THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

BRITISH GAS TRADING LIMITED

No. 3078711

SPECIAL RESOLUTIONS

PASSED ON 19 JANUARY 1996

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1. **Memorandum of Association**

THAT the provisions of the Memorandum of Association of the Company be altered by the deletion of Clause 3 and the substitution of a new Clause 3 as set out in the printed document produced to this meeting marked "A".

2. **Articles of Association**

THAT the regulations set forth in the printed document marked "B" produced to this meeting be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all the existing Articles of Association of the Company.

J Patience
Assistant Secretary

REC *R0CY6MPI* 82
COMPANIES HOUSE 25/06/96

CERTIFICATE OF INCORPORATION

OF A PRIVATE LIMITED COMPANY

Company No. 3078711

The Registrar of Companies for England and Wales hereby certifies that

BRITISH GAS TRADING LIMITED

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

Given at Companies House, Cardiff, the 6th July 1995

M. L. Lewis
M. L. LEWIS

For The Registrar Of Companies

Certified a True Copy
This 13th day of February 1996

Lawrence
.....
Assistant Secretary

COMPANIES HOUSE

A

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

(Adopted by Special Resolution Passed on 19 January 1996)

BRITISH GAS TRADING LIMITED

COMPANY NUMBER: 3078711

INCORPORATED ON: 6 JULY 1995

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

Memorandum of Association

of

British Gas Trading Limited

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1 The Company's name is "British Gas Trading Limited".

2 The Company's registered office is to be situate in England and Wales.

3 The Company's objects are:

3.1 To receive, acquire or take over such property, rights and liabilities of British Gas plc as may be vested in, or transferred to, it pursuant to the Gas Act 1995 or otherwise and to carry on and, as appropriate, expand and extend the business or businesses and activities associated therewith or any part or parts thereof (including, without limitation, the business of a gas supplier and gas shipper).

3.2 To carry on all or any of the businesses of suppliers, distributors, developers, producers, manufacturers, refiners, distillers, processors, converters, storers, carriers, importers and exporters of, explorers and prospectors for, and dealers in, natural and other gases, petroleum and other hydrocarbons, coal and other minerals, chemicals, products derived from or connected with any of them, electricity and all other forms of energy.

3.3 To acquire (whether by purchase, lease, concession, grant or otherwise), establish, develop, exploit, operate and maintain land, claims, wells, mines, licences, concessions, drilling and mining rights, exploration and production rights, and rights and interests of all descriptions in or relating to the same, which may seem to the Company capable or possibly capable of affording a supply of natural or other gas, petroleum or other hydrocarbons, coal or other minerals, other forms of energy, chemicals or revenue derived directly or indirectly form any of them.

3.4 To install in any premises or place and to operate, use, inspect, maintain, repair, replace and remove meters or other devices for assessing the quantity or quality of supplies of gas and other substances and forms of energy and for other purposes connected with such supplies.

3.5 To locate, establish, construct, equip, operate, use, manage and maintain production, treatment and storage facilities (including underground storage facilities), refineries, factories, works, plants, platforms, derricks, rigs, warehouses, depots, office and other buildings, compressor stations, laboratories, research stations, wharves, jetties, terminals, transport facilities, loading facilities, roads, railways, structures, installations and facilities of all kinds, whether for the purposes of the Company or for sale or hire to, or in return for any consideration from, any person, and to purchase or otherwise acquire, lease, charter and take or let on hire any of the same.

3.6 To carry on all or any of the businesses of suppliers, distributors, designers, developers, manufacturers, installers, fitters, repairers, maintainers, importers and exporters of, and dealers in, gas appliances, kitchen equipment and fittings, and all kinds of goods, equipment, fittings,

machinery, materials and installations connected with the use of gas for domestic, industrial, commercial or other purposes or with the conservation of gas or other forms of energy.

3.7 To carry on all or any of the businesses of inspectors, maintainers, repairers, reconditioners, servicers, coaters, designers, developers, manufacturers, constructors, installers, layers, fitters, hirers, letters of hire, suppliers, distributors, importers and exporters of, and dealers in, pipes, pipelines, equipment ancillary to the operation or use of pipes and pipelines, platforms, derricks, rigs, installations and facilities of all kinds, tools and machinery of every description, engineering and other equipment, plant, components, accessories and supplies of every description.

3.8 To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of business or activity which the Company has power to carry on, and to provide training and educational courses, instruction and materials, of every description, for employees of the Company and for other persons.

3.9 To carry on all or any of the businesses of, and provide services associated with, engineers (including, without limitation, gas, petroleum, drilling, mechanical, electrical, heating, ventilation, civil, chemical and telecommunications engineers), mechanics, technicians, geologists, draughtsmen, designers, surveyors, architects, builders and decorators.

3.10 To carry on any other business or activity of any nature whatsoever which may seem to the Directors to be capable of being conveniently or advantageously carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view directly or indirectly to enhancing the value of or to rendering profitable or more profitable any of the Company's assets or utilising its skills, know-how or expertise.

3.11 To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or investments of any nature whatsoever, and any options or rights in respect thereof or interests therein, and to buy and sell foreign exchange.

3.12 To draw, make, accept, endorse, discount, negotiate, execute and issue, and to buy, sell and deal with bills of exchange, promissory notes, and other negotiable or transferable instruments or securities.

