

*Corrected to be a true  
copy signed and May*

No: 3646729

THE COMPANIES ACT 1985 (AS AMENDED)

Company limited by shares

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RESOLUTIONS

of

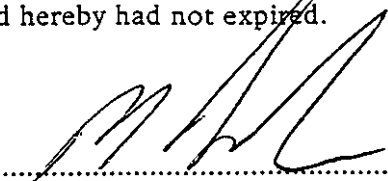
POOLSERCO LIMITED

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At an Extraordinary General Meeting of the Company duly convened and held on 15th April, 1999 the following resolutions were passed, resolution 1 as a special resolution and resolution 2 as an ordinary resolution:

RESOLUTIONS

1. That the regulations contained in the document produced to the meeting and for the purpose of identification signed by the chairman thereof be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association thereof.
2. That, pursuant to section 80 of the Companies Act 1985, the directors be and they are hereby authorised generally and unconditionally to allot relevant securities (as defined in section 80 of the Companies Act 1985) up to an aggregate nominal amount of one hundred pounds (£100) provided that this authority, unless renewed, shall expire on the date five years from the date on which this resolution is passed save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

  
.....  
Chairman of the meeting

CB990490.006



Registered No. 3646729

## ARTICLES OF ASSOCIATION

of

### POOLSERCO LIMITED

(adopted by Special Resolution passed on 15th April, 1999)

#### 1. Adoption of Table A

In these articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of incorporation of the company. The regulations contained in Table A shall, except where they are excluded or modified by these articles, apply to the company and, together with these articles, shall constitute the articles of the company. No other regulations set out in any statute concerning companies, or in any statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the company.

#### 2. Interpretation

2.1 Words and expressions which bear particular meanings in Table A shall bear the same meanings in these articles.

2.2 In these articles:-

"Affiliate" means, in relation to any person, any holding company or subsidiary of such person or any subsidiary of a holding company of such person;

"Business" has the meaning given to that expression in the Pooling and Settlement Agreement;

"Maximum Aggregate Shareholder Contribution" has the meaning given to that expression in the Pooling and Settlement Agreement;

"Pooling and Settlement Agreement" means the Pooling and Settlement Agreement for the Electricity Industry in England and Wales dated 30th March, 1990 as amended and restated from time to time;

"Pool Members" has the meaning given to that expression in the Pooling and Settlement Agreement;

SLAUGHTER AND MAY

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“Poolserco Business Plan” has the meaning given to that expression in Schedule 34 to the Pooling and Settlement Agreement;

“Retiring Shareholder” has the meaning given to that expression in Article 10.4; and

“Weighted Votes” has the meaning given to that expression in the Pooling and Settlement Agreement.

- 2.3 References in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
- 2.4 Headings are for convenience only and shall not affect construction.
- 2.5 If, and for so long as, the company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

### **3. Share Capital**

The authorised share capital of the company at the date of adoption of this article is £100 divided into 100 shares of £1 each.

### **4. Restriction on Share Ownership**

Save with the prior written consent of the directors, no person other than a nominee as referred to in Article 10.4 shall be the holder of more than one share of the company at any time.

### **5. Rights Attaching to Shares**

- 5.1 The matters set out in Articles 5.2 and 5.3 shall constitute rights attaching to the shares of the company. The members shall procure, so far as they are able in their capacity as shareholders in the company, that no action shall be taken or resolution passed by the company:-
  - 5.1.1 in respect of those matters set out in Article 5.2, except with the consent of those members who together as Pool Members have not less than 65 per cent. of the Weighted Votes of all Pool Members; and
  - 5.1.2 in respect of those matters set out in Article 5.3, except with the consent of those members who together as Pool Members have not less than 84 per cent. of the Weighted Votes of all Pool Members.

5.2 The matters referred to in Article 5.1.1 are:-

- 5.2.1 the making of decisions relating to the accounting policy of the company.
- 5.2.2 the acquisition, disposal or charge of assets of or securities held by the company other than in the ordinary course of the company's Business.
- 5.2.3 the making of decisions relating to material contracts to which the company is a party or material arrangements between the company and a third party.
- 5.2.4 the making of changes to the pricing or trading terms of the company.
- 5.2.5 the making by the company of a material claim, disclaimer, surrender, election or consent for tax purposes.

