

3750288

THE COMPANIES ACT 1985

**PRIVATE COMPANY LIMITED BY
SHARES**

ARTICLES OF ASSOCIATION

*(adopted by Special Resolution passed on 13th March 2003)
as amended by Special Resolution passed on 29th August 2003*

- of -

EDF TRADING LIMITED



PRELIMINARY

1. No regulations for management of a company set out in any schedule to, or subordinate legislation made under, any statute concerning companies shall apply to the Company, and these Articles alone shall be the Articles of Association of the Company.
2. In these Articles, if not inconsistent with the subject or context:-

"A" Director"	has the meaning set out in Article 95
"Act"	means the Companies Act 1985 including any statutory modification or reenactment thereof for the time being in force
"Acts"	means the Act, the Companies Act 1989 and all other statutes, orders, regulations or other subordinate legislation for the time being in force concerning companies so far as they apply to the Company
"Agreed Value"	means a value to be agreed between EDF and LD in a Relevant Agreement or otherwise
"Alternate Director"	means an alternate director appointed in accordance with Article 98
"these Articles"	means these Articles of Association as from time to time altered
"A" Share"	means an "A" Ordinary Share of 1.00 Euro in the capital of the Company
"Affiliated Entity"	means, in relation to a member, a body corporate, wherever incorporated, in which that member owns, in each case directly or indirectly, not less than 75% of the share capital of that body corporate carrying the right to vote at general meetings of the members of that body corporate or exercises, or is entitled to exercise pursuant to an unconditional right, not less than 75% of the voting rights attaching to the shares in issue of that body corporate
"Auditors"	means the auditors for the time being of the Company
"B" Director"	has the meaning set out in Article 95
"Board"	means the Directors or any of them acting as the board of directors of the Company
"B" Share"	means a "B" ordinary share of 1.00 Euro in the capital of the Company

"Business Day"	any day on which the banks are open for business in London and in Paris
"C" Share	means a "C" non-voting ordinary share of 1.00 Euro in the capital of the Company
"calendar year"	means a year from 1 January to 31 December inclusive
"Change of Control"	means the situation where the descendants of Leopold Louis-Dreyfus no longer hold, directly or indirectly, the majority of the share capital of LD
"clear days"	means in relation to the period of a notice, 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
"Default Transfer Notice"	has the meaning set out in Article 56
"Deferred Share"	means a deferred share of 1.00 US Dollar in the capital of the Company
"Directors"	means the directors for the time being of the Company
"dividend"	means dividend or bonus
"EDF"	means Electricité de France Service National, a public entity of a commercial and industrial character, registered number 552 081 317 RCS Paris, having its registered office at 22-30 Wagram, 75008 Paris, France
"Encumbrance"	means any mortgage, pledge, lien, charge, assignment, hypothecation, or other agreement or arrangement which has the same or similar effect to the granting of security
"Energy Products"	includes electricity, natural gas (excluding natural gas liquids) and all other fossil fuels (but excluding nuclear fuels) and water to the extent used to generate electricity and their component elements (including production and generation, capacity, transportation and transmission, storage and distribution)
"Event of Default"	means, in respect of any holder of Ordinary Shares, an event pursuant to any Relevant Agreement entitling any or all of the other parties thereto to deem that a Default Transfer Notice has been served by such holder of Ordinary Shares

"Europe"	means any of the following countries: Albania, Algeria, Andorra, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Finland, Former Soviet Union, Former Yugoslavia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Libya, Liechtenstein, Luxembourg, Malta, Monaco, Morocco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Spain, Sweden, Switzerland, Tunisia, Turkey, United Kingdom and the Vatican, but shall exclude France, and "European" shall be construed accordingly
"holder"	means, in relation to shares, the member whose name is entered in the Register as the holder of the shares
"LD"	means S. A. Louis Dreyfus & Cie, a company with a capital of 562 080 000 FFR, registered under the number 562 004 614 RCS Paris, having its registered office at the date of adoption of these Articles at 87, avenue de la Grande Armee, 75782 Paris Cedex 16, France
"member"	means a member of the Company
"Office"	means the registered office of the Company
"Ordinary Shares"	means A Shares, B Shares, C Shares and Redeemable Shares
"paid"	means paid or credited as paid
"Redeemable Share"	means a redeemable share of €0.01 in the capital of the Company
"Redeemable Shareholder"	means a holder of a Redeemable Share
"Redemption Price"	means € 38,774,166
"Register"	means the register of members of the Company
"Relevant Agreement"	means any agreement to which the holders of Ordinary Shares (in their capacity as shareholders in the Company) are party, relating to the business and affairs of the Company
"Seal"	means the common seal of the Company
"Second Deferred Share"	means a second deferred share of €1 in the capital of the Company
"Secretary"	means the secretary of the Company or any other person appointed by the Board to perform the duties of the secretary of the Company including a joint, assistant or deputy secretary

"Subsidiary Undertaking"	means a subsidiary undertaking of the Company, as that term is defined in sections 258 and 782A of the Act
"Transfer Notice"	has the meaning set out in Article 55
"Voting Shares"	means A Shares and B Shares
"in writing"	means written, or produced by any legible and non-transitory visible substitute for writing, or partly one and partly another
"year"	means any period of 12 consecutive months

Words denoting the masculine gender shall include the feminine and neuter genders; words denoting the singular number shall include the plural number and vice versa; words denoting persons shall include corporations.

Save as provided above any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Headings and the use of bold typeface shall be ignored.

All references in these Articles to the Act, to any section or provision of the Act or to any other statute or statutory provision shall be deemed to include a reference to any statutory re-enactment or modification thereof for the time being in force (whether coming into force before or after the adoption of these Articles).

SHARE CAPITAL

3. At the date of adoption of these Articles, the authorised share capital of the Company is 500,000 US Dollars divided into 500,000 Deferred Shares and 90,090,000 Euros divided into 20,010,000 "A" Shares, 9,990,000 "B" Shares, 51,000,000 "C" Shares, 9,000,000 Second Deferred Shares and 9,000,000 Redeemable Shares. The Deferred Shares, the "A" Shares, the "B" Shares, the "C" Shares, the Second Deferred Shares and the Redeemable Shares shall entitle the holders of those shares to the respective rights and privileges and subject them to the respective restrictions and provisions contained in these Articles.
4. All the Deferred Shares, all the Second Deferred Shares, all the Redeemable Shares, all the "A" Shares, all the "B" Shares and all the "C" Shares for the time being in issue shall constitute separate classes of shares respectively for the purposes of these Articles and the Act, but, except as otherwise provided by these Articles, the "A" Shares, the "B" Shares, the "C" Shares and the Redeemable Shares shall rank *pari passu* in all respects.

RIGHTS ATTACHING TO SHARES

5. Rights attaching to Ordinary Shares

Subject to any special rights which may be attached to any class of shares issued after the date of adoption of these Articles, the rights attaching to the Ordinary Shares are as follows:

(A) Capital

On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in paying to the holders of Ordinary Shares a sum equal to the nominal amount of each Ordinary Share held by them and secondly, subject to payments to be made to holders of Deferred Shares pursuant to Article 6(A), the balance of such assets (if any) shall be distributed amongst the holders of Ordinary Shares, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

(B) Income

Subject to the provisions of these Articles, the profits of the Company available for distribution and resolved to be distributed in respect of any financial year shall be distributed among the holders of Ordinary Shares. Every dividend shall be distributed to the holders of Ordinary Shares pro rata (as nearly as may be) according to the number of Ordinary Shares held by them respectively.

(C) Voting

Subject to any special rights, privileges or restrictions attached to any Ordinary Shares, at a general meeting of the Company on a show of hands every holder of any "A" Shares or "B" Shares who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by a representative duly authorised under section 375 of the Act (not being himself a member) shall have one vote, and on a poll every holder of "A" Shares and "B" Shares present in person, by representative or by proxy shall have one vote for every "A" or "B" Share of which he is the holder. The holders of "C" Shares and the Redeemable Shares shall, by virtue of or in respect of their holdings of "C" Shares or Redeemable Shares, respectively have no right to receive notice of any General Meeting of the Company, nor the right to attend, speak or vote at any such General Meeting.

