



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

Ordinary and Special Resolutions

of

British Gas Trading Limited

AT AN EXTRAORDINARY GENERAL MEETING of the Company duly convened and held on 27 June 1996 at 5.45 ~~am~~ pm the following Ordinary Resolutions and Special Resolution were duly passed as Ordinary Resolutions and a Special Resolution:

ORDINARY RESOLUTIONS

- 1 THAT the capital of the Company be increased from £100 to £101 by the creation of 1 redeemable 'A' Share of £1, such share to have the rights and restrictions attaching to it under the Articles of Association of the Company.
- 2 THAT the capital of the Company be further increased to £1,800,000,101 by the creation of 1,800,000,000 new Ordinary Shares of £1 each, such shares to rank in all respects pari passu with the 100 existing Ordinary Shares of £1 each in the capital of the Company.
- 3 THAT the Directors be generally and unconditionally authorised for the purpose of section 80 of the Companies Act 1985 to exercise any power of the Company to allot and grant rights to subscribe for or to convert securities into shares of the Company up to a maximum nominal amount equal to the nominal amount of the authorised but unissued share capital at the time of the passing of this resolution. Provided that the authority hereby given shall expire five years following the date of this resolution unless previously renewed, revoked or varied save that the Directors may, notwithstanding such expiry, 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 before the expiry of this authority.

SPECIAL RESOLUTION

- 4 THAT the Articles of Association of the Company be amended by:
 - 4.1 the insertion following Article 3 of the following:

“‘A’ SHARE

4.1 The holder of the ‘A’ Share shall not be entitled to any dividend, distribution or other right of participation in the profits of the Company.

4.2 On a return of capital on winding-up or otherwise, the holder of the ‘A’ Share shall be entitled to the repayment of a sum equal to £1, but shall not be entitled to any further right of participation in the assets of the Company.

4.3.1 The holder of the ‘A’ Share shall, by virtue of and in respect of its holding of the ‘A’ Share, have the right to receive notice of, attend, speak and vote at all general meetings of the Company.

4.3.2 Upon any resolution proposed at any general meeting of the Company, whether on a show of hands or on a poll, the holder of the ‘A’ Share (or, as the case may be his proxy or representative) shall be entitled to exercise a number of votes equal to 101 per cent (rounded up to the nearest whole number) of the votes capable of being exercised by the holder or holders for the time being of the Ordinary Shares (whether or not such holder or all such holders are present thereat).

4.4.1 The Company shall, subject to the Act, redeem the ‘A’ Share if at any time any of the issued Ordinary Shares of the Company or the ‘A’ Share shall cease to be beneficially and legally owned by British Gas plc or its wholly owned subsidiaries, such redemption to take effect on the date of such cessation but in point of time immediately prior thereto (the **“Redemption Time”**).

4.4.2 The Company shall redeem the ‘A’ Share at the Redemption Time and the holder of the ‘A’ Share shall be bound to deliver to the Company the certificate for such Share and upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.

4.4.3 There shall be paid on the ‘A’ Share if redeemed under sub-paragraph 4.4.1 the amount of £1 only.

4.4.4 As from the Redemption Time the ‘A’ Share shall be treated as having been redeemed, whether or not the certificate therefor shall have been delivered and the redemption monies paid, and such redemption monies, if remaining unpaid, shall constitute a debt of the Company subject to all the provisions of these Articles relating to monies payable on or in respect of a share.

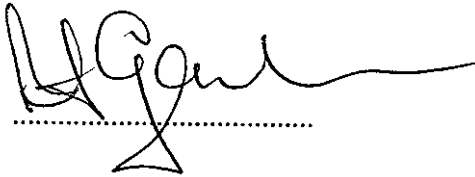
4.5 The ‘A’ Share may not be transferred to any person and no grant or disposition of any beneficial or other interest in the ‘A’ Share may be made to any person.”

- 4.2 the insertion following new Article 4 after the heading **“PROCEEDINGS AT GENERAL MEETINGS”** of the following:

“5 No business shall be transacted at any meeting unless a quorum is present. At such times as the Company shall have only one member, one member present in person or by proxy (or being a corporation present by a duly authorised representative) shall be a quorum. At such times as the Company shall have more than one member and the ‘A’ Share shall be in issue the holder of the ‘A’ Share (or, as the case may be his proxy or duly authorised representative) together with one other person entitled to vote upon the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum provided there shall be no quorum unless the holder of the ‘A’ Share (or, as the case may be his proxy or duly authorised representative) is present. At such times as the Company shall have more than one member and the ‘A’ Share shall not be in issue (whether because it has not been issued or because it has been redeemed or otherwise) two persons entitled to vote upon the business

transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. Regulation 40 shall not apply."

- 4.3 the re-numbering of existing Articles 4 to 16 accordingly together with the modification accordingly of references in the Articles of Association to such re-numbered Articles.

A handwritten signature in black ink, appearing to read 'H. G. ...', is written over a horizontal dotted line. The signature is fluid and cursive.

Chairman