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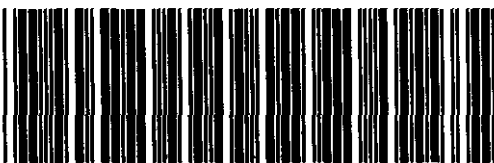
**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

Company No. 3894139

The Registrar of Companies for England and Wales hereby certifies that
NATIONAL GRID GOLD LIMITED

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

Given at Companies House, London, the 9th December 1999



N038941390

N. Richards.
MR. N. RICHARDS

For The Registrar Of Companies



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

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by Laserform International Ltd.

12

Please complete in typescript,
or in bold black capitals.

Declaration on application for registration

03894139

Company Name in full

NATIONAL GRID GOLD LIMITED



* F 0 1 2 0 F 1 0 *

I, HELEN MAYFIELD

of ARNHEIM TITE & LEWIS

† Please delete as appropriate.

do solemnly and sincerely declare that I am a [Solicitor engaged in the formation of the company] ~~person named as director or secretary of the company in the statement delivered to the Registrar under section 10 of the Companies Act 1985~~ and that all the requirements of the Companies Act 1985 in respect of the registration of the above company and of matters precedent and incidental to it have been complied with.

And I make this solemn Declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1835.

Declarant's signature

H Mayfield

Declared at *Speeniny Burcham 6 St Andrews Street London*

the *9* day of *December*

One thousand nine hundred and ninety *99*

① Please print name.

before me ① *BINA KOTHARI*

Signed

Bina Kothari

Date *9.12.99*

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor

Please give the name, address, telephone number and, if available, a DX number and Exchange of the person Companies House should contact if there is any query.

Arnheim Tite & Lewis
St Andrews House, 20 St Andrews St, London, EC4A 3TL

Tel 0171 212 1616
DX number 218 DX exchange Chancery Lane

When you have completed and signed the form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF4 3UZ DX 33050 Cardiff
for companies registered in England and Wales

or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB DX 235 Edinburgh
for companies registered in Scotland

Package: 'Laserform'
by Laserform International Ltd.

10

Please complete in typescript,
or in bold black capitals.

Notes on completion appear on final page

First directors and secretary and intended situation of registered office

03894139

Company Name in full

NATIONAL GRID GOLD LIMITED



* F 0 1 0 0 F 1 0 *

Proposed Registered Office

(PO Box numbers only, are not acceptable)

185 PARK STREET

Post town

LONDON

County / Region

Postcode

SE1 9DY

If the memorandum is delivered by
an agent for the subscriber(s) of
the memorandum mark the box opposite
and give the agent's name and address.

Agent's Name

Address

Post town

County / Region

Postcode

Number of continuation sheets attached

2

Please give the name, address,
telephone number and, if available,
a DX number and Exchange of
the person Companies House should
contact if there is any query.

Arnhem Tite & Lewis

St Andrews House, 20 St Andrews St, London, EC4A 3TL

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for companies registered in England and Wales

or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

for companies registered in Scotland

DX 235 Edinburgh

Company Secretary (see notes 1-5)

Company name NATIONAL GRID GOLD LIMITED

NAME *Style / Title MRS *Honours etc

Forename(s) FIONA BROWN

Surname SMITH

Previous forename(s) N/A

Previous surname(s) N/A

Address*Usual residential address*

For a corporation, give the registered or principal office address.

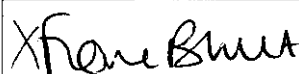
Post town CRICK

County / Region NORTHAMPTONSHIRE

Postcode NN6 7TP

Country ENGLAND

I consent to act as secretary of the company named on page 1

Consent signature**Date** 8 / 12 / 99**Directors** (see notes 1-5)*Please list directors in alphabetical order*

NAME *Style / Title MR *Honours etc

Forename(s) STEPHEN JOHN

Surname BOX

Previous forename(s) N/A

Previous surname(s) N/A

Address*Usual residential address*

For a corporation, give the registered or principal office address.