6. Rights attaching to Deferred Shares and Second Deferred Shares

6.1 The rights attaching to the Deferred Shares and the Second Deferred Shares are as follows:

(A) Capital

On a return of assets on liquidation or otherwise, each holder of a Deferred Share or Second Deferred Share shall be entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon, but only after the sum of 100,000,000 Euros per Ordinary Share has been distributed amongst the holders of the Ordinary Shares, and the holders of the Deferred Shares and Second Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

(B) Income

The Deferred Shares and the Second Deferred Shares shall not entitle their holders to receive any dividend or other distribution.

(C) Voting

The holders of the Deferred Shares and the Second Deferred Shares shall, by virtue of or in respect of their holdings of Deferred Shares or Second Deferred Shares, have no right to receive notice of any General Meeting of the Company nor the right to attend, speak or vote at any such General Meeting.

(D) Share Certificates

Notwithstanding any other provisions of these Articles, and unless specifically required by the provisions of the Act, the Company shall not be required to issue any certificates in respect of Deferred Shares or Second Deferred Shares.

(E) Reduction of capital

Neither the passing by the Company of any special resolution for the cancellation of the Deferred Shares or Second Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares or Second Deferred Shares and accordingly the Deferred Shares and the Second Deferred Shares may at any time be cancelled for no consideration on the part of the holders of the Deferred Shares or the Second Deferred Shares.

(F) Conversion into Deferred Shares/Second Deferred Shares

The passing of a resolution of the Company to convert and/or sub-divide any share capital into Deferred Shares or Second Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person as the Company may determine and to cancel the same in accordance with the provisions of the Act without making any payment to or obtaining the sanction of the holders thereof and pending such transfer and/or cancellation to retain the certificates (if any) in respect thereof.

6A Redemption of the Redeemable Shares

- 6.A.1. Subject to the provisions of the Act, or any statutory modification or re-enactment for the time being in force, the Company shall have the right to redeem all of the Redeemable Shares at the Redemption Price on 13th March 2003 without serving notice, or on any subsequent business day upon giving to the Redeemable Shareholders not less than one business day's prior written notice of the date when such redemption is to be effected (any such date, including 13th March 2003, being the "**Redemption Date**").

- 6.A.2. Any notice given under Article 6.A.1 shall specify the applicable Redemption Date and upon the Redemption Date the Company shall redeem the Redeemable Shares and the Redeemable Shareholders shall be bound to deliver to the Company the certificate(s), if any, relating to the Redeemable Shares held by them. The Company shall thereafter distribute the Redemption Price amongst the Redeemable Shareholders rateably according to the number of Redeemable Shares held by them.

VARIATION OF RIGHTS

7. Subject to the Acts, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of such holders (but not otherwise).
8. So long as LD and/or its Affiliated Entities hold one quarter or more of the aggregate of the "A" Shares and "B" Shares in issue, the rights conferred upon the holders of the "B" Shares shall be deemed to be varied by:-
- 8.1 any amendment of the memorandum of association of the Company, or these Articles;
 - 8.2 any resolution to wind up the Company;
 - 8.3 any issue and allotment of any shares by the Board pursuant to Article 10.2 or any issue of other financial instruments of the Company or any redemption or acquisition by the Company of any such shares or financial instruments;
 - 8.4 any change of the accounting methods or the auditors of the Company;
 - 8.5 the selection or removal of the Chief Executive or any change in the scope of his authority or his compensation;
 - 8.6 any material transaction to be realised outside the ordinary course of the Company's business, except any matter in respect of which the prior approval of the Board of Directors is required pursuant to Article 112; and
 - 8.7 the voting of any dividends or the making of any distribution;
 - 8.8 and the rights conferred upon the holders of each of the "B" Shares and of the "A" Shares, as separate classes, shall be deemed to be varied by the removal from office of a Director appointed by that class.

INCREASE IN AUTHORISED SHARE CAPITAL AND ISSUE OF SHARES

9. Increase in authorised share capital

The authorised share capital of the Company may be increased by ordinary resolution of the members in general meeting pursuant to section 121 of the Act.

10. Authority to allot share capital

- 10.1 The issue and allotment by the Board of share capital may, if such issue and allotment is subject to the restrictions in Article 14, be approved by an ordinary resolution of the members in general meeting.
- 10.2 The issue and allotment by the Board of share capital in any other case shall be deemed to be a variation of the rights conferred upon the holders of the "B" Shares as a separate class in accordance with Article 8.3.

11. Pre-emption on issue

Any shares in the capital of the Company which are unissued from time to time shall be available for issue only as Ordinary Shares. Where such shares are Voting Shares, they shall before they are issued whether for cash or otherwise be offered to the members in proportion, as nearly as may be, to their holdings of Voting Shares.

12. Procedure for offering

The offer referred to in Article 11 shall be made by notice specifying the number of Voting Shares offered, the proportionate entitlement of the relevant member, whether the provisions of Article 14 shall apply, the price per share and stating that if the offer is not accepted within 5 days of receipt of such notice (the "**Offer Period**"), it will be deemed to be declined.

13. Allotment of shares after offers

At the expiration of the Offer Period, and subject to Article 14, where applicable, the Directors shall allot the Voting Shares so offered to or amongst the members who have notified their willingness to take all or any of such Voting Shares in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of shares he has indicated his willingness to take. The Directors shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article.

14. Restrictions on rights of holders of A Shares to subscribe for new voting shares

- 14.1 In the event that the Board is granted authority to issue and allot new Voting Shares in accordance with Article 10.1 and LD and/or its Affiliated Entities have declined or are deemed to have declined all or part of their entitlement of Voting Shares offered in accordance with Article 12, and where:

- (A) LD and/or its Affiliated Entities have, by way of subscription for shares in the Company, invested in aggregate the equivalent of 200,000,000 Euros or more in the Company; or
- (B) LD and/or its Affiliated Entities have undertaken irrevocably that they will, by way of subscription for shares in the Company, have invested in aggregate the equivalent of 200,000,000 Euros or more in the Company within 90 days of the date of issue of the Voting Shares in question,

then, EDF and/or its Affiliated Entities shall only be entitled to subscribe for such number of Voting Shares as would result in the aggregate number of Voting Shares

held by them representing no more than 75% of all of the Voting Shares for the time being in issue.

- 14.2 In the event that LD and/or its Affiliated Entities fail to comply with their undertaking pursuant to Article 14.1, paragraph (b) above within the relevant period set out therein, the restrictions set out in this Article 14 shall cease to apply and EDF and/or its Affiliated Entities may subscribe for the full number of Voting Shares to which they are entitled pursuant to Article 13.

15. Issue other than to members

No shares may be allotted or issued to any person who is not immediately prior to such allotment or issue a holder of shares.

16. Disapplication of statutory pre-emption provisions

Sections 89 and 90 of the Act shall not apply to the allotment of equity securities by the Company.

17. No renunciation of allotment

- 17.1 No Ordinary Shares shall be allotted on terms that the right to take up the Ordinary Shares allotted may be renounced in favour of, or assigned to, another person (except for an Affiliated Entity of the person entitled to such Ordinary Shares) and no person entitled to an Ordinary Share may direct that such Ordinary Shares be allotted or issued to another person (except for an Affiliated Entity of the person entitled to such Ordinary Shares).

- 17.2 Where Ordinary Shares are allotted to, renounced in favour of, or assigned to an Affiliated Entity of the person entitled to such Ordinary Shares, the restrictions set out in Articles 51 to 53 inclusive shall apply, as if such Ordinary Shares were being transferred to an Affiliated Entity.

18. Designation of shares

Any Voting Share allotted pursuant to Article 13 to a member by reference to his holding of Voting Shares shall on issue be designated a Voting Share of the same class as the holding by reference to which such Voting Share is issued.

