "13.36% Preferred Stock"; the stated value of each share of said

series shall be $100; and all of said 250,000 shares of said series are hereby authorized to be issued by the Company.

2. The rate of dividend per annum payable in respect of each share of said series shall be 13.36% per annum of the stated value of such share, which in the case of periods of less than a full quarter shall be computed on the basis of actual days elapsed and a year of 360 days.

3. The shares of said series shall be subject to redemption, in whole at any time or in part from time to time, as provided in this resolution; provided that none of the shares of said series may be redeemed by the Company prior to September 1, 1987, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the Company or the issuance by the Company of any other shares of its Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest or dividend cost to the Company (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) of less than 13.49% per annum. Subject to the terms of this resolution, any redemption of shares of said series shall be made upon the notice and in the manner and with the effect provided in the Restated Articles of Incorporation, as amended, of the Company.

4. The redemption prices applicable to the shares of said series (to which there shall be added in each case an amount equal to accrued dividends to the date of redemption), except for the redemption of shares of said series made pursuant to the provisions of paragraph 5 hereof, shall be $113.36 per share if such date of redemption is prior to September 1, 1987; $108.91 per share if such date of redemption is on or subsequent to September 1, 1987 and prior to September 1, 1992; $104.45 per share if such date of redemption is on or subsequent to September 1, 1992 and prior to September 1, 1997; $100.00 per share if such date of redemption is on or subsequent to September 1, 1997.

5. There is hereby created and established a sinking fund for the retirement of shares of said series. Subject to the restrictions contained in the Restated Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company shall redeem and retire during each 12-month period ending September

1, commencing with the 12-month period ending September 1, 1988 (through and including 2007), 12,500 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding). Such redemptions and retirements shall be in satisfaction of the sinking fund for the retirement of shares of said series. The sinking fund redemption price shall be $100 per share plus an amount equal to accrued dividends to the date of redemption. Each required redemption pursuant to the sinking fund is hereinafter referred to as the "sinking fund requirement." The sinking fund requirement shall be cumulative so that, if the Company shall fail to satisfy such requirement in respect of any such 12-month period, the deficiency shall be added to the sinking fund requirement for succeeding 12-month periods until such deficiency shall have been fully satisfied; and each such deficiency shall be satisfied by the Company as soon as practicable.

The Company may satisfy the whole or any part of the sinking fund requirement for any such 12-month period by cancelling and retiring, prior to the end of such 12-month period, shares of said series purchased or otherwise acquired by the Company or shares of said series redeemed by the Company otherwise than pursuant to the provisions of this paragraph 5.

Subject to the restrictions contained in the Restated Articles of Incorporation, as amended, of the Company (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the Company, at its option, may redeem through the sinking fund during each such 12-month period, an additional number of shares of said series (over and above the sinking fund requirement), but not to exceed 12,500 additional shares during any such 12-month period, at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption. The redemption of such additional shares shall not reduce the sinking fund requirement in respect of any subsequent 12-month period; and the right to redeem such additional shares, if not exercised, shall not be cumulative.

Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this paragraph 5 shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund and shall specify whether such redemption is being effected in respect of a mandatory or optional sinking fund provision.

6. The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Restated Articles of Incorporation, as amended, of the Company with respect to shares of the Preferred Stock of the Company and, except only as to the stated value per share of said series, the rate of dividend per annum payable in respect of the shares of said series, the redemption price or prices and the terms and conditions of redemption applicable to the shares of said series and the sinking fund provisions applicable to the shares of said series and except as otherwise expressly provided in said Restated Articles of Incorporation, as amended, the shares of said series shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the Company.

All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired, and cancelled and retired by the Company, shall constitute authorized and unissued shares of the Preferred Stock of the Company; provided, that all shares of said series redeemed pursuant to the provisions of paragraph 5 hereof, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

AND FURTHER RESOLVED: That prior to the issuance of any shares of said series the Company shall execute and file (or cause to be filed) such statement or certificate with respect to said shares as is required by Section 16 of the Kentucky Business Corporation Act; and that the proper officers of the Company are hereby authorized and empowered to execute and deliver such other documents, and to take such other action, as may be required by law or as shall be deemed proper or appropriate in their judgment or the judgment of counsel for the Company in connection with the foregoing.

IN TESTIMONY WHEREOF, this Statement of Resolution Establishing Series of Shares of Preferred Stock is executed in triplicate by the corporation by its President and its Secretary, this 24th day of August, 1982.

KENTUCKY UTILITIES COMPANY

(CORPORATE SEAL)

By W B Buchanan
President

By Richard M Whitley
Vice President and
Secretary

STATE OF KENTUCKY

COUNTY OF FAYETTE

I, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE AFORESAID STATE, DO HEREBY CERTIFY THAT ON THIS 24TH DAY OF AUGUST, 1982 PERSONALLY APPEARED BEFORE ME W. B. BECHANAN, WHO BEING BY ME DULY SWORN, DECLARES THAT HE IS PRESIDENT OF KENTUCKY UTILITIES COMPANY, AND MICHAEL R. WHITLEY, WHO IS VICE PRESIDENT AND SECRETARY OF KENTUCKY UTILITIES COMPANY, AND THAT THEY SIGNED THE FOREGOING STATEMENT OF RESOLUTION ESTABLISHING SALES OF SHARES OF PREFERRED STOCK OF KENTUCKY UTILITIES COMPANY AND THAT STATEMENTS THEREIN CONTAINED ARE TRUE.

WITNESS MY SIGNATURE, THIS 25TH DAY OF AUGUST, 1982.

NOTARY PUBLIC
STATE OF KENTUCKY-AT-LARGE

MY COMMISSION EXPIRES JANUARY 28, 1985.

The foregoing instrument was prepared by Robert A. Yolles, Isham, Lincoln & Beale, Three First National Plaza, Chicago, Illinois 60602.

Robert A. Yolles

28494

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

OCT 1 1992

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

SECRETARY OF STATE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

269683

(a) The name of the corporation

Kentucky Utilities Company

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

9,150 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class Of Stock | Series | Number Of Outstanding Shares |
|---|---|---|
| Preferred | 4 3/4% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 179,020 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 200,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,329,020 |
| Common Stock | | 15,941,977 |
| Total Capital Stock Outstanding | | 17,270,997 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class Of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4 3/4% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 179,020 | 17,902,000.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,329,020 | $132,902,000.00 |
| Common Stock | | 15,941,977 | 337,660,366.93 |
| Total Capital Stock Outstanding | | 17,270,997 | $470,562,366.93 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 1st day of October, 1982.

W. B. Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 1st day of October, 1982.

Anne Lee Gaitskill

(SEAL)

Anne Lee Gaitskill
Notary Public

My commission expires May 16, 1983.

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

OCT 19 1983

SECRETARY OF STATE

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COMMONWEALTH OF KENTUCKY

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation 317921

Kentucky Utilities Company

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

9,285 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 169,735 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 200,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,319,735 |
| Common Stock | | 18,084,534 |
| Total Capital Stock Outstanding | | 19,404,269 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 169,735 | 16,973,500.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,319,735 | $131,973,500.00 |
| Common Stock | | 18,084,534 | 409,753,003.06 |
| Total Capital Stock Outstanding | | 19,404,269 | $541,726,503.06 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 19th day of October, 1983.

W B Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 19th day of October, 1983.

Anne Lee Gaitskill

Anne Lee Gaitskill
Notary Public

My commission expires May 16, 1987 (SEAL)

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class Of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4 3/4% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 179,020 | 17,902,000.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,329,020 | $132,902,000.00 |
| Common Stock | | 15,941,977 | 337,660,366.93 |
| Total Capital Stock Outstanding | | 17,270,997 | $470,562,366.93 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 1st day of October, 1982.

W. B. Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 1st day of October, 1982.

Anne Lee Gaitskill

(SEAL)

Anne Lee Gaitskill
Notary Public

My commission expires May 16, 1983.

28494

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAY 29 1984

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation

Kentucky Utilities Company

345089

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

10,000 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 159,735 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 200,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,309,735 |
| Common Stock | | 18,501,542 |
| Total Capital Stock Outstanding | | 19,811,277 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 159,735 | 15,973,500.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 200,000 | 20,000,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,309,735 | $130,973,500.00 |
| Common Stock | | 18,501,542 | 431,587,303.72 |
| Total Capital Stock Outstanding | | 19,811,277 | $562,560,803.72 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 7th day of May, 1984.

W B Bechanan

W. B. Bechanan, President

Michael R Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 7th day of May, 1984.

John J Maloy Jr

John J. Maloy, Jr.
Notary Public

(SEAL)

My commission expires November 21, 1984.

28494

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SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

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Drexell R. Davis
SECRETARY OF STATE

418038

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation

Kentucky Utilities Company

(b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.

8,000 shares of 8.65% Series Preferred Stock
20,000 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 139,735 |
| Preferred | 7.50% | 100,000 |
| Preferred | 8.65% | 192,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,281,735 |
| Common Stock | | 18,908,939 |
| Total Capital Stock Outstanding | | 20,190,674 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 139,735 | 13,973,500.00 |
| Preferred | 7.50% | 100,000 | 10,000,000.00 |
| Preferred | 8.65% | 192,000 | 19,200,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,281,735 | $128,173,500.00 |
| Common Stock | | 18,908,939 | 446,286,284.45 |
| Total Capital Stock Outstanding | | 20,190,674 | $574,459,784.45 |

(e) If the articles of incorporation provide that the cancelled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the cancelled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively of Kentucky Utilities Company this 30th day of September, 1985.

W. B. Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 30th day of September, 1985.

Lori Jane Chanslor

Lori Jane Chanslor
Notary Public

(SEAL)

My commission expires September 14, 1989.

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SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

DEC 27 1985
4/10
Drexel R. Davis
SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation.

425745

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

20,000 shares of 7.50% Series Preferred Stock
20 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 10.60% | 139,715 |
| Preferred | 7.50% | 80,000 |
| Preferred | 8.65% | 192,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,261,715 |
| Common Stock | | 18,908,939 |
| Total Capital Stock Outstanding | | 20,170,654 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 10.60% | 139,715 | 13,971,500.00 |
| Preferred | 7.50% | 80,000 | 8,000,000.00 |
| Preferred | 8.65% | 192,000 | 19,200,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,261,715 | $126,171,500.00 |
| Common Stock | | 18,908,939 | 447,039,252.16 |
| Total Capital Stock Outstanding | | 20,170,654 | $573,210,752.16 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 19th day of December, 1985.

W B Bechanan

W. B. Bechanan, President

Michael R Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 19th day of December, 1985.

Lori Jane Chanslor

Lori Jane Chanslor
Notary Public

(SEAL)

My commission expires September 14, 1989.

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 18 1986
Ck $10.00
Drexel R. Davis
SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

436969

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

8,000 shares of 8.65% Series Preferred Stock
139,715 shares of 10.60% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 80,000 |
| Preferred | 8.65% | 184,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,114,000 |
| Common Stock | | 18,908,939 |
| Total Capital Stock Outstanding | | 20,022,939 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 80,000 | 8,000,000.00 |
| Preferred | 8.65% | 184,000 | 18,400,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,114,000 | $111,400,000.00 |
| Common Stock | | 18,908,939 | 457,823,362.80 |
| Total Capital Stock Outstanding | | 20,022,939 | $569,223,362.80 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 18th day of April, 1986.

W. B. Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 18th day of April, 1986.

Charles D. Ireland

Charles D. Ireland
Notary Public

(SEAL)

My commission expires May 31, 1988.

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FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

JAN 27 1987

$100.00

SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, W. B. Bechanan and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

20,000 shares of 7.50% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 60,000 |
| Preferred | 8.65% | 184,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.26% | 250,000 |
| Total Preferred | | 1,094,000 |
| Common Stock | | 18,908,939 |
| Total Capital Stock Outstanding | | 20,002,939 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 60,000 | 6,000,000.00 |
| Preferred | 8.65% | 184,000 | 18,400,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,094,000 | $109,400,000.00 |
| Common Stock | | 18,908,939 | 456,083,608.60 |
| Total Capital Stock Outstanding | | 20,002,939 | $565,483,608.60 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 19th day of January, 1987.

W. B. Bechanan

W. B. Bechanan, President

Michael R. Whitley

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley

Michael R. Whitley
Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 19th day of January, 1987.

Charles D. Ireland

Charles D. Ireland
Notary Public

(SEAL)

My commission expires May 31, 1988.

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY

APR 28 1987
Ch 470
Deputy Secretary of State

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, John T. Newton and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation. 477228

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

16,000 shares of 8.65% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 60,000 |
| Preferred | 8.65% | 168,000 |
| Preferred | 9.96% | 200,000 |
| Preferred | 13.36% | 250,000 |
| Total Preferred | | 1,078,000 |
| Common Stock | | 18,908,939 |
| Total Capital Stock Outstanding | | 19,986,939 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 60,000 | 6,000,000.00 |
| Preferred | 8.65% | 168,000 | 16,800,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Preferred | 13.36% | 250,000 | 25,000,000.00 |
| Total Preferred | | 1,078,000 | $107,800,000.00 |
| Common Stock | | 18,908,939 | 465,864,099.05 |
| Total Capital Stock Outstanding | | 19,986,939 | $573,664,099.05 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 23rd day of April, 1987.

John T. Newton, President

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley
Senior Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 23rd day of April, 1987.

Charles D. Ireland
Notary Public

(SEAL)

My commission expires May 31, 1988.

SS-12-1-1-76

28494

# Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

**DREXELL R. DAVIS**
*Secretary*

FRANKFORT,
KENTUCKY

## CERTIFICATE OF AMENDMENT
## TO ARTICLES OF INCORPORATION

*I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of*

KENTUCKY UTILITIES COMPANY

*amended pursuant to Kentucky Revised Statutes, 271A, ~~(275)~~ duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.*

*Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this* 28TH *day of* APRIL, *19* 87.

Drexell R. Davis
SECRETARY OF STATE

SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

Refund

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 28 1987
$ 99,475.00
Diane Davis
Deputy Secretary of State

and for 999,250.00

# ARTICLES OF AMENDMENT
# TO THE
# RESTATED ARTICLES OF INCORPORATION
# OF
# KENTUCKY UTILITIES COMPANY

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by John T. Newton and Michael R. Whitley, its President and Secretary, respectively, hereby certifies as follows:

477228

1. The amendment to the Restated Articles of Incorporation, as amended, of the corporation (the "Articles") set forth below in this paragraph 1 was duly adopted by the common stockholders of the corporation at the annual meeting of such stockholders held in the Second Floor Assembly Room at the offices of the corporation, One Quality Street, Lexington, Kentucky, on April 28, 1987, at 1:30 P.M., Lexington (Kentucky) Time, namely:

The Restated Articles of Incorporation, as amended, of the corporation are hereby amended in the following respects:

> The aggregate number of authorized shares of stock of the corporation is hereby increased to 87,300,000 shares from 37,300,000 shares by increasing the aggregate number of shares of Common Stock (including such shares previously authorized) which the corporation shall have authority to issue to 80,000,000 shares of Common Stock from 30,000,000 shares of Common Stock and modifying the Common Stock to provide that all shares of Common Stock (issued and unissued) shall be without par value (changed from a par value of $10 per share),

which amendment is effected by amending the Restated Articles of Incorporation, as amended, of the corporation as set forth below:

The first paragraph of Article Fourth of the Restated Articles of Incorporation, as amended, is amended to read in its entirety as follows:

> FOURTH: The aggregate number of shares of stock which the corporation shall have authority to issue is Eighty-seven Million Three Hundred Thousand (87,300,000) shares, divided into and consisting of (A) Five Million Three Hundred Thousand (5,300,000) shares of Preferred Stock without par value but with the maximum aggregate stated value of $200,000,000, issuable in one or more series as hereinafter provided, (B) Two Million

(2,000,000) shares of Preference Stock without par value issuable in one or more series as hereinafter provided, and (C) Eighty Million (80,000,000) shares of Common Stock without par value. The 5,300,000 shares of authorized Preferred Stock are hereinafter referred to as the "Preferred Stock" and shall include the 200,000 shares of "4-3/4% Preferred Stock," the 200,000 shares of "7.84% Preferred Stock," the 60,000 shares of "7.50% Preferred Stock," the 184,000 shares of "8.65% Preferred Stock," the 200,000 shares of "9.96% Preferred Stock" and the 250,000 shares of "13.36% Preferred Stock" of the corporation now outstanding.