Post town DAVENTRY

County / Region NORTHAMPTONSHIRE

Postcode NN11 6YN

Country ENGLAND

Day Month Year

Date of birth

13 09 1950

Nationality

BRITISH


Business occupation

CHARTERED ACCOUNTANT

Other directorships

SEE LIST ENCLOSED

I consent to act as director of the company named on page 1

Consent signature**Date** 8 / 12 / 99

Company Secretary (see notes 1-5)**NAME** *Style / Title

*Honours etc

Forename(s)

* Voluntary details

Surname

Previous forename(s)

Previous surname(s)

Address**Usual residential address**

For a corporation, give the registered or principal office address.

Post town

County / Region

Postcode

Country

I consent to act as secretary of the company named on page 1

Consent signature**Date****Directors** (see notes 1-5)*Please list directors in alphabetical order***NAME** *Style / Title

*Honours etc

Forename(s)

Surname

Previous forename(s)

Previous surname(s)

Address**Usual residential address**

For a corporation, give the registered or principal office address.

Post town

County / Region

Postcode

Country

Day Month Year

Date of birth

03

01

1959

Nationality

BRITISH

Business occupation

GENERAL COUNSEL

Other directorships

SEE LIST ENCLOSED

I consent to act as director of the company named on page 1

Consent signature**Date**

8/12/99

Company number

NAME *Style / Title

*Honours etc

* Voluntary details

Forename(s)

Surname

Previous forename(s)

Previous surname(s)

Address**Usual residential address**

For a corporation, give the registered or principal office address.

Post town

County / Region

Postcode

Country

I consent to act as secretary of the company named on page 1

Consent signature**Date****Directors** (see notes 1-5)

Please list directors in alphabetical order

NAME *Style / Title

MR

*Honours etc

Forename(s)

PAUL NICHOLAS

Surname

PHILLIPS

Previous forename(s)

N/A

Previous surname(s)

N/A

Address**Usual residential address**

For a corporation, give the registered or principal office address.

Post town

County / Region

Postcode

N3 2QA

Country

ENGLAND

Day Month Year

Date of birth

23

12

1954

Nationality

BRITISH

Business occupation

CHARTERED ACCOUNTANT

Other directorships

SEE LIST ENCLOSED

I consent to act as director of the company named on page 1

Consent signature**Date**

8 / 12 / 99

(continued)

{see notes 1-5}

* Voluntary details	NAME	*Style / Title	MR	*Honours etc	
		Forename(s)	MARTIN		
		Surname	O'DONOVAN		
		Previous forename(s)	N/A		
		Previous surname(s)	N/A		
	Address	9 WOODFIELD LANE			
	Usual residential address				
	For a corporation, give the registered or principal office address.				
		Post town	ASHTEAD		
		County / Region	SURREY	Postcode	KT21 2BQ
		Country	ENGLAND		
	Date of birth	Day	Month	Year	Nationality
		14	11	1954	BRITISH
	Business occupation	CORPORATE TREASURER			
	Other directorships	SEE LIST ENCLOSED			
	I consent to act as director of the company named on page 1				
	Consent signature	M. O'Donovan			Date
					8 / 12 / 99

This section must be signed by

Either

**an agent on behalf
of all subscribers**

Signed

Date _____

Or the subscribers

Signed

Date _____

(i.e those who signed
as members on the
memorandum of
association).