19. Waiver or variation

With the prior written approval of all of the holders of Ordinary Shares, any of the restrictions or other provisions of these Articles may be waived or varied by the Directors at a meeting of the Board in relation to any proposed issue of Ordinary Shares.

SHARES

20. Subject to the provisions of the Acts, shares may be issued which are to be redeemed or are 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 or in accordance with these Articles.
21. 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 these Articles or by

law) the Company shall not be bound to recognise any interest in any share except an absolute right to the entirety of the share in the holder.

22. Shares may not be registered in the names of more than four persons jointly.

SHARE CERTIFICATES

23. Every member (other than a person who is not entitled to a certificate under the Acts or these Articles) 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 the shares comprised in a certificate, to a certificate for the balance of such shares. Shares of different classes may not be included in the same certificate. 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.
24. Share certificates of the Company (other than letters of allotment, scrip certificates and other like documents) shall, unless the Board by resolution otherwise determines, either generally or in any particular case or cases, be issued under the Seal or under any official seal kept by the Company by virtue of section 40 of the Act. Every share certificate shall specify the number and class of the shares to which it relates and the amount paid up on such shares.
25. If a share certificate is worn out, defaced, lost, stolen or destroyed, it may be renewed without payment of any fee but on such terms (if any) as to evidence and indemnity with or without security and otherwise as the Board requires and, in the case of a worn out or defaced certificate, on delivery up of that certificate. In the case of loss, theft or destruction, the person to whom the new certificate is issued may be required to pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity.

LIEN ON SHARES

26. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Board 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 and to any share or security issued in right of it.
27. The Company may sell in such manner as the Board determines any shares on which the Company has a lien if the 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 by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.
28. To give effect to a sale the Board may authorise some person to execute an instrument of transfer or otherwise effect the transfer of the shares sold to, or in accordance with the directions of, the purchaser. The purchaser shall not be bound to see to the application of the purchase moneys, and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. Giving effect to a sale

29. The net proceeds of the sale, after payment of the costs of sale, shall be applied in or towards 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, if any, for the shares sold and subject to a like lien for any moneys 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

30. Subject to the terms of allotment, the Board may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to at least fourteen clear days' notice having been given 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 jointly and severally with the successors in title to his shares for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
31. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
32. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of that share.
33. If a call remains unpaid after it has become due and payable the person from whom the sum 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, but the Board may waive payment of the interest wholly or in part.
34. 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 these Articles shall apply as if that amount had become due and payable by virtue of a call.
35. Subject to the terms of allotment, the Board 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.
36. The Board may, if it thinks fit, receive from any member willing to advance it, all or any part of the moneys uncalled and unpaid upon any shares held by him, and may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at the appropriate rate or at such other rate as may be agreed between the Board and such member, subject to any directions of the Company in general meeting.

FORFEITURE AND SURRENDER OF SHARES

37. If a call remains unpaid after it has become due and payable the Board 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 any costs, charges and expenses 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.

38. 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 Board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. The Board may accept upon such terms and conditions as may be agreed a surrender of any share liable to be forfeited and, subject to such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
39. Subject to the provisions of the Acts, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines 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 Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer or otherwise effect the transfer of the share to that person.
40. 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, if any, for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate from the date of forfeiture until payment but the Board 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.
41. A statutory declaration by a Director or the Secretary that a share has been forfeited or sold to satisfy a lien of the Company 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 relating to the forfeiture, sale or disposal of the share.

GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

42. General restriction on transfer

The right to transfer Ordinary Shares shall be subject to the rights and restrictions set out in Articles 42 to 60 inclusive and no Ordinary Share nor any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions. For the purposes of these Articles 42 to 60 inclusive, Ordinary Shares shall include any security or right giving an immediate or deferred right to the ownership of Ordinary Shares.

43. Right to charge shares

A member may not create or permit to subsist any Encumbrance on or affecting any of the Ordinary Shares held by it.

44. Provision of information – transfer of Ordinary Shares

For the purpose of ensuring that a transfer of Ordinary Shares is in accordance with these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice or a Default Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining when a Transfer Notice or a Default Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining whether any relevant provisions of these Articles apply, the Directors may require any member, the representative of any member appointed pursuant to section 375 of the Act, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors shall think fit regarding any matter which they may deem relevant to such purpose.

Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request the Directors shall refuse to register the transfer in question or (in the case where it is determined that a transfer is required by these Articles) shall give notice in writing of such fact to all holders of Ordinary Shares.

45. Completion of Share Purchase

Completion of the purchase of any Ordinary Shares transferred pursuant to a Transfer Notice or Default Transfer Notice under these Articles shall, unless otherwise agreed by the parties to any such transfer, take place on the date set out in the Allocation Notice in accordance with Articles 55.4.3 and 56.7.2.

46. Entire interest

No transfer, disposal, charge, mortgage, assignment or other dealing in any Ordinary Shares or any interest or right therein shall occur other than the transfer, pursuant to and in accordance with the provisions of these Articles, of the entire legal and beneficial interest in a share free from all Encumbrances and other third party rights of whatever nature and with all rights, title and interest in existence at the date of transfer, together with all rights which may thereafter arise in respect thereof.

47. Registration of shares

47.1 The Board shall register the transfer of a share to any person only if the transfer has been carried out in accordance with these Articles and in no other circumstances.

47.2 A share may be transferred by an instrument of transfer in any usual form or in any other form which the Board may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.

47.3 The Board may also refuse to register a transfer of shares unless the instrument of transfer is:-

47.3.1 duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, is lodged at the Office or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;

47.3.2 in respect of only one class of shares; and

47.3.3 in favour of not more than four transferees.

48. Reasons for declining to approve a transfer

48.1 Subject only to Articles 44, 47 and 55.7.2, the Directors shall not be entitled to decline to register the transfer of any Ordinary Shares made pursuant to and complying with the provisions of Articles 42 to 60 inclusive unless they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in any material respect in accordance therewith, in which event they shall decline to register such transfer.

48.2 If the Board refuses to register a transfer, it shall within one week after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

48.3 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 or for making any entry in the Register affecting the title to any share.

48.4 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

49. Member to notify

If a member becomes aware of any event which is deemed to give rise, or may on determination by the other holders of Ordinary Shares be deemed to give rise, to an obligation to serve a Default Transfer Notice, or whereupon a Default Transfer Notice shall be deemed to be given, he shall forthwith give notice thereof to the Directors and to the other holders of Ordinary Shares.

50. Re-designation of Ordinary Shares

Whenever an A Share or B Share is transferred to a member holding Voting Shares of only the other class of Voting Shares such first mentioned share shall upon registration of the transfer be converted into and re-designated as a share of such other class and any share certificate issued to the transferee shall take account of such conversion and re-designation. Whenever a "C" Share or a Redeemable Share is transferred, it shall remain a "C" Share or a Redeemable Share.

