

**WRITTEN RESOLUTION OF MEMBER IN LIEU OF
MEETING PURSUANT TO ARTICLE 53 OF THE
COMPANY'S ARTICLES OF ASSOCIATION**

COMPANY NUMBER 3033261

THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

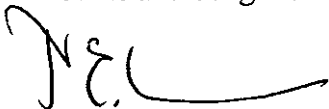
WRITTEN RESOLUTION OF INSUREDRESS LIMITED

Dated this 30 day of August 1995

I, the undersigned, being the sole member of the Company who, at the date of these resolutions would be entitled to attend and vote at general meetings of the Company HEREBY PASS the following Resolutions as Special Resolutions and agree that the said Resolutions shall, for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held:

SPECIAL RESOLUTIONS

1. That the draft Articles of Association attached to this Written Special Resolution be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.
2. That in accordance with s250 of the Companies Act 1985, the Company being a dormant company within the meaning of the said section, the Company shall be exempt from the provisions of Part VII of the Companies Act 1985 relating to the audit of accounts and obligation to appoint auditors.



.....
J E SELLERS

for and on behalf of
South Western Electricity plc



COMPANY NUMBER: 3033261

THE COMPANIES ACT 1985 TO 1989

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

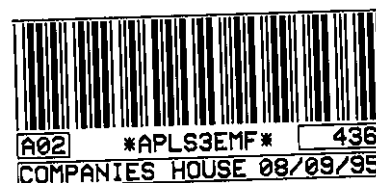
OF

INSUREDRESS LIMITED

INCORPORATED ON THE 15TH DAY OF MARCH 1995

As adopted by Special Resolution

passed on 30 day of August 1995



THE COMPANIES ACTS 1985 and 1989
A PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

(adopted by Special Resolution passed on 30.8.95)

INTERPRETATION

(a) In these Articles the following words bear the following meanings:-

"the Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
"the Articles"	means the Articles of the Company.
"clear days"	in relation to the period of a Notice means that period excluding the day when the Notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"execution"	includes any mode of execution and the word "executed" shall be construed accordingly.
"office"	means the registered office of the Company.
"the holder"	in relation to shares means the member whose name is entered in the register of members as the holder of the shares.
"the Seal"	means the Common Seal of the Company.

"Secretary" means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a Joint, Assistant or Deputy Secretary.

"the United Kingdom" means Great Britain and Northern Ireland.

(b) Unless the context otherwise requires:- .

(i) words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company;

(ii) words in the singular include the plural, and vice versa;

(iii) words importing any gender include all genders;

(iv) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

(c) References to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form.

(d) The regulations contained in Table A do not apply to the Company.

Share Capital

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by Ordinary Resolution determine.
3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles.
4. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
5. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and [except as otherwise provided by the Articles or by law] the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.
 - (a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may [subject to Section 80 of the Act and to Article 5(d) below] allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

- (b) All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the Directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by Notice specifying the number of shares offered, and limiting a period [not being less than fourteen days] within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members. The foregoing provisions of this Article 5(b) shall have effect subject to Section 80 of the Act.
- (c) In accordance with Section 91 (1) of the Act Sections 89 (1) and 90 (1) to (6) [inclusive] of the Act shall not apply to the Company.

- (d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time [subject to the said Section 80] be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

Share Certificates

6. (a) Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him [and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding] or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine. Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing numbers [if any] of the shares to which it relates and the amount or respective amounts paid up thereon.

- (b) The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one Joint Holder shall be a sufficient delivery to all of them.
7. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms [if any] as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge and [in the case of defacement or wearing out] on delivery up of the old certificate.

Lien

8. (a) The Company shall have a first and paramount lien on every share [not being a fully paid share] for all money [whether presently payable or not] payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.
- (b) The lien conferred by Article 8(a) above shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more Joint Holders, for all money presently payable by him or his estate to the Company.

9. The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after Notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the Notice is not complied with the shares may be sold.
10. To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall [upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any money not presently payable as existed upon the shares before the sale] be paid to the person entitled to the shares at the date of the sale.

Calls on Shares and Forfeiture

12. Subject to the terms of allotment, the Directors may make calls upon the members in respect of any money unpaid on their shares [whether in respect of nominal value or premium] and each member shall [subject to receiving at least fourteen clear days Notice specifying when and where payment is to be made] pay to the Company as

required by the Notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

13. A call shall be deemed to have been made at the time when the Resolution of the Directors authorising the call was passed.
14. The Joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the Notice of the call, or if no rate is fixed, at the appropriate rate [as defined by the Act] but the Directors may waive payment of the interest wholly or in part.
16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.

17. Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
18. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' Notice requiring payment of the amount unpaid together with any interest which may have accrued and all expenses that may be incurred by the Company by reason of such non-payment . The Notice shall name the place where payment is to be made and shall state that if the Notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
19. If the Notice is not complied with any share in respect of which it was given may, before the payment required by the Notice has been made, be forfeited by a Resolution of the Directors and the forfeiture shall include all dividends or other money payable in respect of the forfeited shares and not paid before the forfeiture.
20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where, for the purposes of its disposal a forfeited share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer of the share to that person.

21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all money which at the date of forfeiture was presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on that money before the forfeiture or, if not interest was so payable, at the appropriate rate [as defined in the Act] from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
22. A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall [subject to the execution of an instrument of transfer if necessary] constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

Transfer of Shares

23. The instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

24. The Directors may in their absolute discretion and without assigning any reason therefor decline to register the transfer of a share whether or not it is a fully paid share to a person of whom they do not approve, and they may also refuse to register the transfer of a share where the Company has a lien. They may also refuse to register a transfer unless:-

(i) it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(ii) it is in respect of only one class of shares; and

(iii) it is in favour of not more than four transferees.

25. If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee Notice of the refusal.

26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods [not exceeding thirty days in any year] as the Directors may determine.

27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
28. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when Notice of the refusal is given.

Transmission of Shares

29. If a member dies the survivor or survivors where he was a Joint Holder, and his personal representatives where he was a sole holder or the only survivor of Joint Holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give Notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the Notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any Meeting of the Company or at any separate Meeting of the holders of any class of shares in the Company.

Alteration of Share Capital

32. The Company may by Ordinary Resolution:-

- (i) increase its share capital by new shares of such amount as the Resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the Resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (iv) cancel shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person [including, subject to the provisions of the Act, the Company] and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the direction of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
34. Subject to the provisions of the Act, the Company may by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Purchase of Own Shares

35. Subject to the provisions of the Act, the Company may purchase its own shares [including any redeemable shares] and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

General Meetings

36. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

37. (a) The Directors may call General Meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a General Meeting, any Director or any member of the Company may call a General Meeting.
- (b) Meetings can be held by conference telephone or any communication equipment which allows all persons participating in the Meeting to hear each other. A person so participating shall be deemed to be present in person at the Meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a Meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Chairman of the Meeting then is.

Notice of General Meetings

38. (a) An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution or a Resolution appointing a person as a Director shall be called by at least twenty one clear days' Notice. All other Extraordinary General Meetings shall be called by at least fourteen clear days' Notice but a General Meeting may be called by shorter Notice if it is so agreed:-

- (i) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other Meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety five per cent in nominal value of the shares giving that right.
 - (b) The Notice shall specify the time and place of the Meeting and the General nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the Meeting as such.
 - (c) Subject to the provisions of the Articles and to any restrictions imposed on any shares, the Notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and Auditors.
39. The accidental omission to give Notice of a Meeting or [in cases where instruments of Proxy are sent out with the Notice] the accidental omission to send an instrument of Proxy to, or the non-receipt of either or both by, any person entitled to receive Notice shall not invalidate the proceedings at that Meeting.

Proceedings at General Meetings

40. No business shall be transacted at any Meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted each being a member or a

Proxy for a member or a duly authorised representative of a corporation, shall be a quorum unless the Company is for the time being a single member Company under the Companies (Single Member Private Limited Companies) Regulations 1992 in which case one such person shall be a quorum, in accordance with Section 370A of the Act.

41. If such a quorum is not present within half an hour from the time appointed for the Meeting, or if during a Meeting such a quorum ceases to be present, the Meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine.
42. The Chairman, if any, of the Board of Directors or in his absence some other Director nominated by the Directors shall preside as Chairman of the Meeting, but if neither the Chairman nor such other Director [if any] be present within five minutes after the time appointed for holding the Meeting and willing to Act, the Directors present shall elect one of their number to be Chairman and, if there is only one Director present and willing to Act, he shall be Chairman.
43. If no Director is willing to Act as Chairman, or if no Director is present within fifteen minutes after the time appointed for holding the Meeting, the members present and entitled to vote shall choose one of their number to be Chairman.
44. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any General Meeting and at any separate Meeting of the holders of any class of shares in the Company.

