

No. 2023808 England

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM

and

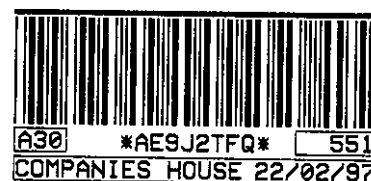
ARTICLES OF ASSOCIATION

**(as amended and adopted by Special Resolutions passed
on 9 September 1986 and 17 February 1997)**

of

BG EMPLOYEE SHARES TRUSTEES LIMITED

(Incorporated 29 May 1986)





CERTIFICATE OF INCORPORATION ON CHANGE OF NAME

Company No. 2023808

The Registrar of Companies for England and Wales hereby certifies that

BRITISH GAS EMPLOYEE SHARES TRUSTEES LIMITED

having by special resolution changed its name, is now incorporated
under the name of

BG EMPLOYEE SHARES TRUSTEES LIMITED

Given at Companies House, London, the 17th February 1997

S. Bashar

MISS S. BASHAR

For The Registrar Of Companies



C O M P A N I E S H O U S E



CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME

No. 2023808

I hereby certify that

PRECIS (507) LIMITED

having by special resolution changed its name, is now
incorporated under the name of

BRITISH GAS EMPLOYEE SHARES TRUSTEES LIMITED

Given under my hand at the Companies Registration Office,
Cardiff the 16TH SEPTEMBER 1986

A handwritten signature in black ink, appearing to read 'B.M. Jones'.

Mrs. B.M. JONES
an authorised officer



CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY

No. 2023808

I hereby certify that

PRECIS (507) LIMITED

is this day incorporated under the Companies Act 1985 as a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the 29TH MAY 1986

29TH MAY 1986

Donald Miller

D. M. VINEZ
an authorised officer

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

BG EMPLOYEE SHARES TRUSTEES LIMITED

1. The name of the Company is "Precis (507) Limited".* **
2. The registered office of the Company will be situated in England and Wales.
3. The objects for which the Company is established are:-
 - (A) To act as Trustees of any BG Employee Share Ownership Scheme as in force from time to time and to do all such things in the execution of such a Scheme as may be authorised directly or indirectly by any Deed or Deeds or other documents establishing or relating to it or otherwise.
 - (B) To undertake and discharge the office and duties of trustee of any share incentive or profit sharing or pension or superannuation scheme, fund, trust or arrangement or other trust, fund or scheme established or formed or which may from time to time be established or formed to provide, or to encourage or facilitate the holding or acquisition of, shares or other securities, shares of profits or any other benefits whatsoever (whether in money or in kind) for employees or directors or former employees or directors of BG plc or any subsidiary or associated company of BG plc, (or for other persons participating in any such scheme, fund, trust or arrangement) and to enable and encourage such employees or other participants to acquire, and to facilitate the acquisition, holding and disposal by them of shares or other securities or any interest therein whether in BG plc or any other company or other institution, and to do all such things in the execution of any such scheme, fund, trust or arrangement as may be authorised directly or indirectly by any Deed or other document establishing or relating to the same or otherwise.
 - (C) To act as a custodian trustee or other trustee of any fund or trust established or which may from time to time be established in connection with the undertaking of BG plc and in particular for the provision of shares or other securities for

* The name of the Company was changed to British Gas Employee Shares Trustees Limited by special resolutions on 9 September 1986.

** The name of the Company was changed to BG Employee Shares Trustees Limited by special resolution on 17 February 1997.

and in respect of all or any persons who are or have been employed in, or directors of, that undertaking or the widow, widowers, children, dependants or relatives of such persons, and in so acting to exercise all powers, authorities and discretion as may from time to time be vested in the company as a trustee of, or for the purposes of, any such fund or trust.

- (D) To undertake and carry on the office and duties of trustee, agent, executor, administrator, liquidator, receiver, attorney or nominee of, or for, any person.
- (E) To undertake and execute any trust or discretion the undertaking whereof may seem desirable and the distribution amongst the beneficiaries or other persons entitled thereto of any income capital or annuity whether periodically or otherwise and whether in money or specie, in furtherance of any trust direction, discretion or other obligation or permission.
- (F) To transact and carry on agency business in relation to the investment of money, the realisation of property and assets and the collection and receipt of money.
- (G) To invest the moneys of the Company not immediately required for its purposes in such manner including investment in shares and other securities and interests therein as from time to time may be thought fit and to lend money, and grant or provide credit and financial accommodation to any person.
- (H) To acquire by any means any real or personal property or rights whatsoever.
- (I) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.
- (J) To make experiments in connection with any business or proposed business of the Company, and to apply for or otherwise acquire in any part of the world any patents, patent rights, brevets d'invention, licences, protection and concessions which may appear likely to be advantageous or useful to the Company, and to use and manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (K) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection therewith, or to acquire an interest in, amalgamate or enter into any arrangements for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon.