PERMITTED TRANSFERS

51. Each of EDF and LD (as the case may be, the "Transferor") may at any time transfer any of its Ordinary Shares (the "Relevant Shares") to an Affiliated Entity of that Transferor without the giving of a Transfer Notice, provided that:
 - 51.1 such Affiliated Entity shall undertake to the other members to adhere to any Relevant Agreement to which that Transferor is party and which relates to the Relevant Shares; and
 - 51.2 that Transferor shall remain jointly and severally bound with that Affiliated Entity to comply with all obligations applicable to that Transferor and that Affiliated Entity under any such Relevant Agreement and these Articles.
52. An Affiliated Entity may at any time transfer any of the Relevant Shares back to the relevant Transferor or to another Affiliated Entity of that Transferor without giving a Transfer Notice provided that, in the latter case, the provisions of Articles 51.1 and 51.2 shall apply.
53. If Relevant Shares have been transferred (whether directly or by a series of transfers) by a Transferor (the "Relevant Transferor") to its Affiliated Entity, or by such Affiliated Entity to another Affiliated Entity of the Relevant Transferor, (in each case, the "Transferee") and subsequently the Transferee ceases to be an Affiliated Entity of the Relevant Transferor, then the Transferee shall forthwith transfer the Relevant Shares back to the Relevant Transferor or, at the Relevant Transferor's option, to an Affiliated Entity of the Relevant Transferor. If the Transferee fails to transfer the Relevant Shares within one day of the Transferee ceasing to be an Affiliated Entity of the Relevant Transferor then the Transferee shall be deemed to have served a Default Transfer Notice in respect of the Relevant Shares in accordance with the provisions of Article 56 below.
54. Notwithstanding the provisions of Articles 51 to 53 inclusive, at any time when EDF and/or its Affiliated Entities are holders of Ordinary Shares, they shall be entitled to transfer, in one or more transactions, up to (and including) fifty (50) per cent of such Ordinary Shares to Gaz de France Service National, a French public entity of a commercial and industrial character registered at the Paris Companies Registry with number B 542107651 ("GDF"), subject to the following:
 - 54.1 where EDF and/or its Affiliated Entities are parties to any Relevant Agreement relating to any of the Ordinary Shares so transferred, GDF shall adhere to the same Relevant Agreement(s) and, save as otherwise provided in this Article 54, shall be (mutatis mutandis) granted corresponding rights and subject to corresponding obligations as are applicable to EDF pursuant thereto;
 - 54.2 in the event that GDF wishes to transfer or dispose of all or any of its Ordinary Shares, the provisions of Article 55 shall apply, mutatis mutandis, with references to the Vendor being construed as references to GDF, provided that:
 - 54.2.1 such Ordinary Shares shall first be offered to EDF;
 - 54.2.2 in the event that such offer is not accepted in whole or in part by EDF within 21 days, those Ordinary Shares in respect of which EDF shall have declined

the relevant offer must then be offered to LD. If such offer is not accepted by LD within 14 days, it will lapse;

54.2.3 GDF shall not transfer its Ordinary Shares to a third party without the prior approval in writing of both EDF and LD;

and Article 55 shall be construed accordingly and, more particularly, references to the *Other Member* shall be construed accordingly.

54.3 For the avoidance of doubt, GDF shall have no right of pre-emption in respect of Ordinary Shares the subject of a Transfer Notice or Default Transfer Notice by EDF or LD (or their respective Affiliated Entities) and no consent from GDF shall be required in respect of any transfer of Ordinary Shares by EDF, LD or their respective Affiliated Entities.

55.A An employees' share scheme (within the meaning of Section 743 of the Act) may transfer any Ordinary Shares (or any interest therein) to any person who may lawfully receive a benefit under such a scheme (a "Beneficiary") and any Beneficiary under such a scheme may transfer any Ordinary Shares (or any interest therein) into such a scheme.

55.B EDF may transfer any Ordinary Shares (or any interest therein) to an employees' share scheme (within the meaning of Section 743 of the Act) and any such scheme may transfer Ordinary Shares (or any interest therein) to EDF.

TRANSFER OF SHARES

55. Subject to Articles 51 to 54B, before either EDF or LD (or any of their respective Affiliated Entities) (the "Vendor") transfers or disposes of any Ordinary Share or any interest in any Ordinary Share to a third party (the "Proposed Transferee") the Vendor shall give notice in writing (the "Transfer Notice") to the Company of its desire to do so.

55.1 The Transfer Notice:-

55.1.1 shall specify the number and class of Ordinary Shares desired to be transferred or disposed of ("**Offered Shares**");

55.1.2 shall specify the price per share which the Vendor is willing to accept for the Offered Shares and which the Proposed Transferee is willing to pay (the "**Offer Price**");

55.1.3 shall specify the identity and business of the Proposed Transferee willing to purchase both a legal and beneficial interest in the Offered Shares and any other terms or conditions to which such purchase would or may be subject;

55.1.4 shall constitute the Company by its Board as the Vendor's agent to offer and sell the Offered Shares to the other of EDF or LD (the "**Other Member**") at the Offer Price during the period expiring three months after the giving of the Transfer Notice (the "**Offer Period**") in accordance with the following provisions of this Article;

55.1.5 shall not be withdrawn; and

- 55.1.6 may contain a provision that unless all or a specified number of the Offered Shares are sold by the Company within the Offer Period pursuant hereto, the Transfer Notice shall be withdrawn and any such provision shall be binding on the Company.
- 55.2 The Offered Shares shall, within 14 days of the date the validly prepared Transfer Notice is received by the Company be offered by the Board in writing to the Other Member for purchase at the Offer Price. Such offer shall specify a time (not being less than 21 days) within which it must be accepted failing which it will lapse (the "Prescribed Period").
- 55.3 If the Other Member agrees, within the Prescribed Period, to purchase at the Offer Price, some or all of the Offered Shares, then the Company shall forthwith give notice (the "Allocation Notice") of the acceptance of the offer to purchase such number of the Offered Shares to the Vendor and to the Other Member. If the Transfer Notice stated that the Vendor is not willing to transfer part only of the Offered Shares or less than a specified number of such Offered Shares, the obligation in this Article to transfer shall not apply unless the Other Member has agreed to purchase all of the Offered Shares or not less than such specified number, failing which the Company shall not serve (an) Allocation Notice(s).
- 55.4 In every case an Allocation Notice shall specify:-
- 55.4.1 the number of Offered Shares agreed to be purchased by the Other Member;
- 55.4.2 the price of the Offered Shares (the "**Transfer Price**"); and
- 55.4.3 the place and time (being not earlier than 14 and not later than 28 days after the date of the Allocation Notice) at which the Transfer Price and any relevant stamp duties are to be paid by the Other Member and the Offered Shares are to be transferred by the Vendor.
- 55.5 The Vendor shall be bound to transfer the Offered Shares against tender of the Transfer Price in accordance with the terms of the Allocation Notice.
- 55.6 If after having become bound to transfer the Offered Shares pursuant to Article 55.5 the Vendor defaults in transferring the Offered Shares, then the following provisions shall apply:-
- 55.6.1 the Company may receive the purchase money and the Vendor shall be deemed to have appointed any Director or the Secretary as the Vendor's agent to execute a transfer of the Offered Shares in favour of the Other Member and to receive the purchase money in trust for the Vendor and to enter the transfer in the Register;
- 55.6.2 the receipt of the Company for the purchase money shall be a good discharge to the Other Member and after it has been entered in the Register as the holder of the Offered Shares in purported exercise of the power contained in Article 55.6.1 the validity of the proceedings shall not be questioned by any person; and
- 55.6.3 the Vendor shall be bound to deliver up the share certificate for the Offered Shares and on its delivery shall be entitled to receive the purchase price

without interest. If the certificate comprises any shares which the Vendor has not become bound to transfer the Company shall issue to the Vendor a share certificate for the balance of those shares.

- 55.7 If any of the Offered Shares are not the subject of an Allocation Notice and the Other Member has approved in writing of the Proposed Transferee and the terms on which the Offered Shares are to be transferred as specified in the Transfer Notice, the Vendor may dispose of the Offered Shares or any remaining Offered Shares to the Proposed Transferee on such terms within one calendar month of the date on which the Company shall notify the Vendor of such fact, Provided that:

55.7.1 if the Transfer Notice shall state that the Vendor is not willing to transfer part only of the Offered Shares or less than a specified number of the Offered Shares, it shall not be entitled to transfer any of such Offered Shares unless in aggregate the whole of such Offered Shares or, as relevant, not less than the specified number of such Offered Shares, are so transferred; and

55.7.2 the Directors may require to be satisfied that the Offered Shares are being transferred pursuant to a bona fide sale upon the material terms and for the consideration stated in the Transfer Notice as a fixed cash sum payable in full on completion of the sale without any deduction, rebate or allowance whatsoever to the Proposed Transferee and, if not so satisfied, may refuse to register the instrument of transfer.