2. The foregoing amendment to the Articles was duly adopted by the common stockholders of the corporation (being the only class of stock of the corporation entitled to vote on such amendment) at said meeting in accordance with the provisions of the Articles and with the laws of the Commonwealth of Kentucky by the affirmative vote (in person or by proxy) of the record holders of 15,513,694 shares of the Common Stock of the corporation, voting as a class, and constituting more than a majority of the 18,908,939 shares of Common Stock of the corporation outstanding and entitled to vote at the meeting on said amendment.

3. The foregoing amendment to the Articles was proposed and declared advisable by the Board of Directors of the corporation and said meeting of stockholders of the corporation was duly called upon notice of the specific purpose (among others) of considering and voting upon the adoption of said amendment.

4. The foregoing amendment to the Articles does not effect any change in the stated capital of the corporation.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed in triplicate by the corporation by its President and its Secretary, this 28th day of April, 1987.

KENTUCKY UTILITIES COMPANY

By John T. Newton
John T. Newton, President

(Corporate Seal)

By Michael R. Whitley
Michael R. Whitley,
Secretary

COMMONWEALTH OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, Marilyn B. Ballard, a Notary Public in and for said County in the Commonwealth aforesaid, do hereby certify that John T. Newton, President of Kentucky Utilities Company, a Kentucky corporation, and Michael R. Whitley, Secretary of said corporation, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, of said corporation, and who are both personally known to me to be such officers, appeared before me this day in person and severally acknowledged before me that they signed, sealed and delivered said instrument as their free and voluntary act as such officers, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth; and said John T. Newton, upon oath, acknowledged himself to be the President of said corporation and that, as such officer, being authorized so to do, he executed said instrument for the purposes therein contained, by signing the name of said corporation thereto by himself as such officer.

Given under my hand and official seal this 28th day of April, 1987.

Marilyn B. Ballard
Marilyn B. Ballard,
Notary Public
State-at-Large, Kentucky

My Commission expires:
October 27, 1990

(Notarial Seal)

---

This instrument was prepared by W.J. Harmon, Isham, Lincoln & Beale, Chicago, Illinois.

W.J. Harmon
W.J. Harmon

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

OCT 30 1987

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, John T. Newton and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

250,000 shares of 13.36% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 60,000 |
| Preferred | 8.65% | 168,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 828,000 |
| Common Stock | | 37,817,878 |
| Total Capital Stock Outstanding | | 38,645,878 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 60,000 | 6,000,000.00 |
| Preferred | 8.65% | 168,000 | 16,800,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Total Preferred | | 828,000 | $82,800,000.00 |
| Common Stock | | 37,817,878 | 469,854,306.56 |
| Total Capital Stock Outstanding | | 38,645,878 | $552,654,306.56 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 26th day of October, 1987.

John T. Newton, President

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley
Senior Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 26th day of October, 1987.

Charles D. Ireland
Notary Public

(SEAL)

My commission expires May 31, 1988.

Prepared by: _____
(Signature)

Typed Name: William N. English

Title: Treasurer and Assistant Secretary

Mail to: Kentucky Utilities Company
One Quality Street
Lexington, KY 40507

ATTENTION: William N. English
Treasurer and Assistant Secretary

A-284994

508815

ORIGINAL COPY FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY
JAN 29 1988 10:00 AM
Bremer Ehrler
SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, John T. Newton and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

20,000 shares of 7.50% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 40,000 |
| Preferred | 8.65% | 168,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 808,000 |
| Common Stock | | 37,817,878 |
| Total Capital Stock Outstanding | | 38,625,878 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 40,000 | 4,000,000.00 |
| Preferred | 8.65% | 168,000 | 16,800,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Total Preferred | | 808,000 | $80,800,000.00 |
| Common Stock | | 37,817,878 | 469,648,046.72 |
| Total Capital Stock Outstanding | | 38,625,878 | $550,448,046.72 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 19th day of January, 1988.

John T. Newton, President

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley
Senior Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 19th day of January, 1988.

Charles D. Ireland
Notary Public

(SEAL)

My commission expires May 31, 1988.

Prepared by:

ORIGINAL COPY FILED
SECRETARY OF STATE OF KENTUCKY

JUN 1 1988

$10.00

SECRETARY OF STATE

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY #28494

The undersigned, John T. Newton and Michael R. Whitley, President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271A.335 of the Kentucky Revised Statutes:

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

16,000 shares of 8.65% Series Preferred Stock

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | 40,000 |
| Preferred | 8.65% | 152,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 792,000 |
| Common Stock | | 37,817,878 |
| Total Capital Stock Outstanding | | 38,609,878 |

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.34% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | 40,000 | 4,000,000.00 |
| Preferred | 8.65% | 152,000 | 15,200,000.00 |
| Preferred | 9.063 | 200,000 | 20,000,000.00 |
| Total Preferred | | 792,000 | $ 79,200,000.00 |
| Common Stock | | 37,817,878 | 473,070,427.83 |
| Total Capital Stock Outstanding | | 38,609,878 | $552,270,427.83 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 23rd day of May, 1988.

John T. Newton, President

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley
Senior Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 23rd day of May, 1988.

Barbara Flexter
Notary Public

(0866)

My commission expires May 11, 1991.

Prepared by: _____
(Signature)

Typed Name: William N. English

Title: Treasurer & Asst. Secretary

Mail to: Kentucky Utilities Company
One Quality Street
Lexington, KY 40507

ATTENTION: William N. English
Treasurer and Assistant Secretary

28494

# COMMONWEALTH OF KENTUCKY

OFFICE OF SECRETARY OF STATE

# CERTIFICATE

TO WHOM THESE PRESENTS COME, GREETING:

WHEREAS, KENTUCKY UTILITIES COMPANY has presented a Resolution of the Board of Directors electing to be governed by the provisions of Kentucky Business Corporation Law (House Bill 323) prior to January 1, 1989, and said Resolution satisfies the requirements of Kentucky Business Corporation Law.

NOW, THEREFORE, I, BREMER EHRLER, Secretary of State for the Commonwealth of Kentucky, hereby certify that I have this day filed the Resolution of the Board of Directors in this office.

Effective date the provisions will apply is JULY 26, 1988.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

Done at Frankfort this 28TH day of JULY, 1988.

Bremer Ehrler

Bremer Ehrler,
Secretary of State,
Commonwealth of Kentucky

IN TESTIMONY WHEREOF, this Statement of Resolution regarding the Election of Early Effectiveness of Certain Specified Sections of H. B. 323, 1988 Session, Enacted March 4, 1988, is executed in triplicate by the corporation by its Senior Vice President and Assistant Secretary, this 28th day of July, 1988.

KENTUCKY UTILITIES COMPANY

(CORPORATE SEAL)

By _____
Senior Vice President

By _____
Assistant Secretary

Subscribed and sworn to before me this 28th day of July, 1988.

_____
Marilyn Ballard
Notary Public

(SEAL)

My Commission expires October 27, 1990.

The foregoing instrument was prepared by George S. Brooks II, One Quality Street, Lexington, Kentucky 40507.

_____
George S. Brooks II

880728RA.MRW

28494

Articles of Amendment to

STATEMENT OF CANCELLATION OF

REDEEMABLE SHARES BY REDEMPTION OR PURCHASE

KENTUCKY UTILITIES COMPANY

The undersigned, John T. Newton and Michael R. Whitley, Chairman and President and Secretary, respectively, of Kentucky Utilities Company (the "Company") hereby certify the following pursuant to the requirements of Section 271B.6-310 of the Kentucky Revised Statutes: On October 28, 1989 a meeting was held by the Board of Directors with the vote being unanimous:

(a) The name of the corporation.

Kentucky Utilities Company

(b) The number of redeemable shares canceled through redemption or purchase, itemized by classes and series.

20,000 shares of 7.50% Series Preferred Stock

590083

(c) The aggregate number of issued shares itemized by classes and series, after giving effect to such cancellation.

| Class of Stock | Series | Number of Outstanding Shares |
|---|---|---|
| Preferred | 4.75% | 200,000 |
| Preferred | 7.84% | 200,000 |
| Preferred | 7.50% | -0- |
| Preferred | 8.65% | 136,000 |
| Preferred | 9.96% | 200,000 |
| Total Preferred | | 736,000 |
| Common Stock | | 37,817,878 |
| Total Capital Stock Outstanding | | 38,553,878 |

RECEIVED AND FILED
FEB 14 1990

DATE _____

TIME 9:40 am

AMOUNT $40.00

BREMER EHRLER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

BY _____

(d) The amount expressed in dollars of the stated capital of the corporation after giving effect to such cancellation.

| Class of Stock | Series | Outstanding Shares | Value of Stated Capital Outstanding |
|---|---|---|---|
| Preferred | 4.75% | 200,000 | $ 20,000,000.00 |
| Preferred | 7.84% | 200,000 | 20,000,000.00 |
| Preferred | 7.50% | -0- | -0- |
| Preferred | 8.65% | 136,000 | 13,600,000.00 |
| Preferred | 9.96% | 200,000 | 20,000,000.00 |
| Total Preferred | | 736,000 | $ 73,600,000.00 |
| Common Stock | | 37,817,878 | 527,111,010.80 |
| Total Capital Stock Outstanding | | 38,553,878 | $600,711,010.80 |

(e) If the articles of incorporation provide that the canceled shares shall not be reissued, the number of shares which the Company will have authority to issue itemized by classes and series, after giving effect to such cancellation.

The "Articles of Incorporation" of the Company provide that the canceled shares shall be authorized and unissued shares.

In Testimony Whereof, witness the signatures of the undersigned President and Secretary, respectively, of Kentucky Utilities Company this 19th day of January, 1990.

John T. Newton, Chairman and President

Michael R. Whitley, Secretary

The undersigned on oath states that the above Statement of Cancellation of Redeemable Shares by Redemption or Purchase is true and correct.

Michael R. Whitley
Senior Vice President and Secretary

SUBSCRIBED AND SWORN TO before me this 19th day of January, 1990.

Barbara Flexter
Notary Public

(SEAL)

My commission expires May 11, 1991.

Prepared by: _____
(Signature)

Typed Name: William N. English

Title: Treasurer and Assistant Secretary

Mail to: Kentucky Utilities Company
One Quality Street
Lexington, KY 40507

ATTENTION: William N. English
Treasurer and Assistant Secretary

28494
RECEIVED AND FILED
DATE APR 24 1990
TIME 3:37 pm
AMOUNT 140.00
BREMER EHRLER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY

**ARTICLES OF AMENDMENT**
**TO THE**
**RESTATED ARTICLES OF INCORPORATION**
**OF**
**KENTUCKY UTILITIES COMPANY**

The undersigned, Kentucky Utilities Company, a Kentucky corporation (the "corporation"), by John T. Newton, its President, hereby certifies as follows:

597399

1. The name of the corporation is Kentucky Utilities Company.

2. Division III of Article Fourth of the Restated Articles of Incorporation (the "Articles") is amended to read in its entirety as follows:

> No holder of the Common Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

3. Article Seventh of the Restated Articles of Incorporation is amended to read in its entirety as follows:

> SEVENTH: The affairs of the corporation shall be conducted by a Board of nine directors, or such other number of directors, not less than three, as shall from time to time be prescribed by the By-laws, who, except as otherwise provided in this Article Seventh, shall be elected at each annual meeting of the corporation on a day to be fixed in the By-laws, for a term expiring at the next succeeding annual meeting of the corporation. During such time as there are nine or more directors, and subject to the special rights of the holders of shares of the Preferred Stock and the holders of the shares of the Preference Stock to elect directors as provided in paragraphs (3), (4) and (8) of Division IV of Article Fourth and as specified in this Article Seventh, the directors shall be divided into three groups, as nearly equal in number as possible, and the term of office of the first group will expire at the 1991 annual meeting of the corporation, the term of office of the second group will expire at the 1992 annual meeting of the corporation and the term of office of the third group will expire at the 1993 annual meeting of the corporation, and at each annual meeting commencing with the 1991 annual meeting, directors elected to

succeed those whose terms expire shall be elected for a term of office expiring at the third succeeding annual meeting of the corporation after their election or, in the event of a director elected to succeed a director elected to fill a vacancy, for a term expiring at the annual meeting at which the term of the director whose termination of office first created such vacancy would have expired. Notwithstanding the preceding sentence, the term of office of all directors shall expire at the special or annual meeting of the corporation at which the holders of the shares of the Preferred Stock are entitled to elect directors as provided in paragraph (3) of Division IV of Article Fourth or the holders of the shares of the Preference Stock are entitled to elect directors as provided in paragraph (4) of Division IV of Article Fourth; and so long as the holders of the shares of either the Preferred Stock or the Preference Stock shall be entitled to such special voting rights in the election of directors, the directors shall be elected and the term of each director shall expire as provided in said Division IV of Article Fourth. At such time as the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock no longer have the special right to elect directors as provided in paragraph (5) or (6) of Division IV of Article Fourth, the Board shall again be divided into three groups as provided in this Article Seventh, the term of office of the first group to expire at the first annual meeting after the meeting at which directors are again elected by the holders of shares of the Common Stock, the term of office of the second group to expire at the second annual meeting after such meeting and the term of office of the third group to expire at the third annual meeting after such meeting (provided that no director shall be elected at such meeting for a term longer than three years), and directors elected to succeed those whose terms expire shall again be elected for a term of office expiring at the third succeeding annual meeting of the corporation after their election or, in the event of a director elected to succeed a director elected to fill a vacancy, for a term expiring at the annual meeting at which the term of the director whose termination of office first created such vacancy would have expired; subject to the same provisions for vesting in the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock of such special rights in the election of directors as provided in Division IV of Article Fourth. The directors, as soon as practicable after each annual meeting, shall elect

a President, one or more Vice-Presidents, a Secretary, a Treasurer, a Controller, and such other officers as may, from time to time, be provided for by the Board.

4. The Restated Articles of Incorporation are amended to add thereto the following Articles Tenth, Eleventh and Twelfth:

TENTH: 1. No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for any breach of his or her duties as a director, except for liability (a) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the corporation or its shareholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; (c) for any vote for or assent to an unlawful distribution to shareholders as prohibited under KRS 271B.8-330; or (d) for any transaction from which the director derived an improper personal benefit.

2. If the Kentucky Business Corporation Act is amended after approval by the shareholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Kentucky Business Corporation Act, as so amended, and without the necessity for further shareholder action in respect thereof.

3. Any repeal or modification of this Article by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

ELEVENTH: 1. The corporation shall indemnify a director, officer, employee, or agent who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director, officer, employee, or agent of the corporation against reasonable expenses incurred by him in connection with the proceeding.

2. Except as provided in paragraph 3 of this Article, the corporation shall indemnify an individual made a party to a proceeding because he is or was a

director, officer, employee, or agent of the corporation against liability incurred in the proceeding if: (a) he conducted himself in good faith; and (b) he reasonably believed: (i) in the case of conduct in his official capacity with the corporation, that his conduct was in its best interest; and (ii) in all other cases, that his conduct was at least not opposed to its best interest; and (iii) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

3. The corporation shall not indemnify a director under paragraph 2 of this Article (a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or (b) in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

4. Indemnification under this Article in connection with a proceeding by or in the right of the corporation shall be limited to reasonable expenses incurred in connection with the proceeding.

5. If, after approval by the shareholders of this Article, the Kentucky Business Corporation Act is amended to extend the permissible indemnification of a director, officer, employee, or agent of the corporation, then the indemnification of a director, officer, employee, or agent of the corporation shall be afforded to the fullest extent permitted by the Kentucky Business Corporation Act, as so amended, and without the necessity for further shareholder action in respect thereof.