- (L) To acquire and hold shares or other interests in or securities of any other company and otherwise invest and deal with the moneys of the Company.
- (M) To lend money or give credit to such persons on such terms as may seem expedient.
- (N) To borrow money and to secure by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the discharge by the Company or any other person of any obligation or liability.
- (O) To guarantee the performance of any obligation by any person whatsoever, whether or not for the benefit of the Company.
- (P) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (Q) To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state municipality, department or other authority for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.
- (R) To enter into any arrangements with any governments or authorities (supreme, municipal, local or otherwise), or any other persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (S) To establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company or any such other company as aforesaid, or who may be or have been directors or officers of the company, or of any such other company as aforesaid, and the wives,

widows, families and dependants or any such persons, and to establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of, the Company or of any other company as aforesaid, or of any such person as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

- (T) To procure the Company to be registered or recognised in any part of the world.
- (U) To promote any other company for the purpose of acquiring all or any of the liabilities of the company, or of undertaking any business or operations which may appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company as aforesaid.
- (V) To dispose by any means of the whole or any part of the assets of the Company.
- (W) To distribute among the members of the Company in kind any assets of the Company.
- (X) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.
- (Y) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (Z) To do all such things as aforesaid with or without remuneration.

AND IT IS HEREBY DECLARED that in this clause:-

- (a) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (b) unless the context otherwise requires, a reference to a person includes a reference to a company and a reference to a person or company includes a reference to a firm, partnership, corporation, government or other authority (municipal, local or otherwise), undertaking, organisation, association, statutory, public or other body and any other legal entity, whether resident, domiciled or situated (in any such case) in the United Kingdom or elsewhere;

- (c) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
- (d) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.

4. The liability of the Members is limited.

5. The share capital of the Company is £100 divided into 100 shares of £1 each.

We the several persons whose names, addresses and descriptions are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

NAME, ADDRESSES AND
DESCRIPTIONS OF SUBSCRIBERS

Number of Shares
Taken by each Subscriber

Bernd Ratzke
"Wrentham",
Blundell Lane,
Stock d'Abernon,
Cobham,
Surrey, KT11 2ST

One

Leon Neal,
34 Hill Crest,
Tunbridge Wells,
Kent.

One

Total Shares taken - Two

Dated the 14th day of May 1986

WITNESS TO THE ABOVE SIGNATURES:-

June Pattinson,
3 Victoria Court,
Romford,
Essex.

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- OF -

BRITISH GAS EMPLOYEE SHARES TRUSTEES LIMITED *

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (hereinafter called "Table A") shall apply to this Company save in so far as they are varied or excluded by or are inconsistent with these Articles. In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
2. Regulations 24 and 73 to 80 (inclusive) and Regulations 64 and 91 in Table A shall not apply to the Company.
3. Subject to the provision of these Articles the Company may allot any equity securities (as defined in Section 94(2) of the Act) as if Section 89(1) of the Act did not apply to the allotment and references in this Article to the allotment of equity securities include references to the grant of a right to subscribe for or to convert any securities into relevant shares (as defined in section 94(5) of the Act) in the Company.
4. The directors may in their absolute discretion, and without giving any reason, decline to register any transfer of any share, whether or not fully paid.
5. A member or members holding a majority in nominal value of the issued ordinary shares in the Company may appoint any person or persons as a director or directors, either as an addition to the existing directors or to fill any vacancy, and may remove from office any director however appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same, or in the case of a member being a company signed by one of its directors on its behalf and shall take effect upon lodgment at the office.
6. The number of directors shall not be less than three, but the Company may by Ordinary Resolution vary the minimum or maximum number of directors.
7. No person shall be disqualified from being or becoming a director by reason only of the fact that he has attained the age of seventy or any other age.

* The name of the Company was changed to BG Employee Shares Trustees Ltd by Special Resolution on 17 February 1997

3. The directors may with the prior consent of British Gas plc (as evidenced in writing under the hand of a director or the Secretary for the time being of British Gas plc) elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may but shall not be obliged to choose one of their number to be a chairman of the meeting.
9. The directors may appoint any person or persons to be a director or directors, either to fill a casual vacancy or as an addition to the existing directors.
10. The Company may at any time and from time to time by ordinary resolution appoint any person or persons to be a director or directors either to fill a casual vacancy or as an addition to the existing directors and, without prejudice to the provisions of the Act, may at any time remove a director from office.
11. The removal of a director under article 5 or 10 shall be without prejudice to any claim such director may have for breach of any contract of service between him and the Company.
12. A director who has duly declared his interest, (so far as he is required to do so) may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be counted in the quorum when any such contract, arrangement or matter is under consideration and Regulations 94 to 97 (inclusive in Table A) shall not apply to the Company.
13. The following shall apply to the Company instead of Regulation 101 of Table A:-
 - 101(a) The seal shall be under the charge of the secretary or such other person as the directors may from time to time appoint and shall only be used by the authority of the directors or of such person as the directors may from time to time authorise for the purpose.
 - (b) Every instrument to which the seal shall be affixed shall be signed only by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.
 - (c) Any such appointment or authorisation mentioned in this Article may be made or given generally or in any particular case or cases.

14. The following shall apply to the Company instead of Regulation 118 of Table A:-

118. Every director, agent, auditor, secretary and other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is referred to in Section 310 of the Act) which he may incur in the execution of the duties of his office or otherwise in relation to that office and no director or other officer shall be liable for any loss, or damage which may happen to or be incurred by the Company in consequence of his execution of the duties of his office or otherwise in relation to that office. This regulation shall only have effect so far as its provisions are not avoided by the said section.