COMPULSORY TRANSFER ON DEFAULT

56. Default Transfer Notice

- 56.1 Without prejudice to its obligations hereunder, if the Company receives notice (i) from EDF that an Event of Default has occurred in relation to LD or an Affiliated Entity of LD or that a Change of Control has occurred in relation to LD for the purposes of Article 60 (LD being in each case the "**Defaulting Shareholder**") or (ii) from EDF or LD that a Transferee has ceased to be an Affiliated Entity of the Relevant Transferor and has failed to transfer the Relevant Shares to the Relevant Transferor within one day pursuant to Article 53 (a "**Defaulting Transferee**"), and the person giving notice requires that the Defaulting Shareholder or any Affiliated Entity of the Defaulting Shareholder or the Defaulting Transferee, (as the case may be, the "**Defaulting Transferor**") makes an offer to sell its Ordinary Shares, the Defaulting Transferor shall be deemed immediately to have given a default transfer notice ("**Default Transfer Notice**") in respect of all of the Ordinary Shares held by it.
- 56.2 A Default Transfer Notice shall constitute a notice by the Defaulting Transferor to the Company of its desire to transfer all of the Ordinary Shares held by it (the "**Default Shares**"), at the Default Transfer Price, which shall be the Agreed Value of the shares in question.
- 56.3 The Board shall, within 14 days after the date on which the Default Transfer Notice is deemed to be given, offer the Ordinary Shares subject to a Default Transfer Notice in writing for purchase at the Default Transfer Price.
- 56.4 Such offer shall be made (with a copy thereof being sent to all holders of Ordinary Shares):

56.4.1 in the case of a Defaulting Shareholder and/or any Affiliated Entity of the Defaulting Shareholder, to EDF; and

56.4.2 in the case of a Defaulting Transferee, to its Relevant Transferor pursuant to Article 53.

To the extent that an offer pursuant to Article 56.4.2 is not accepted in whole or in part, and the relevant Default Shares transferred to the Relevant Transferor within the period provided by Article 56.5, the remaining Default Shares shall thereafter be offered by the Board at the Default Transfer Price within 7 days of the closing of the initial offer to the other of EDF and LD which is not the Relevant Transferor.

56.5 Each such offer shall specify a time (not being less than 21 days in the case of an initial offer and 14 days in the case of a subsequent offer) within which it must be accepted, failing which it will lapse (the "**Prescribed Period**").

56.6 If the person receiving an offer (the "**Offeree**") agrees within the Prescribed Period to purchase at the Default Transfer Price some or all of the Default Shares, then the Company shall forthwith give notice (the "**Allocation Notice**") of the acceptance of the offer to purchase such number of the Default Shares to the Defaulting Transferor and to such Offeree (the "**Purchaser**").

56.7 In every case an Allocation Notice shall specify:-

56.7.1 the price of the Default Shares (the "**Transfer Price**"); and

56.7.2 the place and time (being not earlier than 14 and not later than 28 days after the date of the Allocation Notice) at which the Transfer Price and any relevant stamp duties are to be paid by the Purchaser and the Offered Shares are to be transferred by the Defaulting Transferor.

56.8 The Defaulting Transferor shall be bound to transfer the Default Shares against tender of the Transfer Price in accordance with the terms of the Allocation Notice.

56.9 If after having become bound to transfer the Default Shares pursuant to Article 56.8, the Defaulting Transferor defaults in transferring the Default Shares, then the following provisions shall apply:-

56.9.1 the Company may receive the purchase money and the Defaulting Transferor shall be deemed to have appointed any Director or the Secretary as the Defaulting Transferor's agent to execute a transfer of the Default Shares in favour of the Purchaser(s) and to receive the purchase money in trust for the Defaulting Transferor and to enter the transfer in the Register,

56.9.2 the receipt of the Company for the purchase money shall be a good discharge to the Purchaser(s) and after it has been entered in the Register as the holder of the Default Shares in purported exercise of the power contained in Article 56.9.1 the validity of the proceedings shall not be questioned by any person; and

56.9.3 the Defaulting Transferor shall be bound to deliver up the share certificate for the Default Shares and on its delivery shall be entitled to receive the purchase price without interest. If the certificate comprises any shares which the

Defaulting Transferor has not become bound to transfer the Company shall issue to the Defaulting Transferor a share certificate for the balance of those shares.

- 56.10 The offer of Ordinary Shares pursuant to the Default Transfer Notice shall be without prejudice to all other rights and remedies the other holders of Ordinary Shares may have against the Defaulting Transferor.

57. Suspension of voting rights

The voting rights attached to any Ordinary Share in respect of which a Default Transfer Notice shall be deemed or required to have been given pursuant to these Articles shall forthwith be suspended until such time as the relevant share shall have been transferred in accordance with these Articles or such time as the Directors shall have notified the member that they have no prospect of finding purchasers thereof.

CHANGE OF CONTROL

58. Notice of Change of Control

If a Change of Control occurs, LD shall forthwith notify the Company and the other holders of Ordinary Shares of the fact.

59. Request by Ordinary Shareholders

Without prejudice to the obligations contained in Article 58, if any holder of Ordinary Shares believes that a Change of Control has occurred, it may by notice to LD and any Affiliated Entity of LD holding Ordinary Shares with a copy to the Company, require LD or such Affiliated Entity to certify whether such event has occurred and to provide reasonable evidence in support of such certificate. EDF shall have the sole discretion to decide whether such evidence is reasonable.

60. Effect of Change of Control

If:

- (a) LD gives notice pursuant to Article 58; or
- (b) a certificate given pursuant to Article 59 evidences a Change of Control; or
- (c) a Change of Control of LD is proved to have occurred, even though a certificate given pursuant to Article 59 evidences no Change of Control; or
- (d) no certificate pursuant to Article 59 is given within 28 days of a request that one be provided,

LD (and any Affiliated Entity of LD which for the time being holds Ordinary Shares) shall be deemed to have given a Default Transfer Notice in respect of all the Ordinary Shares held by it or them and the provisions of Articles 56 and 57 shall apply thereto accordingly.

TRANSMISSION OF SHARES

61. A person becoming entitled to a share by operation of law may, upon such evidence being produced as the Board may properly require and subject as subsequently

provided in these Articles, 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 provisions of these Articles relating to the transfer and the registration of transfers of shares (including any right to refuse to register any transfer) shall apply to the notice or transfer as if it were a transfer by the member and the event giving rise to the entitlement had not occurred.

62. Subject to any other provisions of these Articles, a person becoming entitled to a share by operation of law 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 receive notice of or 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

63. The Company may by ordinary resolution:-
- 63.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 63.2 subject to the provisions of the Acts, 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 or deferred rights or be subject to any restrictions as compared with the others;
- 63.3 cancel the nominal value of 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.
64. Subject to the provisions of the Acts and of Article 8.3, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any way.

PURCHASE OF OWN SHARES

65. Subject to the provisions of the Acts and of Article 8.3, the Company may purchase its own shares (including any redeemable shares) and any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected by the Board in any manner. The Company may make payment in respect of the redemption or purchase of its own shares whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise.

GENERAL MEETINGS

66. All general meetings other than annual general meetings shall be called extraordinary general meetings.
67. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Acts, shall forthwith convene an extraordinary general meeting for a date not later than twenty-eight days after receipt of the requisition. If there are

not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any two members may call a general meeting for the purpose of appointing Directors.