3.13 To purchase, or otherwise acquire for any estate or interest any property (real or personal) or assets or any concessions, licences, grants, patents, trade marks, copyrights or other exclusive or non-exclusive rights of any kind and to hold, develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work.

3.14 To build, construct, alter, remove, replace, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control buildings, structures or facilities of all kinds, whether for the purposes of the Company or for sale, letting or hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.

3.15 To amalgamate or enter into partnership or any joint venture or profit/loss-sharing arrangement or other association with any company, firm, person or body.

3.16 To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm, person or body carrying on any business which the Company is authorised to carry on or possessed of any property suitable for the purposes of the Company.

3.17 To promote, or join in the promotion of, any company, whether or not having objects similar to those of the Company.

3.18 To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue of debentures, debenture stock or other securities of any description.

3.19 To advance, lend or deposit money or give credit to or with any company, firm or person on such terms as may be thought fit and with or without security.

3.20 To guarantee or give indemnities or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures or other securities, of any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company or is associated with the Company in business.

3.21 To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company.

3.22 To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for shares or other securities, whether fully or partly paid up.

3.23 To procure the registration, recognition or incorporation of the Company in or under the laws of any territory outside England.

3.24 To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or of its members.

3.25 To establish and maintain or contribute to any pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or otherwise is allied to or associated with the Company or any of the predecessors of the Company or any other such company as aforesaid, or who are or were at any time directors or officers of the Company or of any such other company, and the wives, widows, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; and to make payments for or towards the insurance of any such persons.

3.26 To establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of its employees or former employees, or those of its subsidiary or holding company or subsidiary of its holding company, or by or for the benefit of such other persons as may for the time being be permitted by law, or any scheme for sharing profits with its employees or those of its subsidiary and/or associated companies, and (so far as for the time being permitted by law) to lend money to employees of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or otherwise is allied to or associated with the Company with a view to enabling them to acquire shares in the Company or its holding company.

3.27 (i) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary undertaking or pension fund and (ii) to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purposes of this clause "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act 1985 as amended by the Companies Act 1989.

3.28 To distribute among members of the Company *in specie* or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any of the property or assets of the Company, or any proceeds of sale or other disposal of any property or assets of the Company, with and subject to any incident authorised and consent required by law.

3.29 To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.

3.30 To do all such other things as may be considered to be incidental or conducive to any of the above objects.

And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this Clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the Company and shall not be in any way limited by reference to any other paragraph or the order in which the same occur or the name of the Company.

4 The liability of the members is limited.

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

Names and Addresses of Subscribers	Number of Shares taken by each Subscriber
1	
Combined Nominees Limited 16-26 Banner Street London EC1Y 8QE	One
2	
Combined Secretarial Services Limited 16-26 Banner Street London EC1Y 8QE	One
Total Shares taken:	Two

"B"

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

[Adopted by Special Resolution passed on 19 January 1996]

of

British Gas Trading Limited

PRELIMINARY

1 The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first registered on the date of the adoption of these Articles) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated.

SHARE CAPITAL

2 The share capital of the Company at the date of the adoption of these Articles is £100 divided into 100 Ordinary Shares of £1 each.

3.1 Subject to Section 80 of the Act, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

3.1.1 Pursuant to and in accordance with Section 80 of the Act, the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of adoption of these Articles all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £98.

3.1.2 By such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.

3.2 Section 89(1) of the Act shall not apply to the allotment by the Company of equity securities.

3.3 Words and expressions defined in or for the purposes of the said Section 80 or the said Section 89 shall bear the same meanings in this Article.

PROCEEDINGS AT GENERAL MEETINGS

4 In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as so extended) shall apply *mutatis mutandis* to resolutions in writing of any class of members of the Company.

5 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must <u>either</u> be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of

the poll at which it is to be used or be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine-made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

VOTES OF MEMBERS

6 At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy (or being a corporation present by a duly authorised representative) 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 shall not apply.

NUMBER OF DIRECTORS

7 The Directors shall not be less than two in number. Regulation 64 shall be modified accordingly.

ALTERNATE DIRECTORS

8.1 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 shall not apply.

8.2 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

DELEGATION OF DIRECTORS' POWERS

9 In addition to the powers to delegate contained in Regulation 72, the Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons

other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that (a) the number of members who are not Directors shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless passed by a majority including at least one member of the committee who is a Director. Regulation 72 shall be modified accordingly.

APPOINTMENT AND RETIREMENT OF DIRECTORS

10 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the second and third sentences of Regulation 79 shall not apply, and other references in the said Table A to retirement by rotation shall be disregarded.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

11 The office of a Director shall be vacated in any of the events specified in Regulation 81 and also if he shall in writing offer to resign and the Directors shall resolve to accept such offer.

REMUNERATION OF DIRECTORS

12 Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine. Regulation 82 shall be extended accordingly.

PROCEEDINGS OF DIRECTORS

13 On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 98 shall not apply.

14 The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two persons so linked. 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.

NOTICES

15 A member whose registered address is not within the United Kingdom shall be entitled to have notices sent to him as if he were a member with a registered address within the United Kingdom and the last sentence of Regulation 112 shall not apply.

INDEMNITY

16.1 Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

16.2 Without prejudice to paragraph 16.1 of this Article the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in paragraph 16.3 of this Article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

16.3 For the purpose of paragraph 16.2 of this Article **Relevant Company** shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.