6. In addition to (and not by way of limitation of) the foregoing provisions of this Article Eleventh and the provisions of the Kentucky Business Corporation Act, each person (including the heirs, executors, administrators and estate of such person) who is or was or had agreed to become a director, officer, employee or agent of the corporation and each person (including the heirs, executors, administrators and estate of such person) who is or was serving or who had agreed to serve at the request of the directors or any officer of the corporation as a director, officer, employee, trustee, partner or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall

be indemnified by the corporation to the fullest extent permitted by the Kentucky Business Corporation Act or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the corporation is authorized to enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article Eleventh.

7. Any repeal or modification of this Article by the shareholders of the corporation shall not adversely affect any indemnification of any person hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

TWELFTH: Except as otherwise provided in paragraph (9) of Division IV of Article Fourth, no special meeting of shareholders shall be held upon the demand of shareholders of the corporation unless the holders of at least fifty-one percent (51%) of all the votes entitled to be cast on each issue proposed to be considered at the special meeting shall have signed, dated and delivered to the corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

5. The foregoing amendments to the Articles do not provide for an exchange, reclassification or cancellation of issued shares.

6. The foregoing amendments to the Articles were each duly adopted by the shareholders of the corporation at the annual meeting of such shareholders on April 24, 1990.

7. The holders of the 37,817,878 shares of Common Stock of the corporation were entitled to vote (casting one vote per share) on the foregoing amendments and 32,590,615 of said shares were indisputably represented at the meeting (constituting a quorum). Of the shares of Common Stock represented at the meeting, votes cast for and against the amendments were as follows:

| | | FOR | AGAINST |
|---|---|---|---|
| (a) | Elimination of preemptive rights (Article Fourth) | 21,364,663 | 4,365,095 |
| (b) | Classification of board (Article Seventh) | 21,050,495 | 4,746,323 |

| | | FOR | AGAINST |
|---|---|---|---|
| (c) | Limiting directors' liability (Article Tenth) | 29,056,423 | 2,640,640 |
| (d) | Indemnification of directors (Article Elevanth) | 28,576,618 | 2,659,110 |
| (e) | Call of special meeting (Article Twelfth) | 22,012,693 | 4,112,404 |

The number of votes cast in favor of the each amendment exceeded the number of votes cast against that amendment, such votes being sufficient for approval of each of the amendments.

IN TESTIMONY WHEREOF, the foregoing Articles of Amendment are executed by the corporation by its President, this 24th day of April, 1990.

KENTUCKY UTILITIES COMPANY

By John T. Newton
John T. Newton, President

(Corporate Seal)

2198h

STATE OF KENTUCKY )
) SS.
COUNTY OF FAYETTE )

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 24th day of April, 1990, there personally appeared before me John T. Newton, who being by me first duly sworn, declared that he is President of Kentucky Utilities Company, that he signed the foregoing Articles of Amendment to the Restated Articles of Incorporation of Kentucky Utilities Company, and that the statements therein contained are true.

WITNESS my signature this 24th day of April, 1990.

Marilyn B. Ballard
Marilyn B. Ballard
Notary Public
Fayette County, Kentucky

My Commission expires:
October 27, 1990

The foregoing instrument was prepared by

William J. Harmon, Esq.
Jones, Day, Reavis & Pogue
225 West Washington Street
Suite 2600
Chicago, Illinois 60606

William J. Harmon
William J. Harmon

28494

# AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
# Kentucky Utilities Company #28494-0st

The undersigned, KENTUCKY UTILITIES COMPANY, a Kentucky corporation (the "corporation"), by John T. Newton, its Chairman and President, hereby certifies as follows:

1. The name of the corporation is Kentucky Utilities Company.

2. The following restatement contains no amendment requiring shareholder approval. By resolution duly adopted by the Board of Directors of the corporation at a meeting thereof duly held on July 26, 1990, the following restatement of the Amended and Restated Articles of Incorporation of the corporation, as theretofore amended, was adopted.

3. The following Amended and Restated Articles of Incorporation of the corporation (a) set forth all of the operative provisions of the Articles of Incorporation of the corporation, as amended through the date of said meeting of the Board of Directors of the corporation, (b) correctly set forth without change (except for the change to Article Second adopted by the Board of Directors as permitted by KRS 271B.10-020(3)) the corresponding provisions of the Articles of Incorporation of the corporation, as so amended, and (c) supersede the original Articles of Incorporation of the corporation and all amendments thereto and restatements thereof through the date of said meeting of the Board of Directors of the corporation.

4. The Amended and Restated Articles of Incorporation of the corporation shall read as follows:

Amended and Restated Articles of Incorporation

FIRST: The name of the corporation is KENTUCKY UTILITIES COMPANY.

SECOND: The address of the registered office of the corporation, and the address of the resident agent of the corporation, are on file with the Secretary of State.

THIRD: The nature of the business and the objects and purposes proposed to be transacted, promoted and carried on by the corporation are to do within or without the State of Kentucky any and all of the things herein mentioned and set forth, as fully and to the same extent, to all intents and purposes, as natural persons might or could do, viz:

1. To manufacture, generate, buy, sell, accumulate, store, transmit, furnish and distribute electrical energy for light, heat, power and other purposes;

2. To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and appliances for the manufacture, generation, storage, accumulation, transmission, distribution and use of electrical energy and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever;

3. To carry on a general business of electricians, mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity;

mortgage and sell street railway cars, tram cars, railway, passenger, freight and express cars, and all fixtures and appurtenances incident or necessary to the operation thereof;

17. To acquire, own, construct, operate, lease, sell and encumber houses, buildings, pipes, mains, fixtures, easements, franchises, ordinances and all other necessary or convenient things to enable it to furnish steam for power and heating purposes, and generally to carry on a business of generating, conveying and furnishing steam for power and heat to the general public;

18. To construct, acquire, own, operate, sell, mortgage and lease hydro-electric power plants together with everything whatsoever pertaining thereto;

19. To purchase, appropriate, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, power privileges and appropriations for mining, milling, agriculture, domestic power and other uses and purposes, and more particularly for use in connection with the generation and distribution of electrical energy for light, heat and power and the operation of street railways and propelling of cars;

20. To acquire, sell, mortgage, lease, construct, maintain and operate water works, and to supply municipalities, corporations and individuals with water and water power, and to acquire, sell, mortgage, lease, construct, maintain and operate all necessary dams, buildings, plants, machinery, fixtures and apparatus of every sort for supplying municipalities, corporations, and individuals with water and water power for all purposes, and to carry on the business incidental thereto;

21. To purchase or to acquire and to construct, sell, mortgage, lease, control and to hold such real estate, personal property, rights, powers, privileges and easements in both real and personal property as may be necessary, desirable or convenient for the purposes of this corporation, including such lands, shoals, riparian and other rights and easements as may be necessary, desirable or convenient for pondage, storage overflow, diversion and retention of water, and including power houses, plants, gas holders, machinery, railways, tramways, canals, reservoir sites, conduits, pole lines, transmission and distribution systems, rights-of-way, easements, water rights, filings, applications, privileges and franchises of every nature whatsoever;

22. To buy, sell, mortgage, lease and otherwise acquire, construct, maintain, operate and otherwise dispose of, public and private telegraph and telephone lines, and any interest therein and grants therefor; and all electrical and other instruments, machinery, contrivances, materials and things of every kind and nature for transmitting messages, as well as works, plants, buildings or conveniences appertaining thereto;

23. To acquire, use, lease, encumber or sell charters, contracts and franchises granted, issued or entered into by any persons, companies or corporations, county, state, government or any municipality or governmental subdivision;

24. To guarantee, purchase, acquire, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of the capital stock, bonds, debentures, evidences of indebtedness and other securities of any other corporation or association, whether foreign or domestic, and whether now or hereafter organized, and while the holder of any such shares of stock or other securities, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon to the same extent as a natural person might or could do;

25. To sell or in any manner dispose of, mortgage or pledge any stocks, bonds or other obligations or any property, real or personal, which at any time may be held by the corporation as and when and upon such terms and conditions as the Board of Directors shall determine;

26. To acquire the good-will, rights and properties of any person or persons, firm, corporation or association, and to pay for the same in cash, stock, bonds or otherwise;

the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized and unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or re-acquired shares of any such series into shares of another series, *subject, however*, to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the share of each series of Preferred Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preferred Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preferred Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the stated values thereof, the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (11) of this Division I. All shares of the Preferred Stock of the same stated value per share at any time outstanding which bear the same dividend rate shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on or set apart for all shares of the Preferred Stock then outstanding dividends in such amount that the holders of all shares of the Preferred Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period," as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preferred Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Preference Stock and the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Preference Stock and the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Preference Stock or the Common Stock and the payment of any such dividends that all amounts required to be paid or set aside for any sinking fund for the redemption or purchase of shares of Preferred Stock of any series, with respect to all preceding sinking fund dates or periods, shall have been paid or set aside in accordance

1987; $107.56 per share if such date of redemption is on or subsequent to June 1, 1987 and prior to June 1, 1988; $107.22 per share if such date of redemption is on or subsequent to June 1, 1988 and prior to June 1, 1989; $106.87 per share if such date of redemption is on or subsequent to June 1, 1989 and prior to June 1, 1990; $106.53 per share if such date of redemption is on or subsequent to June 1, 1990 and prior to June 1, 1991; $106.19 per share if such date of redemption is on or subsequent to June 1, 1991 and prior to June 1, 1992; $105.84 per share if such date of redemption is on or subsequent to June 1, 1992 and prior to June 1, 1993; $105.50 per share if such date of redemption is on or subsequent to June 1, 1993 and prior to June 1, 1994; $105.16 per share if such date of redemption is on or subsequent to June 1, 1994 and prior to June 1, 1995; $104.81 per share if such date of redemption is on or subsequent to June 1, 1995 and prior to June 1, 1996; $104.47 per share if such date of redemption is on or subsequent to June 1, 1996 and prior to June 1, 1997; $104.13 per share if such date of redemption is on or subsequent to June 1, 1997 and prior to June 1, 1998; $103.78 per share if such date of redemption is on or subsequent to June 1, 1998 and prior to June 1, 1999; $103.44 per share if such date of redemption is on or subsequent to June 1, 1999 and prior to June 1, 2000; $103.10 per share if such date of redemption is on or subsequent to June 1, 2000 and prior to June 1, 2001; $102.75 per share if such date of redemption is on or subsequent to June 1, 2001 and prior to June 1, 2002; $102.41 per share if such date of redemption is on or subsequent to June 1, 2002 and prior to June 1, 2003; $102.07 per share if such date of redemption is on or subsequent to June 1, 2003 and prior to June 1, 2004; $101.72 per share if such date of redemption is on or subsequent to June 1, 2004 and prior to June 1, 2005; $101.38 per share if such date of redemption is on or subsequent to June 1, 2005 and prior to June 1, 2006; $101.04 per share if such date of redemption is on or subsequent to June 1, 2006 and prior to June 1, 2007; $100.69 per share if such date of redemption is on or subsequent to June 1, 2007 and prior to June 1, 2008; $100.35 per share if such date of redemption is on or subsequent to June 1, 2008 and prior to June 1, 2009; and $100.00 per share if such date of redemption is on or subsequent to June 1, 2009 (to which amounts there shall be added in each case an amount equal to accrued dividends to the date of redemption) and *provided* that none of the shares of said series may be redeemed by the corporation prior to June 1, 1990, if such redemption is for the purpose of refunding, or is in anticipation of the refunding, of any of said shares through the incurrence of debt by the corporation or the issuance by the corporation of any other shares of its Preferred Stock or of any other stock ranking prior to or on a parity with the Preferred Stock, if such debt to be so incurred or such shares to be so issued shall have an effective interest rate, dividend rate or cost to the corporation (calculated after adjustment, in accordance with accepted financial practice, for any premium received or discount granted) of less than 9.96% per annum. It shall be a condition of any redemption pursuant to this paragraph (4) that the corporation shall, not less than thirty (30) days previous to the date fixed for redemption, give notice of the intention of the corporation to redeem such shares, specifying the shares to be redeemed and the date and place of redemption, which notice shall be deposited in a United States post office or mail box at any place in the United States addressed to each holder of record of the shares to be redeemed at his address as the same appears upon the records of the corporation; but in mailing such notice of redemption unintentional omissions or errors in names or addresses shall not impair the validity of such notice. In every case of the redemption of less than all of the outstanding shares of any series of the Preferred Stock, the shares of such series to be redeemed shall be chosen by proration (so far as may be without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the

grammatical paragraph of Section (4) of Division I of Article Fourth), the corporation shall redeem and retire on June 1, 1990 and on June 1 of each year thereafter through and including 2009, a total of 5,000 shares of 9.96% Preferred Stock (sometimes in this grammatical paragraph referred to as "said series"), (or such lesser aggregate number of shares of said series as may be outstanding) and the corporation shall redeem and retire on June 1, 2010, a total of 100,000 shares of said series (or such lesser aggregate number of shares of said series as may be outstanding). Such redemptions and retirements shall be in satisfaction of the sinking fund for the retirement of shares of said series. The sinking fund redemption price shall be $100.00 per share plus an amount equal to accrued dividends to the date of redemption. Each required redemption pursuant to the sinking fund is hereinafter referred to as the "sinking fund requirement". The sinking fund requirement shall be cumulative so that, if the corporation shall fail to satisfy such requirement on any such June 1, the deficiency shall be satisfied by the corporation as soon as practicable. Shares of said series purchased or otherwise acquired by the corporation or shares of said series redeemed by the corporation otherwise than pursuant to the provisions of this grammatical paragraph shall not be used to satisfy the sinking fund requirement for any June 1 referred to above in this grammatical paragraph. Subject to the restrictions contained in the Articles of Incorporation of the corporation (including particularly those contained in the second grammatical paragraph of Section (2) and in the first grammatical paragraph of Section (4) of Division I of Article Fourth), the corporation may redeem through the sinking fund on June 1 of any year 1990 through 2009, both inclusive, not more than 5,000 additional shares of said series (over and above the sinking fund requirement) at the sinking fund redemption price of $100 per share plus an amount equal to accrued dividends to the date of redemption. The total aggregate number of additional shares of said series to be so redeemed shall not exceed 80,000. The right of the corporation so to redeem additional shares may be exercised on June 1 of any one or more of such years, until the stated maximum is reached. The redemption of such additional shares shall not reduce, however, the sinking fund requirement in respect of any subsequent June 1 and the right to redeem such additional shares, if not exercised, shall not be cumulative. Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this grammatical paragraph shall state that the shares so called for redemption are being redeemed in respect of or through the sinking fund and shall specify whether such redemption is being effected in respect of a mandatory or optional sinking fund provision. All shares of said series redeemed, cancelled and retired, and all shares of said series purchased or otherwise acquired, and cancelled and retired by the corporation, shall constitute authorized and unissued shares of the Preferred Stock of the corporation; provided, that all shares of said series redeemed pursuant to the provisions of this grammatical paragraph, and all shares of said series applied in satisfaction of the sinking fund requirement, shall not be reissued as shares of said series.

The term "accrued dividends," as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such shares, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

indebtedness issued or assumed by the corporation and then outstanding and (ii) the total of the capital and surplus of the corporation, as then recorded on its books; or

(b) Merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation, unless such merger, consolidation or sale or lease or the issue or assumption of all securities to be issued or assumed in connection therewith shall have been ordered, approved or permitted by all regulatory bodies, federal and state, then having jurisdiction in the premises.

"Unsecured indebtedness" as the term is used in this paragraph (6) shall mean all unsecured notes, debentures or other securities representing unsecured indebtedness (whether having a single maturity, serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be required in respect to any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity," as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful

and such further facts with respect to the legal liability of such holder to pay such tax as the corporation may reasonably require. The corporation shall in no event be liable to reimburse such holder for any interest or penalty assessed or accrued upon or paid by him in addition to the amount of such tax as originally assessed. No deduction from any dividend or other distribution declared or paid upon any such shares of such stock shall be made on account of such reimbursement made by the corporation with respect to any such tax.