NOTICE OF GENERAL MEETINGS

68. Unless consent to short notice is obtained in accordance with the provisions of the Acts, an annual general meeting or an extraordinary general meeting called for the passing of a special resolution 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. Subject to the provisions of these Articles and to any restrictions imposed on any shares, every notice of meeting shall be given to all the members, all other persons who are at the date of the notice entitled to receive notices from the Company and to the Directors and Auditors.
69. Every notice calling a meeting for the passing of an extraordinary or special resolution shall specify the intention to propose the resolution as an extraordinary or special resolution (as the case may be) and the terms of the resolution. Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him and that a proxy need not be a member.
70. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice as required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

71. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The absence of a quorum shall not preclude the appointment of a chairman in accordance with the provisions of these Articles, which shall not be treated as part of the business of the meeting. One member present in person or by proxy or a representative duly authorised and entitled to vote upon the business to be transacted at the meeting shall be a quorum.
72. If such a quorum is not present within thirty minutes from the time appointed for the meeting, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same place and time one week later, or to such day (not being more than twenty-eight days after the date appointed for the meeting) and to such time and place as the Board may determine. If the meeting is adjourned for 14 days or more, not less than five days' notice thereof shall be given to the members. If at any such adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting, the member present in person or by proxy and entitled to vote upon the business to be transacted at the meeting shall be a quorum.
73. The chairman (if any) of the Board or in his absence the deputy chairman (if any) shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman present and willing to act as chairman at any meeting within thirty minutes after the time appointed for holding the meeting the "A" Directors present shall choose one of their number to be chairman and, if there is only

one "A" Director present and willing to act, he shall be chairman. If no "A" Director is willing to act as chairman, or if no "A" Director is present within thirty minutes after the time appointed for holding the meeting, the holders of "A" Shares present in person or by proxy and entitled to vote shall choose one of their number to be chairman of the meeting.

74. 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.
75. The chairman of a meeting at which a quorum is present may, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
76. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, or on the withdrawal of any other demand for a poll, a poll is demanded by the chairman of the meeting or any member present in person or by proxy or by a corporate representative having the right to vote at the meeting.
77. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting 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.
78. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting 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.
79. A poll shall be taken as the chairman of the meeting 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.
80. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the demand for the poll is made shall be entitled to a casting vote in addition to any other vote he may have.
81. A poll demanded on the election of a chairman of the meeting 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 (other than on the election of a chairman of the meeting or on a question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been 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.

82. 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.
83. A resolution in writing executed or approved in writing 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 or approved in writing by or on behalf of one or more members. If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly.

VOTES OF MEMBERS

84. Subject to any rights or restrictions attached to any shares, on a show of hands at a general meeting of the Company every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member present in person, by representative or by proxy, shall have one vote for every share of which he is the holder.
85. 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 for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register in respect of the joint holding. Jo
86. Unless the Board otherwise determines, no member shall attend or vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company or upon a poll, either in person or by proxy, in respect of any share held by him or exercise any other right or privilege conferred by membership in relation to any such meeting or poll unless all moneys presently payable by him in respect of that share have been paid.
87. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at the meeting or poll shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

PROXIES

88. 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 and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. No proxy shall in that capacity be entitled to speak at any general meeting, except to demand or join in a demand for a poll. A person appointed to act as a proxy need not be a member of the Company.

89. Proxy forms for use in respect of any general meeting shall be sent by the Company to all persons entitled to notice of and to attend and vote at that meeting. The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor or, if the appointor is a corporation, under the hand of a duly authorised officer or attorney and shall be in any common form or in any other form which the Board shall approve. The instrument appointing a proxy shall be deemed (subject to any contrary direction contained in the instrument) to confer authority to demand or join in demanding a poll and to vote on a poll on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit. The instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. If a member appoints more than one person to act as his proxy the instrument appointing each such proxy shall specify the shares held by the member in respect of which each such proxy is authorised to vote and no member may appoint more than one proxy (save in the alternative) to vote in respect of any one share held by that member.
90. The instrument appointing a proxy and (unless the Board otherwise decides) any authority under which it is executed or a copy of such authority certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other way approved by the Board shall:-
- 90.1 be deposited at the Office or at such other place within the United Kingdom as may be specified in the notice of meeting or any proxy form or other document accompanying the same not less than forty-eight hours before the time for holding the meeting or adjourned meeting or the taking of the poll at which the person named in the instrument proposes to vote; or
- 90.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid not less than 48 hours before the time appointed for the taking of the poll; or
- 90.3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the Secretary or to any Director;
- and an instrument of proxy which is not delivered or deposited in a manner so permitted shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting or poll, the one which is last delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other as regards that share; if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution.
91. A vote given or poll demanded by a 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 as is specified for the deposit of instruments of proxy not less than two hours before the time for holding 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 at or on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

REPRESENTATIVES OF CORPORATIONS

92. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person it thinks fit to act as its representative at any meeting of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company present in person and shall for the purposes of these Articles be regarded as a member present in person. Such representative may be required to produce a copy of such resolution certified by a proper officer of such corporation. s

CLASS MEETINGS

93. Unless otherwise provided by the terms of issue of any class of shares of the Company, all the provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings shall, mutatis mutandis, apply to every separate meeting of the holders of any class of shares of the Company, except that in the case of a meeting held in connection with the variation or abrogation of the rights attached to the shares of the class:-
- 93.1 the necessary quorum shall be one person at least holding or representing by proxy at least one-third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, the holder or holders of shares of the class who are present in person or by proxy, whatever his or their holdings;
- 93.2 a poll may be demanded by any holder of shares of the class present in person or by proxy; and
- 93.3 the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

NUMBER OF DIRECTORS

94. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternates) shall not be less than two nor more than ten.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 95.
- 95.1 The holders for the time being of a majority of the "A" Shares may from time to time appoint up to five persons to be Directors and these Directors and any alternate shall be called "A" Directors. The holders for the time being of a majority of the "B" Shares may from time to time appoint up to five persons to be Directors and these Directors and any alternate shall be called "B" Directors.
- 95.2 If there is a vacancy for the appointment of an "A" Director or a "B" Director and the holders of the majority of the "A" Shares or the "B" Shares (as the case may be) have not filled the vacancy in the manner set out in this article within ninety days of the creation of the vacancy, the Company shall convene a separate class meeting of the

holders of "A" Shares or "B" Shares (as the circumstances require) to elect a replacement "A" Director or "B" Director.

- 95.3 A Director appointed by a class of members pursuant to this article shall cease to be a Director from the date on which the members of the class at the time of his appointment cease to be members.
- 95.4 Any appointment or removal of a Director shall be made by notice in writing served on the Company and signed by the persons appointing or removing the Director. In the case of a corporation the notice 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.
96. No Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70 or any other age, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being appointed or reappointed notwithstanding that he has attained the age of 70 or any other age and no special notice need be given of any resolution for the appointment or reappointment as a Director of a person who shall have attained the age of 70 or any other age. Section 293 of the Act shall not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

97. Subject to Article 8, each "A" Director and "B" Director may at any time be removed from office by the holders of the "A" Shares or "B" Shares (as the case may be). Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. In addition, the office of a Director shall be vacated if:-
- 97.1 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 97.2 he becomes incapable by reason of physical incapacity or mental disorder of discharging his duties as a Director and the Board resolves that his office be vacated; or
- 97.3 he is absent from meetings of the Board during a continuous period of six months without permission of the Board and his Alternate Director (if any) shall not during such period have attended in his stead, and the Board resolves that his office be vacated; or
- 97.4 he ceases to be a Director by virtue of any provision of the Acts, is removed from office or becomes prohibited by law from being a Director; or
- 97.5 he resigns his office by notice to the Company.

ALTERNATE DIRECTORS

98. Any "A" Director may appoint any other "A" Director and any "B" Director may appoint any other "B" Director, or any other person approved by resolution of the Board and willing to act, to be an Alternate Director and may remove from office an Alternate Director so appointed by him.