45. The Chairman may, with the consent of a Meeting at which a quorum is present [and shall if so directed by the Meeting], adjourn the Meeting from time to time and from place to place, but no business shall be transacted at an adjourned Meeting other than business which might properly have been transacted at the Meeting had the adjournment not taken place. When a Meeting is adjourned for fourteen days or more, at least seven clear days' Notice shall be given specifying the time and place of the adjourned Meeting and the General nature of the business to be transacted. Otherwise it shall not be necessary to give any such Notice.
46. A Resolution put to the vote of a Meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- (i) by the Chairman; or
 - (ii) by any member present in person and having the right to vote at the Meeting; or
 - (iii) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the Meeting; or
 - (iv) by a member or members holding shares conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up

equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as Proxy or as duly authorised representative for a member shall be the same as a demand by the member.

47. Unless a poll is duly demanded a declaration by the Chairman that a Resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the Meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the Resolution.
48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
49. A poll shall be taken as the Chairman directs and he may appoint scrutineers [who need not be members] and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the Resolution of the Meeting at which the poll was demanded.
50. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

51. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the Meeting shall continue as if the demand had not been made.
52. No Notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the Meeting at which it is demanded. In any other case at least seven clear days' Notice shall be given specifying the time and place at which the poll is to be taken.
53. A Resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a General Meeting at which he was present shall be as effectual as if it had been passed at a General Meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

Votes of Members

54. At a General Meeting, and subject to any rights or restrictions attached to any shares, on a show of hands every member entitled to vote who [being an individual] is present in person or [being a corporation] is present by a duly authorised representative, and

every Proxy for a member [regardless of the number or the holdings of the member or members for whom he is a Proxy] shall have one vote, and on a poll every member who is present in person or by Proxy shall have one vote for every share of which he is the holder.

55. In the case of Joint Holders the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the votes of the other Joint Holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
56. A member in respect of whom an order has been made by any court having jurisdiction [whether in the United Kingdom or elsewhere] in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by Proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of Proxy before the time appointed for holding the Meeting or adjourned Meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
57. Except with the approval of the Chairman of the Meeting, no member shall vote at any General Meeting or at any separate Meeting of the holders of any class of shares in the Company, either in person or by Proxy, in respect of any share held by him unless all money presently payable by him in respect of that share has been paid.

58. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is tendered, and every vote not disallowed at the Meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
59. On a poll votes may be given either personally or by Proxy. A member may appoint more than one Proxy to attend on the same occasion.
60. An instrument appointing a Proxy shall be in writing, executed by or on behalf of the member and shall include the following:
- (i) the name of the Company
 - (ii) the name of the member
 - (iii) the name of the proxy (and any nominated substitute for the first named proxy)
 - (iv) the date of the General Meeting in question
 - (v) the signature (or other form of execution) of the member
 - (vi) the date of the signature (or other form of execution) of the member
61. Where it is desired to afford each member the opportunity of instructing his Proxy how he shall act, the instrument appointing a Proxy shall include as well as the items listed in Article 60 the instruction "For" or "Against" each of the numbered Resolutions to be considered at the General Meeting in question. Unless so instructed, the Proxy may vote as he thinks fit or abstain from voting.

62. The instrument appointing a Proxy and [if required by the Directors] any authority under which it is executed or a copy of such authority certified notarially or in some other manner approved by the Directors may be delivered to the office [or at such other place or to such person as may be specified or agreed by the Directors].

(i) before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to Act; or

(ii) in the case of a poll taken subsequently to the date of the Meeting or adjourned Meeting, before the time appointed for the taking of the poll,

and an instrument of Proxy which is not so delivered shall be invalid. The Directors may at their discretion treat a faxed or other machine made copy of an instrument appointing a Proxy as such an instrument for the purpose of this Article.

63. A vote given or poll demanded by Proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless Notice of the determination was received by the Company at the office or at such other place at which the instrument of Proxy was duly deposited before the commencement of the Meeting or adjourned Meeting at which the vote is given or the poll demanded or [in the case of a poll taken otherwise than on the same day as the meeting or adjourned Meeting] the time appointed for taking the poll.

Number of Directors

64. Unless and until otherwise determined by Ordinary Resolution, the number of Directors [other than Alternate Directors] shall not be subject to any maximum but shall not be less than two.