## II. Provisions Relating To The Preference Stock

(1) The shares of the authorized Preference Stock, and all shares of the Preference Stock at any time having the status of authorized and unissued shares of Preference Stock, may be issued in one or more series with (a) such stated values, (b) such rates of dividend (which shall be stated in the designation of the shares of each such series), (c) such redemption price or prices and terms and conditions, (d) such sinking fund provisions, if any, for the redemption or purchase of shares, (e) such amounts payable upon the voluntary or involuntary dissolution, liquidation or winding up of the corporation and (f) such terms and conditions, if any, regarding the conversion of shares into shares of Common Stock, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any authorized and unissued shares of the Preference Stock into one or more series and to determine and fix by resolution the relative rights and preferences of the shares of any such series, the number of shares of each such series and the provisions with respect to the shares of such series referred to in items (a) through (f) above and to change redeemed or re-acquired shares of any such series into shares of another series, *subject, however,* to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preference Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing each series. Shares of any series of Preference Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preference Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to those provisions which the Articles of Incorporation authorize the Board of Directors of the corporation to fix by resolution All shares of any one series of Preference Stock shall be alike in all respects.

(2) Subject to the preferential rights of the holders of the Preferred Stock with respect to the declaration and payment of dividends as set forth in paragraph (2) of Division I, subject to the provisions of the second grammatical paragraph of paragraph (2) of Division I and subject to the provisions of paragraph (8) of Division I, holders of the Preference Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preference Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preference Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preference Stock unless at the same time there shall be paid on or set apart for all shares of the Preference Stock then outstanding dividends in such amount that the holders of all shares of Preference Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual

(5) So long as any shares of the Preference Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preference Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to a majority of the total number of votes, as so calculated, possessed by all such holders, merge or consolidate with any other corporation or corporations, or sell or lease all or substantially all of the assets of the corporation; *provided, however*, that the foregoing restriction shall not apply to (i) a merger or consolidation of the corporation with or into, or the sale or lease of all or substantially all of the assets of the corporation to, any corporation 50% or more of the voting securities of which is owned by the corporation, directly or indirectly, or (ii) any merger, consolidation, sale or lease required by order or regulation of any regulatory body, federal or state, then having jurisdiction in the premises or which shall have been approved or permitted by all such regulatory bodies. No consent or vote of the holders of the Preference Stock shall be required in respect of any transaction enumerated in this paragraph (5) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preference Stock.

(7) No shares of Preference Stock shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4) and (5) of this Division II, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall have been deposited in trust for that purpose and the requisite notice for the redemption thereof shall have been given or the depositary of such funds shall have been irrevocably authorized and directed to give or complete such notice of redemption.

(8) No holder of the Preference Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## III. Provisions Relating To The Common Stock

No holder of the Common Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## IV. Voting Rights

The voting rights in respect of the shares of capital stock of the corporation shall be as follows:

(1) Shares of Common Stock of the corporation shall have full voting rights. Each shareholder of record of Common Stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each holder of shares of Common Stock shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon, multiplied by the number of directors to be elected at such election, and each such shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) No holder of shares of the Preferred Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (5) or (6) of Division I or in paragraph (3) or (8) of this Division IV, or as may be required by law. No holder of shares of the Preference Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (4) or (5) of Division II or in paragraph (4) or (8) of this

(5) If and when all dividends in default on the Preferred Stock then outstanding shall be paid, the holders of the shares of the Preferred Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (3) of this Division IV, and the voting power of holders of shares of the Preferred Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preferred Stock in case of further like default or defaults in dividends thereon and, in the case of the Common Stock, subject to the special right of the holders of shares of Preference Stock to elect directors as provided in paragraph (4) of this Division IV, if then applicable.

(6) If and when all dividends in default on the Preference Stock then outstanding shall be paid, the holders of the shares of the Preference Stock shall thereupon be divested of the special right with respect to the election of directors provided in paragraph (4) of this Division IV, and the voting power of holders of shares of the Preference Stock and the Common Stock shall revert to the status existing before the occurrence of such default, but always subject to the same provisions for vesting such special right in the Preference Stock in case of further like default or defaults in dividends thereon.

(7) Dividends shall be deemed to have been paid, as that term is used in paragraphs (3) and (4) of this Division IV, whenever such dividends shall have been declared and paid, or declared and provision made for the payment thereof, or whenever there shall be surplus and net profits of the corporation legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting rights.

(8) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to paragraph (3) of this Division IV, the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preference Stock, as a class, pursuant to paragraph (4) of this Division IV, the holders of the shares of the Preference Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to paragraph (3) or (4) of this Division IV, the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(9) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3) or (8) of this Division IV, or whenever the holders of the shares of the Preference Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (4) or (8) of this Division IV, or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3), (4) or (8) of this Division IV, a special meeting of the holders of the shares of the Preferred Stock, of the holders of the shares of the Preference Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Common Stock, shares of the Preferred Stock with an aggregate stated value of not less than $100,000 or shares of the Preference Stock with an aggregate stated value of not less than $100,000 as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the respective elections of the directors to be elected by the holders of the shares of the Preferred Stock, the Preference Stock, and the Common Stock, each voting as a class,

FIFTH: The names and places of residence of each of its stockholders and the number of shares subscribed for by each, are as follows:

| Names | Residences | Number of Shares Common |
|---|---|---|
| Wm. R. Watson ..... | Chicago, Illinois | 10 |
| Charles J. Ruebling ..... | Chicago, Illinois | 10 |
| L. Earle Powell ..... | Chicago, Illinois | 10 |

SIXTH: The corporation shall begin business as soon as authorized, as provided by statute, and shall have perpetual duration.

SEVENTH: The affairs of the corporation shall be conducted by a Board of nine directors, or such other number of directors, not less than three, as shall from time to time be prescribed by the By-laws, who, except as otherwise provided in this Article Seventh, shall be elected at each annual meeting of the corporation on a day to be fixed in the By-laws, for a term expiring at the next succeeding annual meeting of the corporation. During such time as there are nine or more directors, and subject to the special rights of the holders of shares of the Preferred Stock and the holders of the shares of the Preference Stock to elect directors as provided in paragraphs (3), (4) and (8) of Division IV of Article Fourth and as specified in this Article Seventh, the directors shall be divided into three groups, as nearly equal in number as possible, and the term of office of the first group will expire at the 1991 annual meeting of the corporation, the term of office of the second group will expire at the 1992 annual meeting of the corporation and the term of office of the third group will expire at the 1993 annual meeting of the corporation, and at each annual meeting commencing with the 1991 annual meeting, directors elected to succeed those whose terms expire shall be elected for a term of office expiring at the third succeeding annual meeting of the corporation after their election or, in the event of a director elected to succeed a director elected to fill a vacancy, for a term expiring at the annual meeting at which the term of the director whose termination of office first created such vacancy would have expired. Notwithstanding the preceding sentence, the term of office of all directors shall expire at the special or annual meeting of the corporation at which the holders of the shares of the Preferred Stock are entitled to elect directors as provided in paragraph (3) of Division IV of Article Fourth or the holders of the shares of the Preference Stock are entitled to elect directors as provided in paragraph (4) of Division IV of Article Fourth; and so long as the holders of the shares of either the Preferred Stock or the Preference Stock shall be entitled to such special voting rights in the election of directors, the directors shall be elected and the term of each director shall expire as provided in said Division IV of Article Fourth. At such time as the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock no longer have the special right to elect directors as provided in paragraph (5) or (6) of Division IV of Article Fourth, the Board shall again be divided into three groups as provided in this Article Seventh, the term of office of the first group to expire at the first annual meeting after the meeting at which directors are again elected by the holders of shares of the Common Stock, the term of office of the second group to expire at the second annual meeting after such meeting and the term of office of the third group to expire at the third annual meeting after such meeting (provided that no director shall be elected at such meeting for a term longer than three years), and directors elected to succeed those whose terms expire shall again be elected for a term of office expiring at the third succeeding annual meeting of the corporation after their election or, in the event of a director elected to succeed a director elected to fill a vacancy, for a term expiring at the annual meeting at which the term of the director whose termination of office first created such vacancy would have expired; subject to the same provisions for vesting in the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock of such special rights in the election of directors as provided in Division IV of Article Fourth. The directors, as soon as practicable after each annual meeting, shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, a Controller, and such other officers as may, from time to time, be provided for by the Board.

EIGHTH: The authority to make and to change, the By-laws is hereby vested in the Board of Directors, subject to the power of the stockholders to change or repeal the By-laws.

joint venture, trust, employee benefit plan or other enterprise shall be indemnified by the corporation to the fullest extent permitted by the Kentucky Business Corporation Act or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the corporation is authorized to enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article Eleventh.

7. Any repeal or modification of this Article by the shareholders of the corporation shall not adversely affect any indemnification of any person hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

TWELFTH: Except as otherwise provided in paragraph (9) of Division IV of Article Fourth, no special meeting of shareholders shall be held upon the demand of shareholders of the corporation unless the holders of at least fifty-one percent (51%) of all the votes entitled to be cast on each issue proposed to be considered at the special meeting shall have signed, dated and delivered to the corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

On July 28, 1988, the corporation elected to have the provisions of Section 1 to 194 of H.B. 323, 1988 Session, enacted March 4, 1988—"An act relating to corporations" (except for Section 3, Section 15, Sections 17 to 22 and Section 173) apply to the corporation effective July 26, 1988.

IN TESTIMONY WHEREOF, the foregoing Amended and Restated Articles of Incorporation are executed by the corporation by its President, this 7th day of September, 1990.

KENTUCKY UTILITIES COMPANY

By: John T. Newton

JOHN T. NEWTON, *Chairman and President*

RECEIVED AND FILED
DATE SEP 19 1990
TIME 2:21 pm
AMOUNT $80.00
BREMER EHRLER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY

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**ARTICLES OF MERGER**
**OF**
**OLD DOMINION POWER COMPANY**
**INTO**
**KENTUCKY UTILITIES COMPANY**

#28494-2nd

Pursuant to the provisions of Sections 271B.11-010 through 271B.11-070 of the Kentucky Business Corporation Act and Sections 13.1-716 through 13.1-722 of the Virginia Stock Corporation Act, the undersigned corporations have adopted the following Articles of Merger for the purpose of merging Old Dominion Power Company ("ODP"), a Virginia corporation, into Kentucky Utilities Company ("KU"), a Kentucky and Virginia corporation.

1. Attached is a true and complete copy of the Agreement and Plan of Merger between KU and ODP.

2. On January 30, 1991 the Board of Directors of ODP adopted a Resolution setting forth and approving the Agreement and Plan of Merger. Approval by the shareholders of ODP is not required for the merger of a wholly-owned subsidiary in accordance with the provisions of Section 13.1-719 of the Virginia Stock Corporation Act.

3. On January 28, 1991 the Board of Directors of KU adopted, and on the effective date of the Articles of Incorporation filed in Virginia ratified, a Resolution setting forth and approving the Agreement and Plan of Merger. Approval by the shareholders of KU is not required for the merger of a wholly-owned subsidiary in accordance with the provisions of Section 271B.11-040 of the Kentucky Business Corporation Act and Section 13.1-719 of the Virginia Stock Corporation Act.

4. The effective time and date of these Articles of Merger shall be the later of 12:02 a.m., December 1, 1991 or 12:02 a.m. on the date of the filing of these Articles of Merger.

**IN WITNESS WHEREOF,** these Articles of Merger are executed by each corporation, by its Chairman of the Board and President, on this 25th day of November, 1991.

OLD DOMINION POWER COMPANY

By: John T. Newton
John T. Newton,
Chairman of the Board and
President

KENTUCKY UTILITIES COMPANY

By: John T. Newton
John T. Newton,
Chairman of the Board and
President

This instrument prepared by:

George S. Brooks II
George S. Brooks II
One Quality Street
Lexington, Kentucky 40507
(606) 255-2100

c:\Lay\KU\Artmerg.

## AGREEMENT AND PLAN OF MERGER

**THIS AGREEMENT AND PLAN OF MERGER** is this 25th day of November, 1991, adopted by **KENTUCKY UTILITIES COMPANY** ("KU" or "Surviving Corporation"), a Kentucky and a Virginia corporation and **OLD DOMINION POWER COMPANY** ("ODP"), a Virginia corporation and a wholly-owned subsidiary of KU.

1. **Merger.** At the Effective Date of the Merger, ODP shall be merged with and into KU pursuant to the provisions of Sections 271B.11-010 through 271B.11-070 of the Kentucky Business Corporation Act and Section 13.1-716 through 13.1-722 of the Virginia Stock Corporation Act (the "Merger"). The separate existence and corporate organization of ODP shall cease. KU shall continue in existence as the "Surviving Corporation," and its rights, privileges, immunities, powers, and purposes, shall continue unaffected and unimpaired by the Merger. The Surviving Corporation shall become the owner, without other transfer, of all the rights and property of ODP and shall become subject to all the debts and liabilities of ODP in the same manner as if the Surviving Corporation had itself incurred them.

2. **Conditions Precedent.** The consummation of the Merger is subject to the following conditions precedent:

a. the satisfaction of the respective obligations of the parties hereto in accordance with the terms and conditions herein contained;

b. the execution and filing of appropriate Articles of Merger with the Kentucky Secretary of State and the Virginia State Corporation Commission; and

c. the receipt of such orders, authorizations, approvals or waivers of the Kentucky Public Service Commission, the Tennessee Public Service Commission, the

Virginia State Corporation Commission, the Federal Energy Regulatory Commission under the Federal Power Act and the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 and such other orders, authorizations, approvals or waivers from all jurisdictive regulatory bodies, boards or agencies, which are required in connection with the Merger and related transactions.

3. Effective Date of Merger. The "Effective Date of the Merger" shall be the later of 12:02 a.m., December 1, 1991 or 12:02 a.m. on the date of the filing of the Articles of Merger.

4. Amended and Restated Articles of Incorporation. In Kentucky, at the Effective Date of the Merger and until thereafter amended as provided by law, the Amended and Restated Articles of Incorporation of KU shall be the Amended and Restated Articles of Incorporation of the Surviving Corporation. Such Amended and Restated Articles of Incorporation of KU shall remain unchanged. In Virginia, at the Effective Date of the Merger and until thereafter amended as provided by law, the Articles of Incorporation of KU shall be the Articles of Incorporation of the Surviving Corporation.

5. Directors and Officers. At the Effective Date of the Merger, the directors and officers of KU shall become the directors and officers of the Surviving Corporation, and each of them shall hold office until his term expires and a successor is elected, or until his resignation or removal according to law or the By-laws.

6. By-laws. At the Effective Date of the Merger, the By-laws of KU in effect immediately prior to the Effective Date of the

Merger shall become the By-laws of the Surviving Corporation until amended as provided by law.

7. **Effect of Merger**. At the Effective Date of the Merger, the effect of the consummation of the Merger of ODP and KU shall be as provided in Section 271B.11-060 of the Kentucky Business Corporation Act and Section 13.1-721 of the Virginia Stock Corporation Act.

8. **Conversion of Securities**. On the Effective Date of the Merger, each share of common stock of ODP issued and outstanding immediately prior to the Effective Date of the Merger shall be surrendered to the Secretary of KU and cancelled. Since ODP is a corporation wholly-owned by KU, no additional shares of the common stock of KU shall be issued in connection with this Agreement and Plan of Merger. In addition, notes executed by ODP in favor of KU remaining unpaid immediately prior to the Effective Date of the Merger shall be surrendered to the Secretary of KU and cancelled.

9. **Statutory Agent**. Any process, notice, or demand against either constituent corporation or the Surviving Corporation may be served upon Michael R. Whitley, One Quality Street, Lexington, Kentucky 40507 or Edward R. Parker, 5511 Staples Mill Road, Richmond, Virginia 23228.