Signed

Date _____

Signed

Date _____

Signed

Date _____

Signed

Date _____

Signed

Date _____

The Companies Act 1985



Company Limited By Shares

MEMORANDUM OF ASSOCIATION

of

NATIONAL GRID GOLD LIMITED

- 1 The name of the Company is **NATIONAL GRID GOLD LIMITED**.
- 2 The registered office of the Company will be situated in England.
- 3 The objects for which the Company is established are:
 - 3.1 To carry on all or any of the following businesses: Representatives, agents, factors, distributors, importers, exporters, manufacturers and wholesale and retail dealers for or on behalf of any individual, company, firm or other body or as principals in and about every kind of marketable product, process, materials and services of whatever description, and for these purposes to negotiate and handle contracts and agreements of all kinds, to act as representatives and agents of and for any individual, company, firm, association, authority, organisation or other body in any part of the world and for any purpose whatever, to tender for and to place contracts, investments and other rights, to act for and to provide all kinds of services, agencies and consultancies to all or any parties or prospective parties to any contract or other agreement, and to carry on business as advertising and publicity agents, sales promoters, marketing and market research specialists, direct selling and mail order specialists, exhibition and display contractors and promoters, merchandising agents, warehouses, storers, packers, customs house brokers, shipping and forwarding agents, clearing agents, wharfingers, insurance brokers, carriers, hauliers and providers of all kinds of facilities in connection with or ancillary to any of the above businesses and all other businesses at the discretion of the Directors.
 - 3.2 To buy, sell, export, manufacture and deal in all kinds of goods, stores and equipment whether in connection with any of the above activities or otherwise and to act as agents for all purposes.
 - 3.3 To apply for, purchase or otherwise acquire any patents, licences, concession, privileges and like rights, conferring a non-exclusive or exclusive or limited right to use, or any secret or other information as to any invention which may seem

N/100 £100
NW 003515
S/1007.

capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, grant licences in respect of, or otherwise turn to account, the rights and information so acquired.

- 3.4 To sell, improve, manage, develop, lease, mortgage, let, charge, dispose of, turn to account, or otherwise deal with all or any part of the undertaking or property or rights of the Company, and to sell the undertaking of the Company, or any part thereof for such consideration as the Company may think fit, and in particular for cash, shares, debentures or debenture stock or other obligations, whether fully paid or otherwise, of any other company.
- 3.5 To carry on the business of commission agents, factors, general merchants and dealers in every description of goods, exporters and importers, concessionaires, wholesale and retail traders, carriers, warehousemen, designers, advertising contractors or agents, or trustees, brokers or agents for any company.
- 3.6 To manufacture, refine, repair, purchase, sell, export, import, deal in or let on hire all kinds of goods, substances and other articles which may be advantageous to the Company or which any of the customers or other companies having dealings with the Company may from time to time require.
- 3.7 To carry on any other activity and do anything of any nature which may seem to the Company capable of being conveniently carried on or done by the Company in connection with the above, or may seem to the Company calculated directly or indirectly to benefit the Company.
- 3.8 To purchase, take on lease or licence or in exchange, apply for, hire, renew or otherwise acquire and hold for any estate or interest, and to sell, let, license or otherwise dispose of, in whole or in part, any lands, buildings, machinery, rights, stock-in-trade, business concerns, chooses in action, and any other real and personal property of any kind including all of the assets of the Company and to perform any services or render any consideration and to construct, equip, alter and maintain any buildings, works and machinery necessary or convenient for the Company's business and in each case for any consideration which may be thought fit.
- 3.9 To enter into partnership or any other arrangement for sharing profits or joint adventure or co-operation with any company carrying on, engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to subsidise or otherwise assist any such company.
- 3.10 To invest and deal with moneys of the Company not immediately required in or upon such investments (other than shares in the Company) and in such manner as may from time to time seem expedient.
- 3.11 To lend money to such companies with or without security and otherwise on such terms as may seem expedient.