99. The appointment of an Alternate Director shall automatically terminate in any of the following events:-
- 99.1 if his appointor terminates the appointment;
- 99.2 on the happening of any event which, if he were a Director, would cause him to vacate the office of Director;
- 99.3 if he resigns his appointment by notice to the Company;
- 99.4 if his appointor ceases for any reason to be a Director otherwise than by retiring and being reappointed or deemed to be reappointed at the meeting at which he retires;
- 99.5 if he is not a Director and the Board revokes its approval of him by resolution.
100. An Alternate Director shall be entitled at his appointor's request to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote and (save as provided in these Articles) be counted in the quorum at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence.
101. An Alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director and in respect of his office of Alternate Director may receive such remuneration from the Company as the Board may determine. An Alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
102. An Alternate Director shall, during his appointment, be an officer of the Company 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.
103. Any appointment or removal of an Alternate Director shall be in writing signed by the Director making or revoking the appointment or in any other manner approved by the Board and shall take effect (subject to any approval required by these Articles) upon receipt of such written appointment or removal at the Office or by the Secretary.
104. A Director or any other person may act as Alternate Director to represent more than one Director and an Alternate Director shall be entitled at meetings of the Board or any committee of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

POWERS OF THE BOARD

105. Subject to the provisions of the Acts, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the Memorandum of Association of the Company or these Articles and no such direction shall invalidate any prior act of the Board 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 Board by these Articles and a duly convened meeting

of the Board at which a quorum is present may exercise all powers exercisable by the Board.

106. The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board with power to sub-delegate.
107. The Board may from time to time, by power of attorney executed by the Company or otherwise, appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney or other authority may contain such provisions for the protection and convenience of persons dealing with any such attorney or agent as the Board may think fit and may also authorise any such attorney or agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

DELEGATION OF DIRECTORS' POWERS

108. Subject to the provisions of Article 112 the Board may delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers, authorities and discretions whose exercise involves or may involve agreement of the terms of service or termination of employment or appointment of or the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to any executive committee consisting of an equal number of "A" Directors and "B" Directors. The proceedings of a committee shall be governed by the provisions of these Articles regulating the proceedings of the Board so far as they are capable of applying although all decisions of such committee must be approved by all of its members. Insofar as any power, authority or discretion is delegated to a committee, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be read and construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

CHAIRMAN AND EXECUTIVE DIRECTORS

109. Subject to the provisions of the Act, the holders of the "A" Shares will appoint one of the "A" Directors to the non-executive office of chairman of the Board. Unless he is unwilling to do so, the chairman of the Board shall preside at every meeting of the Board at which he is present. But if there is no chairman of the Board holding office, or if at any meeting the chairman of the Board is not present and willing to preside within thirty minutes after the time appointed for the meeting, the "A" Directors present may appoint one of their number to be chairman of the meeting.
110. Subject to the provisions of the Act, during the first five years after the date of adoption of these Articles, the holders of the "B" Shares shall appoint a Chief Executive, who shall be an employee of the Company but not a "B" Director. Thereafter the Board may appoint any other person (being an employee of the Company but not an "A" or "B" Director) to the office of Chief Executive. Notwithstanding the foregoing, at any time after the date of adoption of these Articles the Board may appoint one or more of their number to any other executive office

under the Company and may enter into an agreement 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 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. Any appointment of a Chief Executive shall terminate if he ceases to be an employee of the Company.

111. The Chief Executive shall:

111.1 Prepare and submit to the Board no later than two (2) calendar months before the end of each accounting year a proposed business plan and budget in respect of the following accounting year prepared in accordance with guidelines previously agreed by the Board. Such business plan and budget shall then be subject to the approval of the Board. The Chief Executive shall not have the power to do anything pursuant to any such business plan and budget until they have been validly approved by the Board;

111.2 Comply with risk management guidelines and procedures and all other management procedures agreed between the holders of Ordinary Shares or the Directors;

111.3 have final authority, subject to such business plans, budgets and risk management guidelines and other limitations to his powers and subject to the general supervision of the Board, over the general policy and business of the Company and its subsidiaries and will have general control and management of the day-to-day affairs of the Company and its subsidiaries.

112. Each of the following matters shall require the prior approval of the Board (although the Chief Executive shall, subject to Article 113 have sole authority to submit such matters to the Board):-

112.1 any requests to members to make interest-free or interest-bearing advances to the Company or its subsidiaries;

112.2 any requests to members to provide guarantees to third parties of obligations of the Company or its subsidiaries;

112.3 any single transaction or group of related transactions involving an investment or a purchase by the Company or its subsidiaries of assets requiring a payment by the Company or its subsidiaries in excess of the equivalent of 2,000,000 Euros;

112.4 any contract imposing an obligation on the Company or its subsidiaries for a term of more than five years or any contract whose nominal value exceeds the equivalent of 5,000,000 Euros, excluding in both cases the Company's (and its subsidiaries') ordinary trading activities. Such ordinary trading activities are activities both physical and paper, in the spot and forward energy markets to hedge transactions in Energy Products and related services with European counterparties (including utilities, municipalities, and industrial, commercial and aggregated residential end-users), to profit from arbitrage opportunities or to commercially enhance through various forms of trading activity the value of assets and/or the value of sales and purchases by each of EDF, EDF's Affiliated Entities, the Company and the Company's subsidiaries;

- 112.5 the adoption of any business plan or budget of the Company or its subsidiaries or of any modifications to such business plan;
- 112.6 the modification of the risk management principles and policies, including any authorised market risk stop loss limits or the adoption of new guidelines, procedures or limits;
- 112.7 the incurrence of long-term debt or guarantees in excess of the equivalent of 2,000,000 Euros which have not been provided for in the current business plan of the Company or its subsidiaries;
- 112.8 entering any new line of business;
- 112.9 the adoption of procedures for establishing credit limits for customers and counterparties;
- 112.10 the adoption of any incentive compensation plan for Company personnel (including personnel employed by the Company's subsidiaries) linked to their remuneration;
- 112.11 the initiation or abandonment of litigation in which the Company or any of its subsidiaries seeks to recover more than the equivalent of 1,000,000 Euros; or
- 112.12 the formation of any subsidiary of the Company or of any joint venture with a third party;
- 113. The Chief Executive shall not have sole authority to initiate action in respect of any matter referred to in Articles 121.1 to 121.7 inclusive.
- 114. Subject to the provisions of Article 112 the Board may delegate or entrust to and confer upon any Director any of the powers, authorities and discretions exercisable by it (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw or vary all or any part of such powers.

REMUNERATION OF DIRECTORS

- 115. The ordinary remuneration of the Directors (other than any Directors appointed to executive office under these Articles) shall be such amount as the Directors shall from time to time determine. The ordinary remuneration shall be divided among such Directors in such manner as the Directors may determine. A Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. Any Director who, by request of the Board, performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

DIRECTORS' EXPENSES

- 116. The Directors may be paid all reasonable travelling, hotel and other expenses as they may properly incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' GRATUITIES AND PENSIONS

117. The Board 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 Undertaking or a predecessor in business of the Company or of any Subsidiary Undertaking, 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.

DIRECTORS' INTERESTS

118. A Director (including an alternate director) who is in any way, whether directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Board, declare, in accordance with section 317 of the Act, the nature of his interest. For the purposes of this Article and Article 119:-
- 118.1 a general notice given to the Board 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
- 118.2 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.
119. Subject to the provisions of the Acts, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:-
- 119.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 119.2 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;
- 119.3 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; and
- 119.4 may vote as a director in regard to any contract or arrangement in which he is *interested or upon any matter arising therefrom* and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration.

PROCEEDINGS OF THE BOARD

120. Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit. Meetings of the Board shall be held on the first Business Day of January,

April, July and October unless otherwise agreed by the Directors. In addition, special meetings of the Board may be called by the Chief Executive or the Chairman of the Board at any time. A Director may waive notice of any meeting either prospectively or retrospectively. Board meetings shall be called by at least four clear days' notice unless all of the directors entitled to attend such meeting agree to shorter notice. Such notice shall be given in writing to all of the Directors and shall specify the time and place of the meeting.

121. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the Board appointed pursuant to Article 109, if any, shall have a second or casting vote, save in respect of the following (insofar as they are to be considered by the Board):-
 - 121.1 any amendment of the memorandum of association of the Company, or these Articles;
 - 121.2 any resolution to wind up the Company;
 - 121.3 any issue and allotment of any shares by the Board pursuant to Article 10.2 or any issue of other financial instruments of the Company or any redemption or acquisition of any such shares or financial instruments;
 - 121.4 any change of the accounting methods or the auditors of the Company;
 - 121.5 the selection or removal of the Chief Executive or any change in the scope of his authority or his compensation;
 - 121.6 any material transaction to be realised outside the ordinary course of the Company's business, except any matter in respect of which the prior approval of the Board of Directors is required pursuant to Article 112; and
 - 121.7 the voting of any dividends or the making of any distribution.
122. The quorum for the transaction of the business of the Board may be fixed by the Directors and unless so fixed shall be two Directors. A person who holds office as an Alternate Director shall, if his appointor is not present, be counted in the quorum provided that a Director or Alternate Director who attends a meeting of the Board shall for the purposes of a quorum be counted as one person notwithstanding that he also attends such meeting as an Alternate Director or that he attends as an Alternate Director appointed by more than one Director.
123. Any Director or other person may participate in a meeting of the Board by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any person participating in the meeting in this manner shall be deemed to be present in person at that meeting. 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, at the place where the chairman of the meeting is at the time the meeting is held.
124. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board 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 in the Board or of calling a general meeting.

125. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board (not being less than the number required to form a quorum of the Board) or all members of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board 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 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.
126. All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director, Alternate Director or member of a committee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment or continuance in office of any Director, Alternate Director or person acting as aforesaid, 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, Alternate Director or member of a committee and had been entitled to vote.

SECRETARY

127. Subject to the provisions of the Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board. Two or more persons may be appointed as joint secretaries and the Board may also appoint from time to time on such terms as it may think fit one or more temporary or assistant or deputy secretaries.

MINUTES

128. The Board shall cause minutes to be kept:-
- 128.1 of all appointments of officers made by the Board; and
- 128.2 of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of committees of the Board, including the names of the Directors present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are approved, shall be sufficient evidence without any further proof of the facts stated in them.

THE SEAL

129. If the Company has a Seal it shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.
130. The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

DIVIDENDS

131. Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. 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.
132. Subject to the provisions of the Acts, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.
133. The Board may deduct from any dividend or other moneys payable on or in respect of a share to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
134. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. All unclaimed dividends may be retained by the Company or invested or made use of by the Company as the Board may think fit until they are claimed and so that the Company shall not be obliged to account for any interest or other income derived from them nor shall it be constituted a trustee in respect of them or be responsible for any loss thereby arising. Any interest or profits earned on unclaimed dividends invested or otherwise made use of shall belong to the Company. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.
135. Any dividend or other moneys payable in respect of a share shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividend shall be declared or at the date on which such other moneys shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
136. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets and in particular of fully paid shares or debentures of any other company, and the Board shall give effect to such directions. Where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.

ACCOUNTS

137. Any member holding Ordinary Shares in issue shall have a right to inspect any accounting records or other book or document of the Company and/or its subsidiaries and shall be supplied with all information, including copies of all published accounts,

directors' reports and notices of meetings of the Company and/or its subsidiaries and all other circulars and notices issued or given to members of or those dealing with the Company and/or its subsidiaries relating to the affairs and financial or other position of the Company and/or its subsidiaries. For this purpose, the Directors shall be entitled to pass any information to either of EDF or LD, subject to the restrictions in Article 152 and neither EDF, LD nor the Company shall raise any objection to such passing of information nor allege any breach of any duty of confidence to the Company as a result of such action. Furthermore, any such member may from time to time require that (at its own cost) an audit or review of the affairs of the Company and/or its subsidiaries is carried out and shall in such case be entitled to designate a person to carry out such audit or review on its behalf. Such person shall be entitled (a) to visit and inspect any premises of the Company and/or its subsidiaries and to discuss the affairs, finances and accounts of the Company and/or its subsidiaries with their officers and employees; and (b) to inspect and request and retain copies of any books, records or other documents relating to the affairs of the Company and/or its subsidiaries, and the Company shall afford such access and cooperation as may be reasonable in the circumstances to facilitate the carrying out of such audit or review.

138. Save as provided in Article 139, a copy of the annual accounts of the Company together with a copy of the Auditors' report and the Directors' report shall, not less than twenty-one days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings.

139. Copies of the documents referred to in Articles 137 and 138 need not be sent:-

139.1 to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or

139.2 to more than one of the joint holders of shares or debentures in respect of those shares or debentures,

Provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

CAPITALISATION OF PROFITS

140. The Board may with the authority of an ordinary resolution of the Company:-

140.1 subject as hereinafter provided, resolve to capitalise any undistributed 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;

140.2 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 such 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;

- 140.3 resolve that any shares so allotted to any member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly-paid, only to the extent that such partly-paid shares rank for dividend;
- 140.4 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
- 140.5 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 may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

- 141. Any notice or other document to be given pursuant to these Articles shall be in writing.
- 142. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his address in the Register or by leaving it at that address. In the case of joint holders of a share, all notices and other documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- 143. A member whose address in the Register is not within the United Kingdom shall be entitled to have notices given to him at that address.
- 144. 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 (and, where such person is one of the joint holders of a share, all the joint holders) shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 145. Every person who becomes entitled to any share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title. Service of notice on person entitled by transmission
- 146. A notice may be given by the Company to the persons entitled to a share by operation of law by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a member, addressed to them by name, at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the event giving rise to the transmission of the share by operation of law had not occurred. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

147. Any notice or other document if served by post shall be deemed to have been served three days following that on which the envelope containing the same is posted (by whatever class of post). In proving such service it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted. Any notice or other document delivered to or left at a registered address or address for service or otherwise than by post shall be deemed to have been served on the day it is so delivered or left. ved

AUTHENTICATION OF DOCUMENTS

148. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company and may certify copies thereof or extracts therefrom as true copies or extracts. Except in the case of manifest error a document which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in good faith that the document is true and complete and in the case of a copy of a resolution or an extract from the minutes of the Board or any committee of the Board that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

WINDING UP

149. 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 Acts, 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 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

150. Subject to Section 310 of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:-
- 150.1 defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
- 150.2 in connection with any application under section 727 of the Act in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
151. The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company

or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

TRANSITORY PROVISIONS

153. The Company shall, and the Directors and members of the Company shall ensure that the Company shall, comply with the provisions attached hereto, in accordance with the European Commission's decision no. IV/M 1557 of 28 September 1999.

Transitory Provisions

1. The Company shall comply and the Directors will ensure that the Company shall comply, with the following undertaking:
 - (i) to ensure that it is not involved in any way in the supply by EDF of electricity to eligible customers in France. Therefore, the Company shall not assist EDF in establishing the price and structuring offers in relation to eligible customers in France (including French sites of foreign groups) and shall not enter into contracts transferring the market risk for supply by EDF in France to the Company;
 - (ii) to ensure that appropriate procedures are put in place to prevent the transfer from the Company to the departments of EDF which deal with eligible customers in France, of know-how or information directly useful for establishing the price and structuring offers concerning eligible sites in France;
 - (iii) to ensure that all operations between EDF and the Company shall be reflected in the latter's accounts; and
 - (iv) to help and assist the independent observer (the "**Independent Observer**") appointed to ensure that the terms of the above undertaking are adhered to.
2. With respect to items (i) to (iii) above, the Company shall to the extent strictly necessary, co-operate with its shareholders and the Independent Observer.
3. All and any obligations or restrictions imposed on the Company by virtue of the above provisions shall cease to exist on the date being the earlier of (i) the date on which EDF and its Affiliated Entities cease to be shareholders of the Company; and (ii) the date on which the Company is notified in writing by EDF or LD that a Compliance Decision, as defined below, has been delivered to them by the EC Commission.

When EDF and LD consider that the French electricity market is legally and effectively open, they will make a detailed proposal allowing the EC Commission to decide whether eligible customers in France can legally and effectively choose suppliers other than EDF and whether electricity suppliers can legally and effectively supply these customers.

The EC Commission will make such decision (the "Compliance Decision") after consulting third parties.