Alternate Directors

65. (a) Any Director [other than an Alternate Director] may appoint any other Director, or any other person willing to Act, to be an Alternate Director and may remove from office an Alternate Director so appointed by him.
- (b) A Director, or any such other person as is mentioned in Article 65 (a) above, may Act as an Alternate Director to represent more than one Director, and an Alternate Director shall be entitled at any Meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote [if any] as a Director, but shall count as only one for the purpose of determining whether a quorum is present.
66. An Alternate Director shall be entitled to receive Notice of all meetings of Directors and of all meetings of committees of Directors of which his appointer is a member, to attend and vote at any such Meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternate Director. But it shall not be necessary to

give Notice of such a Meeting to an Alternate Director who is absent from the United Kingdom.

67. An Alternate Director shall cease to be an Alternate Director if his appointer ceases to be a Director.
68. Any appointment or removal of an Alternate Director shall be by Notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
69. Save as otherwise provided in the Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

Powers of Directors

70. Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior Act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any Special power given to the Directors by the Articles and a Meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

71. (a) The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- (b) The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject [in the case of any security convertible into shares] to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Delegation of Directors' Powers

72. The Directors may delegate any of their powers [with power to sub-delegate] to any committee or committees consisting of such person or persons [whether Directors or not] as they think fit. They may also delegate to any Managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

Appointment Removal and Retirement of Directors

73. Any member holding, or any members holding in aggregate, a majority in nominal value of such of the issued share capital for the time being of the Company as carries the right of attending and voting at General Meetings of the Company may by Memorandum in writing signed by or on behalf of him or them and delivered to the office or tendered at a Meeting of the Directors or at a General Meeting of the Company at any time and from time to time appoint any person to be a Director [either to fill a vacancy or as an additional Director] or remove any Director from office [no matter how he was appointed].

74. The office of a Director shall be vacated if:-

(i) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or

(ii) he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors; or

(iii) he is, or may be, suffering from mental disorder and either:-

(1) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health [Scotland] Act 1960; or

- (2) an order is made by a Court having jurisdiction [whether in the United Kingdom or elsewhere] in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (iv) he resigns his office by Notice to the Company; or
- (v) he shall for more than six consecutive months have been absent without permission of the Directors from Meetings of Directors held during that period and the Directors resolve that his office be vacated; or
- (vi) he is requested in writing by all the other Directors to resign; or
- (vii) he is removed from office by the member or members in accordance with these Articles.

No person shall be disqualified from being or becoming a Director by reason of his attaining or having attained any particular age. No shareholding qualification for Directors shall be required. No Directors shall be required to retire by rotation.

75. Subject to the provisions of Article 73 and Article 74 relating to the removal of a Director and the vacation of the office of a Director any person may be appointed a Director by the Directors, either to fill a vacancy or as an additional Director.

Remuneration of Directors

76. The Directors shall be entitled to such remuneration as the Company may by Ordinary Resolution determine and, unless the Resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
77. An Alternate Director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part [if any] of the remuneration otherwise payable to his appointer as such appointer may by Notice in writing to the Company from time to time direct.

Directors' Expenses

78. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at Meetings of Directors or committees of Directors or General Meetings or separate Meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

Directors' Appointments and Interests

79. Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of Managing Director or to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.

80. Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-

(i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and

(ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

(iii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

81. For the purposes of Article 80:-

(i) a General Notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the Notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

(ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

Directors' Gratuities and Pensions

82. The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the

Company or of any such subsidiary, and for any member of his family [including a spouse and a former spouse] or any person who is or was dependent on him, and may [as well before as after he ceases to hold such office or employment] contribute to any fund and pay premiums for the purchase or provision of any such benefit. No Director or former Director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

Proceedings of Directors

83. Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a Meeting of the Directors, and Notice of such Meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at this last known address. It shall not be necessary to give Notice of a Meeting to a Director who is absent from the United Kingdom unless that Director has requested that during such absence or absences Notices in writing be sent to him at an address or to a fax or telex number given by him for this purpose. A Director may waive Notice of any Meeting either prospectively or retrospectively. Questions arising at a Meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. A Director who is also an Alternate Director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.