5.3 The matters referred to in Article 5.1.2 are:-

- 5.3.1 the making of any change to the company's Memorandum of Association or these Articles.
- 5.3.2 the undertaking of any business other than the company's Business.
- 5.3.3 the reduction of the company's share capital, any variation of the rights attaching to any class of shares in its capital or any redemption, purchase or other acquisition by the company of any shares or other securities of the company.
- 5.3.4 the incurring of any costs in respect of a financial year of the company of an amount greater than the Maximum Aggregate Shareholder Contribution in respect of that financial year.
- 5.3.5 the making of any contract of a material nature outside the company's business or the giving of any guarantee.
- 5.3.6 the presentation of any petition for the winding up of the company or the making of any application for an administration order in relation to the company or for the appointment of an administrator or receiver of the company.
- 5.3.7 the commencement, settlement or defence of any litigation, arbitration or other proceedings brought by or against the company in an amount in excess of £25,000.

- 5.4 Each holder of a share shall be entitled to dividends in respect of such share in such amounts (if any) as the directors may, in their absolute discretion, determine from time to time (and which, for the avoidance of doubt, may be different amounts from time to time in respect of each and every share). Regulation 104 of Table A shall be modified accordingly.
- 5.5 Notwithstanding Article 5.4 or any differing amounts paid or payable by way of dividend in respect of any share, all the shares shall constitute one and the same class of shares.
- 5.6 Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide. Regulation 2 of Table A shall not apply.

## **6. Variation of Rights of Shares**

- 6.1 Subject to the provisions of the Act, the entitlement to dividends for the time being attached to the shares for the time being issued may from time to time (whether or not the company is being wound up) be varied with the consent, either in writing or at a separate general meeting of the holders of all of the shares, of the holders of not less than 95 per cent. in nominal value of all the issued shares. All the provisions of these articles as to general meetings of the company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum) and that any holder of a share present in person or by proxy may demand a poll.
- 6.2 Subject to the provisions of the Act, the voting rights and rights relating to the return of capital to members for the time being attached to the shares for the time being issued may from time to time (whether or not the company is being wound up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of all the issued shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of all of the shares. All the provisions of these articles as to general meetings of the company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum) and that any holder of shares present in person or by proxy may demand a poll.

## **7. Unissued Shares**

Subject to the provisions of the Act and to these articles, any unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may (subject to Article 4) offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as they may determine.

## **8. Initial Authority to Issue Relevant Securities**

Subject to any direction to the contrary which may be given by the company in general meeting and to Article 4, the directors are unconditionally authorised to exercise all powers of the company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of incorporation of the company or such other amount as may from time to time be authorised by the company in general meeting. The authority conferred on the directors by this article shall remain in force for a period of five years from the date of incorporation of the company but may be revoked varied or renewed from time to time by the company in general meeting in accordance with the Act.

## **9. Exclusion of Rights to Offers on a Pre-emptive Basis**

Section 89(1) of the Act shall not apply to the allotment by the company of any equity security.

## **10. Transfer of Shares**

10.1 The instrument of transfer of a subscriber's share which is not fully paid need not be executed by or on behalf of the transferee. Regulation 23 of Table A shall be modified accordingly.

10.2 Otherwise than in accordance with Articles 10.3 and 10.4 no member shall:-

10.2.1 pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its shares; or

10.2.2 sell, transfer or otherwise dispose of any of such shares (or any legal or beneficial interest therein); or

10.2.3 enter into any agreement in respect of the votes attached to shares; or

10.2.4 agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.

10.3 A member may transfer its shares to its Affiliate in circumstances where such Affiliate becomes a Pool Member at the same time as such member ceases to be a Pool Member.

10.4 If in relation to any of the members (the "Retiring Shareholder"):-

10.4.1 the Retiring Shareholder ceases to be a Pool Member for any reason; or

10.4.2 the Retiring Shareholder fails to remedy any material breach on its part of Schedule 34 to the Pooling and Settlement Agreement within 21 days after the service of any written notice by a majority (in number and value) of the other members complaining of such breach; or

10.4.3 any of the events set out in Clause 66.3.6 or 66.3.7 of the Pooling and Settlement Agreement shall occur in relation to the Retiring Shareholder,

then upon written notice to the Retiring Shareholder by any other member, the Retiring Shareholder shall transfer at par to a person selected by the directors all of the shares held by the Retiring Shareholder. All costs and expenses of such transfer shall be for the account of the Retiring Shareholder.