10. **Further Action**. Both KU and ODP shall take, or cause to be taken, all action, and do or cause to be done, all things necessary, proper or advisable under the laws of the Commonwealth of Kentucky or the Commonwealth of Virginia, as the case may be, to consummate and make effective the merger, subject, however, to

the appropriate vote or consent of the Board of Directors of KU in accordance with the requirements of the applicable provisions of the laws of the Commonwealth of Kentucky or the Commonwealth of Virginia, as the case may be.

**IN WITNESS WHEREOF,** this Agreement and Plan of Merger is executed by the Chairman of the Board and President of KU and the Chairman of the Board and President of ODP, on the date first written above.

ATTEST:

Michael R. Whitley,
Secretary

KENTUCKY UTILITIES COMPANY

By: John T. Newton,
Chairman of the Board and
President

ATTEST:

Michael R. Whitley,
Secretary

OLD DOMINION POWER COMPANY

By: John T. Newton,
Chairman of the Board and
President

c:\lav\KU\Plan.

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# ARTICLES OF SHARE EXCHANGE

Pursuant to Section 271B.11-050 of the Kentucky Business Corporation Act, as amended (the "BCA"), the undersigned, KU Energy Corporation, a Kentucky corporation ("KU Energy"), DOES HEREBY CERTIFY as follows: #245293 gd.st.

1. Share Exchange. Pursuant to an Agreement and Plan of Exchange (the "Plan") attached hereto as Exhibit A, Kentucky Utilities Company, a Kentucky corporation ("KU"), and KU Energy, a wholly-owned subsidiary of KU, propose to effect a share exchange pursuant to the provisions of Section 271B.11-020 of the BCA. #28494 gd

2. Voting Groups. The following sets forth the designation and number of outstanding shares entitled to be cast by each voting group entitled to vote separately on the Plan as to each of KU and KU Energy:

| Corporation | Share Designation | Number of Outstanding Shares Entitled to Vote |
|---|---|---|
| KU | Common Stock | 37,817,878 |
| KU Energy | Common Stock | 100 |

3. Approval of Plan. Of the totals set forth in the preceding paragraph, 26,872,440 votes were cast in favor of the Plan by KU shareholders and 100 votes were cast in favor of the Plan by KU as the sole shareholder of KU Energy, such votes being in each case sufficient for approval of the Plan by such voting group.

4. Effective Date of Articles. These Articles of Share Exchange shall become effective at 12:01 A.M., Lexington, Kentucky time on December 1, 1991.

IN WITNESS WHEREOF, the undersigned KU Energy Corporation has caused these Articles of Share Exchange to be signed by its duly authorized officer as of this 25th day of November, 1991.

KU ENERGY CORPORATION

By John T. Newton
John T. Newton,
Chairman and President

RECEIVED & FILED
NOV 25 12 19 PM '91
SECRETARY OF STATE

# AGREEMENT AND PLAN OF EXCHANGE

THIS AGREEMENT AND PLAN OF EXCHANGE (this "Agreement"), dated as of November 25, 1991, is between KENTUCKY UTILITIES COMPANY, a Kentucky corporation (the "Company"), the company whose shares will be acquired pursuant to the Exchange described herein, and KU ENERGY CORPORATION, a Kentucky corporation ("KU Energy"), the acquiring company. The Company and KU Energy are hereinafter referred to, collectively, as the "Companies."

W I T N E S S E T H:

WHEREAS, the authorized capital stock of the Company consists of (a) 80,000,000 shares of Common Stock without par value ("Company Common Stock"), of which 37,817,878 shares are issued and outstanding, (b) 5,300,000 shares of Preferred Stock, without par value but with the maximum aggregated stated value of $200,000,000 ("Company Preferred Stock"), of which 400,000 shares are issued and outstanding and (c) 2,000,000 shares of Preference Stock, without par value ("Company Preference Stock"), of which no shares are issued and outstanding;

WHEREAS, KU Energy is a wholly-owned subsidiary of the Company with authorized capital stock consisting of (a) 160,000,000 shares of Common Stock, without par value ("KU Energy Common Stock"), of which 100 shares are issued and outstanding and owned of record by the Company and (b) 20,000,000 shares of Preferred Stock, without par value ("KU Energy Preferred Stock"), of which no shares are issued and outstanding;

WHEREAS, the Boards of Directors of the respective Companies deem it desirable and in the best interests of the Companies and their shareholders that KU Energy acquire each share of issued and outstanding Company Common Stock and that each such share of Company Common Stock be exchanged for a share of KU Energy Common Stock with the result that KU Energy becomes the owner of all outstanding Company Common Stock and that each holder of Company Common Stock becomes the owner of an equal number of shares of KU Energy Common Stock, all on the terms and conditions hereinafter set forth;

WHEREAS, immediately after the Exchange (as hereinafter defined) the Company's wholly-owned subsidiary, Old Dominion Power Company ("ODP") will be merged into the Company (the "Merger") and the Company shall be the surviving corporation;

WHEREAS, in connection with the Merger, but subsequent to the Exchange, the Company will incorporate under the laws of Virginia but shall also remain a Kentucky corporation;

WHEREAS, the execution and delivery of this Agreement by the Company and KU Energy and the Exchange and the related transactions (including the Merger) have been approved, to the extent required, by orders, authorizations or approvals of the Kentucky Public Service Commission, the Tennessee Public Service Commission, the Virginia State Corporation Commission, the Federal Energy Regulatory Commission under the Federal Power Act and the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935;

WHEREAS, the Board of Directors of the Company and KU Energy have recommended that their respective shareholders approve the Exchange and this Agreement and this Agreement has been adopted by the requisite vote of the common shareholders of the Company and by the requisite vote of the shareholder of KU Energy pursuant to the Kentucky Business Corporation Act (the "Act").

NOW, THEREFORE, in consideration of the premises, and of the agreements, covenants and conditions hereinafter contained, the parties hereto agree with respect to the acquisition and exchange provided for herein (the "Exchange") that at the Effective Time (as hereinafter defined) each share of Company Common Stock issued and outstanding immediately prior to the Effective Time will be exchanged for one share of KU Energy Common Stock, and that the terms and conditions of the Exchange and the method of carrying the same into effect are as follows:

## ARTICLE I

Subject to the satisfaction of the conditions and obligations of the parties hereto, the Exchange will be effective at 12:01 A.M., Lexington, Kentucky time, on December 1, 1991 and upon the filing with the Secretary of State of Kentucky (the "Secretary of State") of Articles of Share Exchange ("Articles") with respect to the Exchange or at such later time as may be stated in the Articles (the time at which the Exchange becomes effective being referred to herein as the "Effective Time").

## ARTICLE II

At the Effective Time:

(1) each share of Company Common Stock issued and outstanding immediately prior to the Effective Time shall be acquired by KU Energy and shall be exchanged for one share of KU Energy Common Stock, which shall thereupon be fully paid and non-assessable;

(2) KU Energy shall become the owner and holder of each issued and outstanding share of Company Common Stock so exchanged;

(3) each share of KU Energy Common Stock issued and outstanding immediately prior to the Effective Time shall be cancelled and shall thereupon constitute an authorized and unissued share of KU Energy Common Stock; and

(4) the former owners of Company Common Stock shall be entitled only to receive shares of KU Energy Common Stock as provided herein or to their dissenters' rights under Sections 271B.13-010 through 271B.13-310 of the Kentucky Revised Statutes.

Shares of Company Preferred Stock and shares of Company Preference Stock shall not be exchanged or otherwise affected in connection with the Exchange. Each share of Company Preferred Stock issued and outstanding immediately prior to the Effective Time shall continue to be issued and outstanding following the Exchange and shall continue to be a share of Company Preferred Stock of the applicable series designation.

## ARTICLE III

The consummation of the Exchange is subject to the following conditions precedent:

(1) the satisfaction of the respective obligations of the parties hereto in accordance with the terms and conditions herein contained;

(2) the execution and filing of appropriate Articles with the Secretary of State pursuant to the Act;

(3) the approval for listing, upon official notice of issuance, by the New York Stock Exchange and the Pacific Stock Exchange, of KU Energy Common Stock to be issued in accordance with this Agreement; and

(4) the receipt of such orders, authorizations, approvals or waivers from all jurisdictive regulatory bodies, boards or agencies, in addition to the orders or approvals referred to in the sixth Whereas clause hereof, which are required in connection with the Exchange and related transactions.

## ARTICLE IV

This Agreement may be amended, modified or supplemented, or compliance with any provision or condition hereof may be waived, at any time, by the mutual consent of the Boards of Directors of the Company and of KU Energy; provided, however, that no such amendment, modification, supplement or waiver shall be made or effected, if such amendment, modification, supplement or waiver would, in the judgment of the Board of Directors of the Company, materially and adversely affect the shareholders of the Company.

This Agreement may be terminated and the Exchange and related transactions abandoned at any time prior to the time the Articles are filed with the Secretary of State, if the Board of Directors of the Company determines, in its sole discretion, that consummation of the Exchange would be inadvisable or not in the best interests of the Company or its shareholders.

## ARTICLE V

This Agreement has been submitted to the common shareholders of the Company and to the shareholder of KU Energy for approval as provided by the Act. The affirmative vote of the holders of a majority of the outstanding Company Common Stock was received constituting the adoption of this Agreement. The affirmative vote of the holder of all of the outstanding shares of KU Energy Common Stock was received constituting the adoption of this Agreement.

## ARTICLE VI

Following the Effective Time, each holder of an outstanding certificate or certificates theretofore representing shares of Company Common Stock may, but shall not be required to, surrender the same to KU Energy for cancellation and reissuance of a new certificate or certificates in such holder's name or for cancellation and transfer, and each such holder or transferee will be entitled to receive a certificate or certificates representing the same

number of shares of KU Energy Common Stock as the shares of Company Common Stock previously represented by the certificate or certificates surrendered. Until so surrendered or presented for transfer, each outstanding certificate which, immediately prior to the Effective Time, represented Company Common Stock shall be deemed and treated for all corporate purposes to represent the ownership of the same number of shares of KU Energy Common Stock as though such surrender or transfer and exchange had taken place. The holders of Company Common Stock at the Effective Time shall have no right to have their shares of Company Common Stock transferred on the stock transfer books of the Company, and such stock transfer books shall be deemed to be closed for this purpose at the Effective Time.

IN WITNESS WHEREOF, each of the Company and KU Energy, pursuant to authorization and approval given by its Board of Directors, has caused this Agreement to be executed by its President and its corporate seal to be affixed hereto and attested by its Secretary as of the date first above written.

KENTUCKY UTILITIES COMPANY

By: John F. Newton
President

ATTEST:

Mike Whitley
Secretary

KU ENERGY CORPORATION

By: John F. Newton
President

ATTEST:

Mike Whitley
Secretary

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**ARTICLES OF AMENDMENT TO**
**AMENDED AND RESTATED ARTICLES OF INCORPORATION**
***OF KENTUCKY UTILITIES COMPANY***

#28494-Gdet.

Pursuant to the provisions of KRS 271B.10-030 of the Kentucky Business Corporation Act, the undersigned corporation submits the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

1. The name of the corporation is Kentucky Utilities Company.

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2. Article Second shall be amended to read as follows:

SECOND: The address of the registered office of the corporation in Kentucky and the name of the resident agent of the corporation at that address are on file with the Kentucky Secretary of State. The address of the registered office of the corporation in Virginia is 5511 Staples Mill Road, Richmond, Virginia 23228. The name of the initial registered agent at that address is Edward R. Parker, who is a resident of Virginia and a member of the Virginia State Bar.

3. Article Third shall be amended to read as follows:

THIRD: The purpose for which the corporation is organized is to engage, directly or through ownership of other corporations, partnerships, joint ventures or other entities, in the transaction of any and all lawful business for which corporations may be incorporated under the Kentucky Business Corporation Act, and except as modified by Article Fourth hereof, the Virginia Stock Corporation Act.

4. Article Fourth shall be amended to read as follows:

FOURTH: In limitation of the foregoing Article Third, the corporation shall, in Virginia, conduct the business of an electric utility as a public service company and it shall have power to conduct, in Virginia, other public service business or non-public service business so far as may be related to or incidental to its stated business as a public service company and in any other state such business as may be authorized or permitted by the laws thereof. Nothing in this Article Fourth shall limit the power of the corporation in respect of the securities of other corporations.

5. Article Fifth shall be deleted in its entirety. Present Article Fourth shall be renumbered as the new Article Fifth, and

all references in the Amended and Restated Articles of Incorporation to Article Fourth shall be changed to Article Fifth.

6. Division V of Article Fourth shall be deleted in its entirety and the following paragraph shall be substituted:

V. Vote Required For Certain Actions

Except as otherwise provided in paragraphs (5) and (6) of Division I, in paragraphs (4) and (5) of Division II and paragraphs (3), (4) and (8) of Division IV, to the extent applicable law permits the Articles of Incorporation expressly to provide for a lesser vote than that otherwise provided by law to take any action for which a vote of shareholders is required, including, without limitation, approval of an amendment to the Articles of Incorporation of the corporation, a plan of merger or share exchange, a sale of all or substantially all of the assets of the corporation other than in the regular course of business or the dissolution of the corporation, such action or approval shall be, with respect to each voting group entitled to vote on the proposal, by a majority of all votes entitled to be cast. Shareholder approval shall not be required in connection with the creation or issuance of rights, options or warrants to purchase shares of the corporation to be issued to directors, officers or employees of the corporation or any subsidiary thereof, and not to shareholders generally, to the extent applicable law permits the Articles of Incorporation expressly to so provide.

7. Subparagraph (c) of paragraph 1 of Article Tenth shall be amended to read as follows:

(c) for any vote for or assent to an unlawful distribution to shareholders as prohibited under Kentucky Revised Statutes 271B.8-330 and Virginia Stock Corporation Act §13.1-692;

8. Paragraph 2 of Article Tenth shall be amended to read as follows:

2. If either the Kentucky Business Corporation Act or the Virginia Stock Corporation Act is amended after approval by the shareholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, and these Articles could be amended to effect such change, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Kentucky

Business Corporation Act and the Virginia Stock Corporation Act, as so amended, and without the necessity for further shareholder action in respect thereof.

9. Paragraph five of Article Eleventh shall be amended to read as follows:

> 5. If, after approval by the shareholders of this Article, either the Kentucky Business Corporation Act or the Virginia Stock Corporation Act is amended to extend the permissible indemnification of a director, officer, employee, or agent of the corporation and these Articles could be amended to effect such change, then the indemnification of a director, officer, employee, or agent of the corporation shall be afforded to the fullest extent permitted by the Kentucky Business Corporation Act and the Virginia Stock Corporation Act, as so amended, and without the necessity for further shareholder action in respect thereof.

10. Paragraph six of Article Eleventh shall be amended to read as follows:

> 6. In addition to (and not by way of limitation of) the foregoing provisions of this Article Eleventh and the provisions of the Kentucky Business Corporation Act and the provisions of the Virginia Stock Corporation Act, each person (including the heirs, executors, administrators and estate of such person) who is or was or had agreed to become a director, officer, employee or agent of the corporation and each person (including the heirs, executors, administrators and estate of such person) who is or was serving or who had agreed to serve at the request of the directors or any officer of the corporation as a director, officer, employee, trustee, partner or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be indemnified by the corporation to the fullest extent permitted by the Kentucky Business Corporation Act and the Virginia Stock Corporation Act, or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the corporation is authorized to enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article Eleventh.

11. The penultimate literary paragraph of the Amended and Restated Articles of Incorporation shall be deleted in its entirety.

12. On October 30, 1991 the Board of Directors of the corporation adopted a resolution setting forth the Amendments in paragraphs 2 through 11 (the "Amendments").

13. On December 1, 1991 KU Energy Corporation, the sole common shareholder of the corporation adopted, by unanimous written consent in accordance with the provisions of Section 271B.7-040 of the Kentucky Business Corporation Act, a resolution approving the Amendments.

14. The Amendments do not effect a change in the total authorized amount or number of shares, nor do they provide for any other change in the shares of stock of the corporation.

15. The effective date of these Articles of Amendment shall be the later of filing of these Articles of Amendment or December 1, 1991.