84. The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A person who holds office only as an Alternate Director shall, if his appointer is not present, be counted in the quorum.
85. The continuing Directors or a sole continuing Director may Act, notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may Act only for the purpose of filling vacancies or of calling a General Meeting.
86. The Directors may appoint one of their number to be the Chairman of the Board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every Meeting of Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the Meeting, the Directors present may appoint one of their number to be Chairman of the Meeting.
87. All acts done by a Meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

88. A Resolution in writing signed by all the Directors entitled to receive Notice of a Meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a Meeting of Directors or [as the case may be] a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a Resolution signed by an Alternate Director need not also be signed by his appointer and, if it is signed by a Director who has appointed an Alternate Director, it need not be signed by the Alternate Director in that capacity.
89. A Director who has duly declared his interest [so far as he is required to do so] may vote, at any Meeting of the Directors or of any committee of the Directors, on any Resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall be counted, and in relation to any such Resolution as aforesaid he shall [whether or not he shall vote on the same] be taken in account in calculating the quorum present at the Meeting.
90. All or any of the members of the Board or of any committee of the Board may participate in a Meeting of the Board or [as the case may be] of that committee by means of a conference telephone or any communication equipment which allows all persons participating in the Meeting to hear each other. A person so participating shall be deemed to be present in person at the Meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a Meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Chairman of the Meeting then is.

91. If a question arises at a Meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the Meeting, be referred to the Chairman of the Meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

Secretary

92. Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; any Secretary so appointed may be removed by them and any Assistant appointed by the Secretary may be removed by the Directors or by the Secretary.

Minutes

93. The Directors shall cause minutes to be made in books kept for the purpose:-

(i) of all appointments of officers made by the Directors; and

(ii) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such Meeting.

The Seal

94. (a) The Seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. Any instrument to which the Seal is affixed shall be signed by:-

(i) any Director; or

(ii) the Secretary; or

(iii) the Assistant Secretary.

without the need for a second or other signature.

(b) The Company may exercise the such powers as are conferred by the Act with regard to having an official Seal for use abroad and such powers shall be vested in the Directors.

Dividends

95. Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. At such times as the Company has, in accordance with Section 366A of the Act dispensed with the requirement to hold an Annual General Meeting, the Directors may by a Resolution of the Board, declare dividends in accordance with the respective rights of the member.

96. Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
97. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
98. A General Meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member

upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

99. Any dividend or other money payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any Joint Holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.

100. No dividend or other money payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

101. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

Accounts

102. No member shall [as such] have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Directors or by Ordinary Resolution of the Company.

Capitalisation of Profits

103. The Directors may with the authority of an Ordinary Resolution of the Company:-

- (a) Subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend [whether or not they are available for distribution] or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) Appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) Make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and
- (d) Authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

Notices

- 104. Any Notice to be given to or by any person pursuant to these Articles shall be in writing except that a Notice calling a Meeting of the Directors need not be in writing.
- 105. The Company may serve Notice on or deliver any other document to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by fax or telex to a number provided by the member for this purpose or by leaving it at the members registered address or by any other means authorised in writing by the member concerned. In the case of Joint Holders of a share, all notices or other documents shall be served on or delivered to any of the Joint Holders and Notice so served or document so delivered shall be sufficient service or delivery for all the Joint Holders.

106. A member present, either in person or by Proxy, at any Meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received Notice of the Meeting and, where requisite, of the purposes for which it was called.
107. Every person who becomes entitled to a share shall be bound by any Notice or other document in respect of that share which, before his name is entered in the register of members, has been duly served on or delivered to a person from whom he derives his title.
108. Any Notice or other document, if sent by post, shall be deemed to have been served or delivered twenty four hours after posting and, in proving such service or delivery, proof that the Notice or document was properly addressed, stamped and put in the post shall be conclusive evidence. Any Notice or other document left at a registered address otherwise than by post, or sent by fax or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so sent.
109. A Notice or other document may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of Notice or other document to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a Notice or other document may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

Winding Up

110. If the Company is wound up, the liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and with the like sanction determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

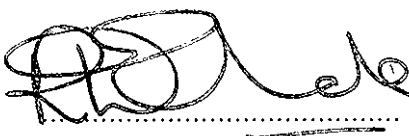
Indemnity

111. Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

RECORD OF A WRITTEN RESOLUTION OF INSUREDRESS LIMITED

The Special Resolutions set out on the attached copy document were passed as written resolutions pursuant to Regulation 53 of Table A (1985) which is included in the Articles of Association. The Resolutions were signed and became effective on 30 August 1995.

The signature to the written resolutions is that of an authorised signatory of South Western Electricity plc the sole member who at the date of the resolutions was entitled to attend and vote at a general meeting.

Signed:  Secretary

Date: 5.9.95