10.5 If a Retiring Shareholder shall fail or refuse to transfer any shares in accordance with its obligations under Article 10.4 the directors may authorise the company to execute and deliver a transfer from the Retiring Shareholder to a nominee on behalf of the Retiring Shareholder. The company may accept the consideration for the transfer and hold it on trust for the Retiring Shareholder, which acceptance shall be a good discharge to the nominee and may set off such amount against the costs and expenses of the transfer. The directors of the company shall cause the transferee to be registered as the holder of such shares and, following the registration of the transfer, the validity of the proceedings shall not be questioned by any person.

## **11. Proceedings at General Meetings**

11.1 The quorum at any general meeting shall consist of a majority in number of the members in person or by proxy. Regulation 40 of Table A shall be modified accordingly.

11.2 If, and for so long as, the company has only one member, that member or the proxy for that member or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the company or of the holders of any class of shares. Regulation 40 of Table A shall be modified accordingly.

- 11.3 The chairman at any general meeting shall not be entitled to a second or casting vote. Regulation 50 of Table A shall not apply.
- 11.4 In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly.

## **12. Votes of Members**

At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy for any member (regardless of the number or the holdings of the 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. Regulation 54 of Table A shall not apply.

## **13. Delivery of Proxies**

The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the directors, may be delivered to the office (or to such other place or to such person as may be specified or agreed by the directors) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in 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. Regulation 62 of Table A shall not apply.

## **14. Alternate Directors**

Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. Regulation 65 of Table A shall not apply.

## **15. Delegation of Directors' Powers**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such person or persons (whether directors or not) as they may resolve. Regulation 72 of Table A shall be modified accordingly and



references in Table A to a committee of directors or to a director as a member of such a committee shall include a committee established under this article or such person or persons.

**16. Appointment and Removal of Directors by Majority Shareholders**

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).

**17. Appointment of Directors by Board**

Without prejudice to the powers conferred by any other article, any person may be appointed a director by the directors, either to fill a vacancy or as an additional director.

**18. No Age Limit or Share Qualification**

No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age. No shareholding qualification for directors shall be required.

**19. Exclusion of Rotation Requirements and Other Provisions**

Regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.

**20. Disqualification and Removal of Directors**

The office of a director shall be vacated not only upon the happening of any of the events mentioned in regulation 81 of Table A but also if he is removed from office pursuant to these articles. Regulation 81 of Table A shall be modified accordingly.

**21. Directors' Gratuities and Pensions**

Regulation 87 of Table A shall not apply.

## **22. Notice and Conduct of Board Meetings**

Notice of a meeting of the directors 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 his last known address or any other address given by him to the company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively. In the case of an equality of votes, the chairman shall not have a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

## **23. Quorum for Board Meetings**

The quorum for the meetings of the board shall be constituted by the attendance (or participation by conference telephone in accordance with Article 24) of six directors throughout such meeting. Regulation 89 shall be modified accordingly.

## **24. Participation in Board Meetings by Telephone**

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone provided that participants acknowledge that they can speak to and 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.

## **25. Resolution in Writing**

A resolution in writing executed by all the directors or by all the members of a committee for the time being shall be as valid and effective as a resolution passed unanimously at a meeting of the board or, as the case may be, of the committee properly convened and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. A resolution signed by an alternate director need not also be signed by his appointor 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. Regulation 93 of Table A shall not apply.

## **26. Directors May Vote When Interested**

A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the directors in accordance with the Act. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Regulations 94 and 95 of Table A shall not apply.

## **27. Official Seal**

The company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

## **28. Notices**

Any notice or other document may be served on or delivered to any member by the company either personally, or by sending it by post 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 his registered address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall not apply.

## **29. Time of Service**

Any notice or other document, if sent by the company by post, shall be deemed to have been served or delivered twenty four hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left by the company 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 left or sent. Regulation 115 of Table A shall not apply.

## **30. Indemnity of Officers**

Subject to the provisions of the Act, the company may indemnify any director or other officer against any liability and may purchase and maintain for any

director or other officer or auditor insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company shall be indemnified, and if the board so determines an auditor may be indemnified, out of the assets of the company against any liability incurred by him as a director or other officer of the company, or as auditor, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Act in which relief is granted to him by the court. For the purposes of this article no person appointed or employed by the company as an auditor is an officer of the company.