**IN WITNESS WHEREOF**, the undersigned corporation, by its President has executed the foregoing Articles of Amendment to its Amended and Restated Articles of Incorporation on this 1st day of December, 1991.

KENTUCKY UTILITIES COMPANY

By: John T. Newton
John T. Newton, President

STATE OF KENTUCKY)
) SS.
COUNTY OF FAYETTE)

I, a Notary Public, do hereby certify that on this 1st day of December, 1991, personally appear before me John T. Newton, who being by me first duly sworn, declared that he is the President of Kentucky Utilities Company, that he signed the foregoing document as such officer of the corporation, and that the statements herein contained are true.

My commission expires: 10/27/94.

Marilyn B Ballard
Notary Public

This instrument prepared by:

George S. Brooks II
George S. Brooks II
One Quality Street
Lexington, Kentucky 40507
(606) 255-2100

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Oct 28 3 00 PM '92

BOB BABBAGE
SECRETARY OF STATE
COMM. OF KENTUCKY
BY

# AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

# KENTUCKY UTILITIES COMPANY

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# 28494 - gdst.

October, 1992

A description of the respective classes of shares of the corporation, and a statement of the designations, powers, preferences and rights and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class, are as follows:

## I. Provisions Relating to the Preferred Stock

(1) The authorized Preferred Stock may be issued in one or more series as hereinafter provided; and the 200,000 shares of 4¾% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "4¾% Preferred Stock (stated value $100 per share)", the 200,000 shares of 7.84% Preferred Stock now outstanding shall constitute a series of the Preferred Stock and shall be known as the "7.84% Preferred Stock (stated value $100 per share)". The remainder of the shares of the authorized Preferred Stock, and all shares of the Preferred Stock at any time having the status of authorized and unissued shares of Preferred Stock, may be issued as shares of any series now outstanding or may be issued in one or more other series with such stated values, such rates of dividend (which shall be stated in the designation of the shares of each such series), such redemption price or prices and terms and conditions, and such sinking fund provisions, if any, for the redemption or purchase of shares, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any of the authorized and unissued shares of the Preferred Stock into one or more series and to determine and fix the relative rights and preferences of the shares of any such series, the number of shares and the rate of dividend to be borne by the shares of each such series, the price or prices at which, and the terms and conditions on which, shares of each such series may be redeemed, and the sinking fund provisions, if any, for the redemption or purchase of shares of each such series, and to change redeemed or re-acquired shares of any such series into shares of another series, *subject, however,* to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the share of each series of Preferred Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing such series. Shares of any series of Preferred Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preferred Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to the stated values thereof, the rates of dividends thereon, the redemption prices and terms and conditions thereof, and the sinking fund provisions, if any, for the redemption or purchase thereof and except also, but only in respect of the 4¾% Preferred Stock, as otherwise provided in paragraph (11) of this Division I. All shares of the Preferred Stock of the same stated value per share at any time outstanding which bear the same dividend rate shall constitute one series of the Preferred Stock; and all shares of any one series of Preferred Stock shall be alike in all respects.

(2) The holders of the Preferred Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preferred Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preferred Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Preference Stock or the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preferred Stock unless at the same time there shall be paid on

without resulting in the issuance of fractional shares), by lot or in such other equitable manner as may be prescribed by resolution of the Board of Directors. The corporation may deposit with a bank or trust company, which shall be named in the notice of redemption, shall be located in New York, New York, or in Chicago, Illinois or in Louisville, Kentucky, and shall then have capital, surplus and undivided profits of at least $1,000,000, the aggregate redemption price of the shares to be redeemed, in trust for the payment on or before the redemption date to or upon the order of the holders of such shares, upon surrender of the certificates for such shares. Such deposit in trust may, at the option of the corporation, be upon terms whereby in case the holder of any of the shares called for redemption shall not, within ten (10) years after the date fixed for the redemption of such shares, claim the amount on deposit with any such bank or trust company for the payment of the redemption price of said shares, such bank or trust company shall on demand pay to or upon the written order of the corporation or its successors the amount so deposited, and thereupon such bank or trust company shall be released from any and all further liability with respect to the payment of such redemption price and the holder of said shares shall be entitled to look only to the corporation or its successor for the payment thereof. Upon the giving of notice of redemption and upon the deposit of the redemption price, as aforesaid, or if no such deposit is made, upon the redemption date (unless the corporation defaults in making payment of the redemption price as set forth in such notice), such holders shall cease to be stockholders of the corporation with respect to said shares, and from and after the making of said deposit and the giving of said notice, or, if no such deposit is made, after the redemption date (the corporation not having defaulted in making payment of the redemption price as set forth in said notice), said shares shall no longer be transferable on the books of the corporation, and said holders shall have no interest in or claim against the corporation with respect to said shares, but shall be entitled only to receive said moneys on the date fixed for redemption, as aforesaid, from such bank or trust company, or from the corporation, without interest thereon, upon surrender of the certificates therefor as aforesaid.

The term "accrued dividends," as used herein, shall be deemed to mean, in respect of any share of the Preferred Stock as of any given date, the amount of dividends payable on such shares, computed, at the annual dividend rate fixed for such share, from the date on which dividends thereon became cumulative to and including such given date, less the aggregate amount of all dividends which have been paid or which have been declared and set apart for payment on such share. Accumulations of dividends shall not bear interest.

Nothing herein contained shall limit any legal right of the corporation to purchase any shares of the Preferred Stock.

(5) So long as any shares of the Preferred Stock of any series are outstanding, the corporation [except as otherwise provided in the last sentence of this paragraph (5)] shall not, without the affirmative vote of the record holders of shares of the Preferred Stock of all series at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders:

(a) Amend the provisions of the Articles of Incorporation so as to create or authorize any stock ranking prior in any respect to the Preferred Stock or any security convertible into shares of such stock; or issue any such stock or convertible security; or

(b) Change, by amendment to the Articles of Incorporation, or otherwise, the terms and provisions of the Preferred Stock so as to affect adversely the rights and preferences of the holders thereof; *provided, however*, that if any such change will affect adversely the holders of one or more, but less than all, of the series of Preferred Stock at the time outstanding, there shall be required the vote only of the holders of shares of the series so adversely affected at the time outstanding having in the aggregate a number of votes, calculated as provided in paragraph (2) of Division IV, at least equal to two-thirds of the total number of votes, as so calculated, possessed by all such holders of such series; or

serial maturities or sinking fund or other similar periodic principal or debt retirement payment provisions) which have a final maturity date, determined as of the date of issuance or assumption thereof by the corporation, of less than three years. No consent of the holders of the Preferred Stock shall be required in respect to any transaction enumerated in this paragraph (6) if, at or prior to the time when such transaction is to take effect, provision is made for the redemption or other retirement of all shares of the Preferred Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(7) No provision contained in the foregoing paragraphs (5) and (6) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preferred Stock.

(8) So long as any shares of the Preferred Stock are outstanding, the corporation shall not pay any dividends on its Common Stock (other than dividends payable in Common Stock) or make any distribution on or purchase or otherwise acquire for value any of its Common Stock (each such payment, distribution, purchase and/or acquisition being herein referred to as a "Common Stock dividend"), except to the extent permitted by the following provisions of this paragraph (8):

(a) No Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration of such Common Stock dividend, would in the aggregate exceed fifty per centum (50%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend, if at the end of such calendar month the ratio (herein referred to as the "capitalization ratio") of the Common Stock equity (as hereinafter defined) of the corporation, to the total capital (as hereinafter defined) of the corporation shall be less than twenty per centum (20%).

(b) If such capitalization ratio, determined as aforesaid, shall be twenty per centum (20%) or more, but less than twenty-five per centum (25%), no Common Stock dividend shall be declared or paid in an amount which, together with all other Common Stock dividends declared in the year ending on (and including) the date of the declaration such Common Stock dividend, would exceed seventy-five per centum (75%) of the net income of the corporation available for dividends on its Common Stock for the twelve consecutive calendar months ending on the last day of the calendar month next preceding the declaration of such Common Stock dividend.

(c) If such capitalization ratio, determined as aforesaid, shall be twenty-five per centum (25%) or more, no Common Stock dividend shall be declared or paid which would reduce such capitalization ratio to less than twenty-five per centum (25%), except to the extent permitted by the next preceding paragraphs (a) and (b) hereof.

"Common Stock equity," as that term is used in this paragraph, shall consist of the sum of (1) the capital represented by the issued and outstanding shares of Common Stock (including premiums on Common Stock) and (2) the surplus accounts of the corporation, less (i) any known, or estimated if not known, excess of the value, as recorded on the corporation's books, over the original cost, of used and useful utility plant and other property, unless (a) such excess is being amortized or provided for by reserves, or (b) such excess has been held, by final order of a court having jurisdiction or of the regulatory bodies having jurisdiction, to constitute an asset which need not be amortized or provided for by reserves, and (ii) any excess of the aggregate amount payable on the involuntary dissolution, liquidation, or winding up of the corporation, in respect of its outstanding shares of preference stocks of all classes over the aggregate par value of, or if without par value over the capital represented by, such preference stocks unless such excess is being amortized or provided for by reserves, and (iii) any items such as debt discount, premium and expense, capital stock discount and expense and similar items, classified as assets on the balance sheet of the corporation, unless such items are being amortized or provided for by reserves. The "total capital of the corporation" shall consist of the sum of (i) the principal amount of all

more series with (a) such stated values, (b) such rates of dividend (which shall be stated in the designation of the shares of each such series), (c) such redemption price or prices and terms and conditions, (d) such sinking fund provisions, if any, for the redemption or purchase of shares, (e) such amounts payable upon the voluntary or involuntary dissolution, liquidation or winding up of the corporation and (f) such terms and conditions, if any, regarding the conversion of shares into shares of Common Stock, determined and fixed by the Board of Directors of the corporation in the manner provided by law, as the Board of Directors shall from time to time authorize. Authority is hereby expressly granted to and vested in the Board of Directors of the corporation, by resolution, to divide any authorized and unissued shares of the Preference Stock into one or more series and to determine and fix by resolution the relative rights and preferences of the shares of any such series, the number of shares of each such series and the provisions with respect to the shares of such series referred to in items (a) through (f) above and to change redeemed or re-acquired shares of any such series into shares of another series, *subject, however,* to such restrictions and limitations as are, or may be, from time to time provided by law or contained in the Articles of Incorporation of the corporation or amendments thereto. The stated value of the shares of each series of Preference Stock shall be fixed by the Board of Directors of the corporation in the resolution establishing each series. Shares of any series of Preference Stock may not be issued for a consideration less than the aggregate stated value thereof.

All shares of the Preference Stock, regardless of designation, shall constitute one class of stock, shall be of equal rank and shall confer equal rights on the holders thereof, except only as to those provisions which the Articles of Incorporation authorize the Board of Directors of the corporation to fix by resolution. All shares of any one series of Preference Stock shall be alike in all respects.

(2) Subject to the preferential rights of the holders of the Preferred Stock with respect to the declaration and payment of dividends as set forth in paragraph (2) of Division I, subject to the provisions of the second grammatical paragraph of paragraph (2) of Division I and subject to the provisions of paragraph (8) of Division I, holders of the Preference Stock shall be entitled to receive, in respect of each share held, dividends upon the stated value thereof at the annual rate specified in the designation of such share, and no more, payable quarter-yearly on March 1, June 1, September 1 and December 1 in each year, or on such other dates in each year as may be fixed by the Board of Directors of the corporation, but only when and as declared by the Board of Directors out of the surplus or net profits of the corporation available for the payment of dividends. Dividends on shares of the Preference Stock shall be cumulative from and including the date of issue thereof, and shall be paid, or declared and set apart for payment, before any dividends shall be declared or paid on or set apart for the Common Stock; so that if for any past dividend period or the then current dividend period dividends on the Preference Stock shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and funds set apart for the payment thereof before any dividends shall be declared or paid on or set apart for the Common Stock. No dividend shall at any time be paid on or set apart for any share of the Preference Stock unless at the same time there shall be paid on or set apart for all shares of the Preference Stock then outstanding dividends in such amount that the holders of all shares of Preference Stock then outstanding shall receive or have set apart for them a uniform percentage of the full annual dividend to which they are, respectively, entitled. The term "dividend period", as used herein, refers to each period of three consecutive calendar months ending on the day next preceding each date on which dividends, if declared, shall be payable. When full cumulative dividends as aforesaid upon the Preference Stock then outstanding for all past dividend periods and for the then current dividend period shall have been paid or declared and set apart for payment, the Board of Directors may declare dividends on the Common Stock of the corporation, subject to any other restrictions contained in the Articles of Incorporation.

In addition to the provisions of the second and fifth sentences of the preceding paragraph of this paragraph (2) with respect to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends, it shall also be a condition precedent to the declaration by the Board of Directors of dividends on the Common Stock and the payment of any such dividends that

other retirement of all shares of the Preference Stock at the time outstanding, the affirmative vote of which would otherwise be required hereunder.

(6) No provision contained in the foregoing paragraphs (4) and (5) is intended or shall be construed to relieve the corporation from compliance with any applicable statutory provision requiring the vote or consent of a greater number of the holders of the outstanding shares of the Preference Stock.

(7) No shares of Preference Stock shall be deemed to be "outstanding", as that term is used in the preceding paragraphs (4) and (5) of this Division II, if, prior to or concurrently with the event in reference to which a determination as to the amount thereof outstanding is to be made, the requisite funds for the redemption thereof shall have been deposited in trust for that purpose and the requisite notice for the redemption thereof shall have been given or the depositary of such funds shall have been irrevocably authorized and directed to give or complete such notice of redemption.

(8) No holder of the Preference Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## III. Provisions Relating To The Common Stock

No holder of the Common Stock, as such, shall have any preemptive right to subscribe to stock or other securities of the corporation, of any class, whether now or hereafter authorized.

## IV. Voting Rights

The voting rights in respect of the shares of capital stock of the corporation shall be as follows:

(1) Shares of Common Stock of the corporation shall have full voting rights. Each shareholder of record of Common Stock entitled to vote on any matter shall be entitled to one vote on such matter for every share standing in his name on the books of the corporation, except that, in all elections for directors of the corporation, each holder of shares of Common Stock shall have the right to cast as many votes in the aggregate as he shall be entitled to vote thereon, multiplied by the number of directors to be elected at such election, and each such shareholder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(2) No holder of shares of the Preferred Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (5) or (6) of Division I or in paragraph (3) or (8) of this Division IV, or as may be required by law. No holder of shares of the Preference Stock, as such, shall be entitled to vote for the election of directors or in respect of any matter, except as provided in paragraph (4) or (5) of Division II or in paragraph (4) or (8) of this Division IV, or as may be required by law. In such excepted cases, each record holder of Preferred Stock shall have, for each share of Preferred Stock held by him, and each record holder of Preference Stock shall have, for each share of Preference Stock held by him, that number of votes (including any fractional vote) determined by dividing the stated value of such share by 100, *except* that, when holders of Preferred Stock are entitled to elect directors as provided in this Division IV, and when holders of Preference Stock are entitled to elect directors as provided in this Division IV, each holder of Preferred Stock and each holder of Preference Stock, as the case may be, shall have the right to cast the number of votes attributable to him as so computed multiplied by the number of directors to be so elected in such election by the Preferred Stock or the Preference Stock, as the case may be, and each such holder may cast the whole number of votes for one candidate or distribute those votes among two or more candidates.

(3) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to four full quarter-yearly dividends on all shares of Preferred Stock then outstanding and until all dividends then in default on the Preferred Stock shall have been paid, the record holders of the shares of Preferred Stock, voting separately as one class, shall be entitled, at each meeting of the shareholders at which directors are elected, to elect the smallest number of directors necessary to

legally available for the payment thereof which shall have accrued since the date of the default giving rise to such special voting rights.

(8) In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preferred Stock, as a class, pursuant to paragraph (3) of this Division IV, the holders of the shares of the Preferred Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of any vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Preference Stock, as a class, pursuant to paragraph (4) of this Division IV, the holders of the shares of the Preference Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In case of a vacancy in the Board of Directors occurring among the directors elected by the holders of the shares of the Common Stock, as a class, pursuant to paragraph (3) or (4) of this Division IV, the holders of the shares of the Common Stock then outstanding and entitled to vote may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. In all other cases, any vacancy occurring among the directors shall be filled by the vote of a majority of the remaining directors.

(9) Whenever the holders of the shares of the Preferred Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3) or (8) of this Division IV, or whenever the holders of the shares of the Preference Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (4) or (8) of this Division IV, or whenever the holders of the shares of the Common Stock, as a class, become entitled to elect directors of the corporation pursuant to paragraph (3), (4) or (8) of this Division IV, a special meeting of the holders of the shares of the Preferred Stock, of the holders of the shares of the Preference Stock or of the holders of the shares of the Common Stock, as the case may be, for the election of such directors, shall be held at any time thereafter upon call by the holders of not less than 1,000 shares of the Common Stock, shares of the Preferred Stock with an aggregate stated value of not less than $100,000 or shares of the Preference Stock with an aggregate stated value of not less than $100,000 as the case may be, or upon call by the Secretary of the corporation at the request in writing of any stockholder addressed to him at the principal office of the corporation. If no such special meeting be called or be requested to be called, the respective elections of the directors to be elected by the holders of the shares of the Preferred Stock, the Preference Stock, and the Common Stock, each voting as a class, shall take place at the next annual meeting of the stockholders of the corporation next succeeding the accrual of such special voting right. At all meetings of stockholders at which directors are elected during such time as the holders of shares of the Preferred Stock or the holders of shares of the Preference Stock shall have the special right, each voting separately as one class, to elect directors pursuant to this Division IV, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preference Stock having a majority of the votes entitled to be cast by the Preference Stock at the meeting shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of that number of the outstanding shares of all series of the Preferred Stock having a majority of the votes entitled to be cast by the Preferred Stock at the meeting shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of any such class shall not prevent the election at any such meeting or adjournment thereof of directors by any other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and *provided further* that in the absence of a quorum of the holders of stock of any such class, the holders of the stock of such class who are present in person or by proxy shall have power upon the majority vote of those votes represented at the meeting to adjourn the election of the directors to be elected by such class from day to day without notice other than announcement at the meeting until the requisite number of votes of such class shall be represented by stockholders present in person or by proxy.

preceding sentence, the term of office of all directors shall expire at the special or annual meeting of the corporation at which the holders of the shares of the Preferred Stock are entitled to elect directors as provided in paragraph (3) of Division IV of Article Fifth or the holders of the shares of the Preference Stock are entitled to elect directors as provided in paragraph (4) of Division IV of Article Fifth; and so long as the holders of the shares of either the Preferred Stock or the Preference Stock shall be entitled to such special voting rights in the election of directors, the directors shall be elected and the term of each director shall expire as provided in said Division IV of Article Fifth. At such time as the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock no longer have the special right to elect directors as provided in paragraph (5) or (6) of Division IV of Article Fifth, the Board shall again be divided into three groups as provided in this Article Seventh, the term of office of the first group to expire at the first annual meeting after the meeting at which directors are again elected by the holders of shares of the Common Stock, the term of office of the second group to expire at the second annual meeting after such meeting and the term of office of the third group to expire at the third annual meeting after such meeting (provided that no director shall be elected at such meeting for a term longer than three years), and directors elected to succeed those whose terms expire shall again be elected for a term of office expiring at the third succeeding annual meeting of the corporation after their election or, in the event of a director elected to succeed a director elected to fill a vacancy, for a term expiring at the annual meeting at which the term of the director whose termination of office first created such vacancy would have expired; subject to the same provisions for vesting in the holders of the shares of the Preferred Stock and the holders of the shares of the Preference Stock of such special rights in the election of directors as provided in Division IV of Article Fifth. The directors, as soon as practicable after each annual meeting, shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, a Controller, and such other officers as may, from time to time, be provided for by the Board.

EIGHTH: The authority to make and to change, the By-laws is hereby vested in the Board of Directors, subject to the power of the stockholders to change or repeal the By-laws.

NINTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

TENTH: 1. No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for any breach of his or her duties as a director, except for liability (a) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the corporation or its shareholders; (b) for acts or omissions not in good faith or which involve intentional or wilful misconduct or are known to the director to be a violation of law; (c) for any vote for or assent to an unlawful distribution to shareholders as prohibited under Kentucky Revised Statutes 271B.8-330 and Virginia Stock Corporation Act § 13.1-692; or (d) for any transaction from which the director derived an improper personal benefit.

2. If either the Kentucky Business Corporation Act or the Virginia Stock Corporation Act is amended after approval by the shareholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, and these Articles could be amended to effect such change, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Kentucky Business Corporation Act and the Virginia Stock Corporation Act, as so amended, and without the necessity for further shareholder action in respect thereof.

3. Any repeal or modification of this Article by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

ELEVENTH: 1. The corporation shall indemnify a director, officer, employee, or agent who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director, officer, employee, or agent of the corporation against reasonable expenses incurred by him in connection with the proceeding.

STATE OF KENTUCKY }
COUNTY OF FAYETTE } ss.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 27th day of October, 1992, personally appeared before me John T. Newton, who being by me first duly sworn declared that he is Chairman and President of KENTUCKY UTILITIES COMPANY, that he signed the foregoing Amended and Restated Articles of Incorporation of KENTUCKY UTILITIES COMPANY, and that the statements therein contained are true.

WITNESS my signature this 27th day of October, 1992.

Marilyn B. Ballard
MARILYN BALLARD
Notary Public, State at Large, Kentucky

My commission expires October 27, 1994.

The foregoing instrument was
prepared by George S. Brooks II,
One Quality Street, Lexington, Kentucky 40507.

George S. Brooks II
GEORGE S. BROOKS II

#28494

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ARTICLES OF AMENDMENT
TO
AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
KENTUCKY UTILITIES COMPANY

To the Secretary of State of Kentucky and the State Corporation Commission of Virginia (the "Commission"):

Pursuant to the provisions of Chapter 271B of the Kentucky Revised Statutes and Title 13.1 of the Code of Virginia, the undersigned corporation hereby amends its Articles of Incorporation, and for that purpose, submits the following statements:

1. The name of the corporation is KENTUCKY UTILITIES COMPANY.

2. The board of directors, acting on behalf of the corporation, duly adopted the following amendment (the "Amendment") to its Amended and Restated Articles of Incorporation (the "Articles") determining the terms of a series of Preferred Stock in accordance with authority granted to the board by the Articles. The Amendment adds new paragraph (12) to Division I of Article FIFTH of 785337 Articles as follows:

(12)(a) An additional series of the Preferred Stock of the corporation, consisting of 200,000 shares, is hereby created and established out of the authorized and unissued shares of the Preferred Stock, without par value, of the corporation; said shares, and each share thereof, shall be designated "6.53% Preferred Stock"; the stated value of each share of said series shall be $100 and all of said 200,000 shares of said series are hereby authorized to be issued by the corporation.

(b) The rate of dividend per annum payable in respect of each share of said series shall be 6.53% of the stated value of each such share, and dividends on the shares of said series at said rate per annum shall be computed on the basis of a 360-day year consisting of 30-day months, shall be payable on March 1, June 1, September 1 and December 1 in each year commencing on March 1, 1994, and shall be cumulative from and including the date of issuance.

(c) The shares of said series are not redeemable prior to December 1, 2003. On and after December 1, 2003 the shares of said series shall be subject to redemption at the option of the corporation, in whole at any time or in part from time to time, upon the notice and in the manner provided in paragraph (4) of Division I of Article FIFTH of the Articles, at the applicable

redemption price per share set forth below, plus, in each case, an amount equal to accrued and unpaid dividends to the date of redemption.

| Redemption Dates (inclusive) | Redemption Price Per Share |
|---|---|
| December 1, 2003 through November 30, 2004 | $ 103.265 |
| December 1, 2004 through November 30, 2005 | $ 102.939 |
| December 1, 2005 through November 30, 2006 | $ 102.612 |
| December 1, 2006 through November 30, 2007 | $ 102.286 |
| December 1, 2007 through November 30, 2008 | $ 101.959 |
| December 1, 2008 through November 30, 2009 | $ 101.633 |
| December 1, 2009 through November 30, 2010 | $ 101.306 |
| December 1, 2010 through November 30, 2011 | $ 100.980 |
| December 1, 2011 through November 30, 2012 | $ 100.653 |
| December 1, 2012 through November 30, 2013 | $ 100.327 |
| December 1, 2013 and thereafter | $100.00 |

(d) The shares of said series shall be subject to all the terms, provisions and restrictions set forth in the Articles with respect to shares of the Preferred Stock of the Company and, except only as to the rate of dividend per annum payable in respect of the shares of said series, the redemption price and the terms and conditions of redemption applicable to the shares of said series, and except as otherwise provided in the Articles, the shares of said series shall have the same relative rights and preferences as, shall be of equal rank with, and shall confer rights equal to those conferred by, all other shares of the Preferred Stock of the corporation. All shares of said series redeemed and retired pursuant to the provisions of this paragraph (12), and all shares of said series purchased or otherwise acquired and retired by the corporation, shall be cancelled, shall not be reissued as shares of said series and shall constitute authorized and unissued shares of the Preferred Stock of the corporation; and, so long as any shares of said series are outstanding, the corporation shall not issue any of its authorized and unissued shares of Preferred Stock as additional shares of said series. Each notice of redemption of shares of said series to be redeemed pursuant to the provisions of this paragraph (12) shall

state that the redemption shall be of shares of said series, the date and place of redemption, the redemption price and the number of shares held by such holder to be redeemed.

3. The Amendment was adopted on December 13, 1993.

4. The Amendment, and the certificate related thereto issued by the Commission, shall be effective on December 21, 1993.

5. The Amendment was duly adopted by the board of directors of the corporation without shareholder approval pursuant to Section 271B.6-020 of the Kentucky Revised Statutes and Section 13.1-639 of the Code of Virginia, and shareholder action was not required.

Dated: December 14, 1993

KENTUCKY UTILITIES COMPANY

By: John T. Newton

Chairman and President

STATE OF KENTUCKY
COUNTY OF FAYETTE SS.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 14th day of December, 1993, personally appeared before me John T. Newton, who being by me first duly sworn declared that he is Chairman and President of Kentucky Utilities Company, that he signed the foregoing Amended and Restate Articles of Incorporation of Kentucky Utilities Company, and that the statements therein contained are true.

WITNESS my signature this 14th day of December, 1993.

George S. Brooks II

George S. Brooks II
Notary Public, State at Large, Kentucky
My commission expires January 19, 1997

The foregoing instrument was
prepared by George S. Brooks II,
One Quality Street, Lexington, Kentucky 40507

George S. Brooks II

George S. Brooks II

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Trey Grayson
Secretary of State
Received and Filed
04/08/2004 12:42:02 PM
Fee Receipt: $40.00

# ARTICLES OF AMENDMENT
# TO
# ARTICLES OF INCORPORATION
# OF
# KENTUCKY UTILITIES COMPANY

Pursuant to the provisions of the Kentucky Revised Statutes and the Virginia Corporation Act, the following Articles of Amendment to the Articles of Incorporation of Kentucky Utilities Company, a Kentucky and Virginia corporation (the "Corporation"), are hereby adopted:

**FIRST:** The name of the Corporation is Kentucky Utilities Company.

**SECOND:** The text of the amendment to Article Seventh of the Corporation's Articles of Incorporation is as follows:

**"SEVENTH:** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, its Board of Directors. The number of directors shall be fixed by resolution of the Board of Directors from time to time.

The Board of Directors of the corporation, to the extent not prohibited by law, shall have the power to cause the corporation to repurchase its own shares and shall have the power to make distributions from time to time to the corporation's shareholders."

**THIRD:** The above designated amendments do not provide for an exchange, reclassification or cancellation of issued shares of stock of the Corporation.

**FOURTH:** The designated amendments were adopted by the Corporation's Board of Directors on July 1, 2002, and submitted for approval by the Corporation's sole shareholder entitled to vote. The Corporation has 31,817,878 outstanding shares of common stock, without

par value, which are entitled to vote on the amendment. One hundred percent of the common shares were indisputably represented at a duly called shareholders' meeting held on December 16, 2003, with 31,817,878 of the common shares indisputably cast in favor of the amendment, such vote being sufficient for approval of the amendment.

DATED: February 6, 2004

Kentucky Utilities Company

BY: _____

John R. McCall
Executive Vice President,
General Counsel and
Corporate Secretary

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**ARTICLES OF AMENDMENT**
**TO**
**ARTICLES OF INCORPORATION**
**OF**
**KENTUCKY UTILITIES COMPANY**

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DATED: February 6, 2004

Kentucky Utilities Company

BY: _____

John R. McCall
Executive Vice President,
General Counsel and
Corporate Secretary

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## SECRETARY'S CERTIFICATE

I, John R. McCall, do hereby certify that I am a duly qualified and acting Executive Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer of Kentucky Utilities Company, a Kentucky and Virginia corporation, (the "Company"), and that as such officer, I have access to all original records of the Company and that I am authorized to make certified copies of Company records on its behalf. I further hereby certify that the attached By-laws are a true and correct copy of the By-laws of the Company, and that the same have not been altered, amended or repealed.

**IN WITNESS WHEREOF**, I have executed this Certificate this 27th day of May 2010.

John R. McCall
Executive Vice President, General Counsel,
Corporate Secretary and Chief Compliance Officer

# BY-LAWS

# OF

# KENTUCKY UTILITIES COMPANY

**Dated April 28, 1998**
**(as amended through June 2, 1999)**
**(as amended through December 16, 2003)**

# BY-LAWS

# OF

# KENTUCKY UTILITIES COMPANY

## ARTICLE I

## STOCK TRANSFERS

Section 1. Each holder of fully paid stock shall be entitled to a certificate or certificates of stock stating the number and the class of shares owned by such holder, provided that, the Board of Directors may, by resolution, authorize the issue of some or all of the shares of any or all classes or series of stock without certificates. All certificates of stock shall, at the time of their issuance, be signed by the Chairman of the Board, the President or a Vice-President and by the Secretary or Assistant Secretary, and may be authenticated and registered by a duly appointed registrar. If the stock certificate is authenticated by a registrar, the signatures of the corporate officers may be facsimiles. In case any officer designated for the purpose who has signed or whose facsimile signature has been used on any stock certificate shall, from any cause, cease to be such officer before the certificate has been delivered by the Company, the certificate may nevertheless be adopted by the Company and be issued and delivered as though the person had not ceased to be such officer.

Section 2. Shares of stock shall be transferable only on the books of the Company and upon proper endorsement and surrender of the outstanding certificates representing the same. If any outstanding certificate of stock shall be lost, destroyed or stolen, the officers of the Company shall have authority to cause a new certificate to be issued to replace such certificate upon the receipt by the Company of satisfactory evidence that such certificate has been lost, destroyed or stolen and of a bond of indemnity deemed sufficient by the officers to protect the Company and any registrar and any transfer agent of the Company against loss which may be sustained by reason of issuing such new certificate to replace the certificate reported lost, destroyed or stolen; and any transfer agent of the Company shall be authorized to issue and deliver such new certificate and any registrar of the Company is authorized to register such new certificate, upon written directions signed by the Chairman of the Board, the President or a Vice-President and by the Treasurer or the Secretary of the Company.

Section 3. All certificates representing each class of stock shall be numbered and a record of each certificate shall be kept showing the name of the person to whom the certificate was issued with the number and the class of shares and the date thereof. All certificates exchanged or returned to the Company shall be cancelled and an appropriate record made.

Section 4. The Board of Directors may fix a date not exceeding seventy days preceding the date of any meeting of shareholders, or the date fixed for the payment of any dividend or distribution, or the date of allotment of rights, or, subject to contract rights with respect thereto,

the date when any change or conversion or exchange of shares shall be made or go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting, or entitled to receive payment of any such dividend, or allotment of rights, or to exercise the rights with respect to any such change, conversion or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive payment of such dividend or allotment of rights or to exercise such rights, as the case may be, notwithstanding any transfer of shares on the books of the Company after the record date fixed as aforesaid. The Board of Directors may close the books of the Company against transfer of shares during the whole or any part of such period. When a determination of shareholders entitled to notice of and to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except as otherwise provided by statute.

## ARTICLE II

## MEETINGS OF STOCKHOLDERS

Section 1. An Annual Meeting of Stockholders of the Company shall be held at such date and time as shall be designated from time to time by the Board of Directors. Each such Annual Meeting shall be held at the principal office of the Company in Kentucky or at such other place as the Board of Directors may designate from time to time.

Section 2. Special meetings of the stockholders may be called by the Board of Directors or by the holders of not less than 51% of all the votes entitled to be cast on each issue proposed to be considered at the special meeting, or in such other manner as may be provided by statute. Business transacted at special meetings shall be confined to the purposes stated in the notice of meeting.

Section 3. Notice of the time and place of each annual or special meeting of stockholders shall be sent by mail to the recorded address of each stockholder entitled to vote not less than ten or more than sixty days before the date of the meeting, except in cases where other special method of notice may be required by statute, in which case the statutory method shall be followed. The notice of special meeting shall state the object of the meeting. Notice of any meeting of the stockholders may be waived by any stockholder.

Section 4. At an Annual Meeting of the Stockholders, only such business shall be conducted as shall have been properly brought before the meeting in accordance with the procedures set forth in these By-laws. To be properly brought before the Annual Meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise be a proper matter for consideration and otherwise be properly requested to be brought before the meeting by a stockholder as hereinafter provided. For business to be properly requested to be brought before an Annual Meeting by a stockholder, a stockholder of a class of shares of the Company entitled to vote upon the matter requested to be brought before the meeting (or his designated proxy as provided below) must have given timely and proper notice thereof to the Secretary. To be timely, a

stockholder's notice must be given by personal delivery or mailed by United States mail, postage prepaid, and received by the Secretary not fewer than sixty calendar days prior to the meeting; provided, however, that in the event that the date of the meeting is not publicly announced by mail, press release or otherwise or disclosed in a public report, information statement, or other filing made with the Securities and Exchange Commission, in either case, at least seventy calendar days prior to the meeting, notice by the stockholder to be timely must be received by the Secretary, as provided above, not later than the close of business on the tenth day following the day on which such notice of the date of the meeting or such public disclosure or filing was made. To be proper, a stockholder's notice to the Secretary must be in writing and must set forth as to each matter the stockholder proposes to bring before the Annual Meeting (a) a description in reasonable detail of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (b) the name and address, as they appear on the Company books, of the stockholder proposing such business or granting a proxy to the proponent or an intermediary, (c) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (d) the name and address of the proponent, if the holder of a proxy from a qualified stockholder of record, and the names and addresses of any intermediate proxies, (e) the class and number of shares of the Company which are beneficially owned by the stockholder, and (f) any material interest of the stockholder or the proponent in such business. The chairman of an Annual Meeting shall determine whether business was properly brought before the meeting, which determination absent manifest error will be conclusive for all purposes.

Section 5. The Chairman of the Board, if present, and in his absence the President, and the Secretary of the Company, shall act as Chairman and Secretary, respectively, at each stockholders meeting, unless otherwise provided by the Board of Directors prior to the meeting. Unless otherwise determined by the Board of Directors prior to the meeting, the Chairman of the stockholders' meeting shall determine the order of business and shall have the authority in his discretion to regulate the conduct of any such meeting, including, without limitation, by imposing restrictions on the persons (other than stockholders of the Company or their duly appointed proxies) who may attend any such stockholders' meeting, by determining whether any stockholder or his proxy may be excluded from any stockholders' meeting based upon any determination by the Chairman, in his sole discretion, that any such person has unduly disrupted or is likely to disrupt the proceedings thereat, and by regulating the circumstances in which any person may make a statement or ask questions at any stockholders' meeting.

Section 6. The Company shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by law.

Section 7. The Board of Directors may postpone and reschedule any previously scheduled annual or special meeting of stockholders and may adjourn any convened meeting of stockholders to another date and time as specified by the chairman of the meeting.

## ARTICLE III

## BOARD OF DIRECTORS

Section 1. The Board shall be composed of such number of Directors as shall be set by resolution of the Board. The number of Directors may be changed from time to time by resolution of the Board of Directors or by amendment to these By-laws, but no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. Unless a Director dies, resigns or is removed, he shall hold office until the next annual meeting of the shareholders or until a successor is elected, whichever is later. Directors need not be shareholders of the corporation or residents of the Commonwealth of Kentucky or of the Commonwealth of Virginia. Except as otherwise expressly provided by the Articles of Incorporation, the Board of Directors may fill, until the first annual election thereafter and until the necessary election shall have taken place, vacancies occurring at any time in the membership of the Board by death, resignation or otherwise. Written notice of such resignation shall be made as provided by law.

Section 2. Nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if the stockholder has given timely and proper notice thereof to the Secretary. To be timely, a stockholders notice must be given by personal delivery or mailed by United States mail, postage prepaid, and received by the Secretary not fewer than sixty calendar days or more than ninety calendar days prior to the meeting; provided, however, that in the event that the date of the meeting is not publicly announced by mail, press release or otherwise or disclosed in a public report, information statement or other filing made with the Securities and Exchange Commission, in either case, at least seventy calendar days prior to the meeting, notice by the stockholder to be timely must be so received by the Secretary, as provided above, not later than the close of business on the tenth day following the day on which such notice of the date of the meeting or such public disclosure or filing was made. To be proper, a stockholder's notice of nomination to the Secretary must be in writing and must set forth as to each nominee: (a) the name and address, as they appear on the Company books, of the stockholder who intends to make the nomination or granting a proxy to the proponent or an intermediary; (b) the name and address of the person or persons to be nominated; (c) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (d) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (e) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors, provided that (i) such information does not in any way violate any applicable Securities and Exchange Commission regulation, including regulations concerning public availability of information, and (ii) any information withheld on such basis shall be provided by separate notice

at such time as would not be in violation of any applicable Securities and Exchange Commission regulation, such notice to be a supplement to the notice otherwise required herein; (f) the class and number of shares of the Company which are beneficially owned by the stockholder; and (g) the signed consent of each nominee to serve as a director of the Company if so elected.

Section 3. If the Chairman of the meeting for the election of Directors determines that a nomination of any candidate for election as a director at such meeting was not made in accordance with the applicable provisions of these By-laws, such nomination shall be void.

Section 4. The Board of Directors may adopt such special rules and regulations for the conduct of their meetings and the management of the affairs of the Company as they may determine to be appropriate, not inconsistent with law or these By-laws.

Section 5. A regular meeting of the Board of Directors shall be held as soon as practicable after the annual meeting of stockholders in each year. In addition, regular quarterly meetings of the Board may be held at the general offices of the Company in Kentucky, or at such other place as shall be specified in the notice of such meeting on the last Monday of January, July and October in each year. Written notice of every regular meeting of the Board, stating the time of day at which such meeting will be held, shall be given to each Director not less than two days prior to the date of the meeting. Such notice may be given personally in writing, or by telegraph or other written means of electronic communication, or by depositing the same, properly addressed, in the mail.

Section 6. Special meetings of the Board may be called at any time by the Chairman of the Board, or the President, or by a Vice-President when acting as President, or by any two Directors. Notice of such meeting, stating the place, day and hour of the meeting shall be given to each Director not less than one day prior to the date of the meeting. Such notice may be given personally in writing, or by telegraph or other written means of electronic communication, or by depositing the same, properly addressed, in the mail.

Section 7. Notice of any meeting of the Board may be waived by any Director.

Section 8. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, but a less number may adjourn the meeting to some other day or sine die. The Board of Directors shall keep minutes of their proceedings at their meetings. The members of the Board may be paid such fees or compensations for their services as Directors as the Board, from time to time, by resolution, may determine.

Section 9. The Chairman of the Board, if such person is present, shall serve as Chairman at each regular or special meeting of the Board of Directors and shall determine the order of business at such meeting. If the Chairman of the Board is not present at a regular or special meeting of the Board of Directors, the Vice Chairman of the Board shall serve as Chairman of such meeting and shall determine the order of business of such meeting. The Board of Directors may elect one of its members as Vice Chairman of the Board.

## ARTICLE IV

## COMMITTEES

Section 1. The Board of Directors may, by resolution passed by a majority of the whole Board, appoint an Executive Committee of not less than three members of the Board, including the Chairman of the Board, if there be one, and the President of the Company. The Executive Committee may make its own rules of procedure and elect its Chairman, and shall meet where and as provided by such rules, or by resolution of the Board of Directors. A majority of the members of the Committee shall constitute a quorum for the transaction of business. During the intervals between the meetings of the Board of Directors, the Executive Committee shall have all the powers of the Board in the management of the business and affairs of the Company except as limited by statute, including power to authorize the seal of the Company to be affixed to all papers which require it, and, by majority vote of all its members, may exercise any and all such powers in such manner as such Committee shall deem best for the interests of the Company, in all cases in which specific directions shall not have been given by the Board of Directors. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board at meetings thereof.

Section 2. The Board of Directors may appoint other committees, standing or special, from time to time from among their own number, or otherwise, and confer powers on such committees, and revoke such powers and terminate the existence of such committees at its pleasure.

Section 3. Meetings of any committee may be called in such manner and may be held at such times and places as such committee may by resolution determine, provided that a meeting of any committee may be called at any time by the Chairman of the Board or by the President. Notice of such meeting, stating the place, day and hour of the meeting shall be given to each Director not less than one day prior to the meeting. Such notice may be given personally in writing, or by telegraph or other written means of electronic communication, or by depositing the same, properly addressed, in the mail. Members of all committees may be paid such fees for attendance at meetings as the Board of Directors may determine.

## ARTICLE V

## OFFICERS

Section 1. The officers of the Company shall be a Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Chief Administrative Officer, one or more Vice Presidents, Secretary, Treasurer, Controller or such other officers (including, if so directed by a resolution of the Board of Directors, the Chairman of the Board) as the Board or the Chief Executive Officer may from time to time elect or appoint. Any two of the offices may be combined in one person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity. If practicable, officers are to be elected or appointed by the Board of Directors or the Chief Executive Officer at the first meeting of the Board following the annual

meeting of stockholders and, unless otherwise specified, shall hold office for one year or until their successors are elected and qualified. Any vacancy shall be filled by the Board of Directors or the Chief Executive Officer. Except as provided below, officers shall perform those duties usually incident to the office or as otherwise required by the Board of Directors, the Chief Executive Officer, or the officer to whom they report. An officer may be removed with or without cause and at any time by the Board of Directors or by the Chief Executive Officer.

Section 2. The Chief Executive Officer of the Company shall have full charge of all of the affairs of the Company and shall report directly to the Board of Directors.

Section 3. The President, should that office be created and filled, shall exercise such functions as may be delegated by the Chief Executive Officer and shall exercise the functions of the Chief Executive Officer during the absence or disability of the Chief Executive Officer.

Section 4. The Chief Operating Officer, should that office be created and filled, shall have responsibility for the management and direction of the Company, subject to the direction and approval of the Chief Executive Officer.

Section 5. The Chief Financial Officer, should that office be created and filled, shall have responsibility for the financial affairs of the Company, including maintaining accurate books and records, meeting all financial reporting requirements and controlling Company funds, subject to the direction and approval of the Chief Executive Officer.

Section 6. The Chief Administrative Officer, should that office be created and filled, shall have responsibility for the general administrative and human resources operations of the Company, subject to the direction and approval of the Chief Executive Officer.

Section 7. The Vice President or Vice Presidents, should such offices be created and filled, may be designated as Vice President, Senior Vice President or Executive Vice President, as the Board of Directors or Chief Executive Officer may determine.

Section 8. The Secretary shall be present at and record the proceedings of all meetings of the Board of Directors and of the stockholders, give notices of meetings of Directors and stockholders, have custody of the seal of the Company and affix it to any instrument requiring the same, and shall have the power to sign certificates for shares of stock of the Company.

Section 9. The Treasurer, should that office be created and filled, shall have responsibility for all receipts and disbursements of the Company and be custodian of the Company's funds.

Section 10. The Controller, should that office be created and filled, shall have responsibility for the accounting records of the Company.

## ARTICLE VI

## MISCELLANEOUS

Section 1. The funds of the Company shall be deposited to its credit in such banks or trust companies as are selected by the Treasurer, subject to the approval of the chief executive officer. Such funds shall be withdrawn only on checks or drafts of the Company for the purpose of the Company, except that such funds may be withdrawn without the issuance of a check or draft (a) to effect a transfer of funds between accounts maintained by the Company at one or more depositaries; (b) to effect the withdrawal of funds, pursuant to resolution of the Board of Directors, for the payment of either commercial paper promissory notes of other entities or government securities purchased by the Company; (c) to effect a withdrawal of funds by the Company pursuant to the terms of any agreement or other document, approved by the Board of Directors, which requires or contemplates payment or payments by the Company by means other than a check or draft; or (d) to effect a withdrawal of funds for such other purpose as the Board of Directors by resolution shall provide. All checks and drafts of the Company shall be signed in such manner and by such officer or officers or such individuals as the Board of Directors, from time to time by resolution, shall determine. Only checks and drafts so signed shall be valid checks or drafts of the Company.

Section 2. No debt shall be contracted except for current expenses unless authorized by the Board of Directors or the Executive Committee, and no bills shall be paid by the Treasurer unless audited and approved by the Controller or some other person or committee expressly authorized by the Board of Directors or the Executive Committee, to audit and approve bills for payment. All notes of the Company shall be executed by two different officers of the Company. Either or both of such executions may be by facsimile.

Section 3. The fiscal year of the Company shall close at the end of December annually.

## ARTICLE VII

## INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. Unless prohibited by law, the Company shall indemnify each of its Directors, officers, employees and agents against expenses (including attorneys fees), judgments, taxes, fines and amounts paid in settlement, incurred by such person in connection with, and shall advance expenses (including attorneys fees) incurred by such person in defending any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which such person was, is, or is threatened to be made a party by reason of the fact that such person is or was a Director, officer, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. Advancement of expenses shall be made upon receipt of a written statement of his good faith belief that he has met the standard of conduct as required by statute and a written undertaking, with such security, if any, as the Board may reasonably require, by or on behalf of

the person seeking indemnification, to repay amounts advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Company.

Section 2. In addition (and not by way of limitation of) the foregoing provisions of Section 1 of this Article VII and the provisions of the Kentucky Business Corporation Act, each person (including the heirs, executors, administrators and estate of such person) who is or was or had agreed to become a Director, officer, employee or agent of the Company and each person (including the heirs, executors, administrators and estate of such person) who is or was serving or who had agreed to serve at the request of the Directors or any officer of the Company as a Director, officer, employee, trustee, partner or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be indemnified by the Company to the fullest extent permitted by the Kentucky Business Corporation Act or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the Company is authorized to enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article VII. Any repeal or modification of this Article by the stockholders of the Company shall not adversely affect any indemnification of any person hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 3. The Company may purchase and maintain insurance on behalf of any person who is or was entitled to indemnification as described above, whether or not the Company would have the power or duty to indemnify such person against such liability under this Article VII or applicable law.

Section 4. To the extent required by applicable law, any indemnification of, or advance of expenses to, any person who is or was entitled to indemnification as described above, if arising out of a proceeding by or in the right of the Company, shall be reported in writing to the stockholders with or before the notice of the next stockholder' meeting.

Section 5. The indemnification provided by this Article VII: (a) shall not be deemed exclusive of any other rights to which the Company's Directors, officers, employees or agents may be entitled pursuant to the Articles of Incorporation, any agreement of indemnity, as a matter of law or otherwise; and (b) shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators.

## ARTICLE VIII

## AMENDMENT OR REPEAL OF BY-LAWS

These By-laws may be added to, amended or repealed at any meeting of the Board of Directors, and may also be added to, amended or repealed by the stockholders.

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