- 3.12 To guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods, the performance of the contracts or obligations and the repayment or payment of the principal and premium of and interest and dividends on any securities or obligations of any company whether having objects or engaged or intending to engage in business similar to those of the Company or not.
- 3.13 To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon the undertaking and all or any of the property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue on such terms as may be thought expedient or securities of any description.
- 3.14 To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange, shipping documents and other negotiable or transferable instruments, and to buy, sell and deal in foreign currencies.
- 3.15 To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors) of the Company or of any company in which the Company (directly or through other companies) holds shares or of any predecessor in business of the Company or of its holding company, or to their dependants or relations or connections, and to make payments towards insurance for any such purpose, and to establish or support trusts, funds or schemes (whether contributory or non-contributory) for any such purposes or any other institutions, trusts, funds, schemes, clubs and conveniences calculated to benefit any such persons.
- 3.16 To promote or assist in promoting any company or companies in any part of the world and to subscribe for shares therein or other securities thereof for the purpose of carrying on any business which the Company is authorised to carry on or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- 3.17 To amalgamate with any other company in any manner whatsoever (whether with or without a liquidation of the Company).
- 3.18 To procure the Company to be registered or recognised in any country or place in any part of the world.
- 3.19 To compensate for loss of office any Directors or other officers of the Company and to make payments to any persons whose office, employment or duties may be terminated by virtue of any transaction in which the Company is engaged.
- 3.20 To pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company or any company promoted by the Company, the issue of the capital of the Company or any such other company, the negotiations between the promoters preliminary to the formation of the Company, the acquisition by the Company of any property or

assets and the accomplishment of all or any formalities which the Company may think necessary or proper in connection with any of the matters aforesaid.

- 3.21 To insure with any other company against losses, damages, risks and liabilities of all kinds which may affect the Company.
- 3.22 To act as directors or managers of, or to appoint directors or managers of, any subsidiary company or any other company in which the Company is or may be interested.
- 3.23 To contribute by donation, subscription, guarantee or otherwise to any public, general, charitable or other useful object whatever.
- 3.24 To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- 3.25 To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees, subsidiaries or otherwise.
- 3.26 To do all such other things as are incidental or conducive to the above objects or any of them.

It is hereby declared that the word "company" in this clause shall (except where referring to the Company) be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere. The intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed, be in nowise limited or restricted by reference to or inference from the terms of any other paragraph, from the name of the Company or from the order in which such objects are stated, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and independent company.

- 4 The liability of the members is limited.
- 5 The share capital of the Company is £10,000 and Euro 1,000, divided into 10,000 Ordinary Shares of £1 each and 1,000 Redeemable Preference Shares of Euro 1 each.

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

NAME AND ADDRESS OF SUBSCRIBER.

Number of shares taken by subscriber

NATIONAL GRID HOLDINGS LIMITED

2

185 Park Street

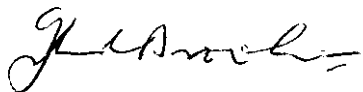
London

SE1 9DY



Dated this 8th day of December 1999

Witness to the above Signatures:



National Grid House
Kirby Corner Road
Coventry
CV4 8JY

The Companies Act 1985

Company Limited By Shares

ARTICLES OF ASSOCIATION

of

NATIONAL GRID GOLD LIMITED

INTERPRETATION

- 1 In these Articles:-

"The Act" means the Companies Act 1985;

"Table A" means Table A in the Schedule to the Companies (Tables A to F)

Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985.

- 2 The Regulations contained in Table A shall apply to the Company except in so far as the are excluded by or are inconsistent with these Articles.
- 3 Regulations 8, 24, 41, 59, 64, 65, 73 to 78, 80, 94 and 118 of Table A shall not apply to the Company.

SHARE CAPITAL

- 4 The share capital of the Company as at the date of the latest amendment to these Articles of Association is £10,000 and Euro1,000, divided into 10,000 Ordinary Shares of £1 each and 1,000 Redeemable Preference Shares of Euro1 each.

RIGHTS OF REDEEMABLE PREFERENCE SHARES

The rights attributable to the Redeemable Preference Shares and the limitations and restrictions to which they are subject are as follows:

Income

- (a) The Redeemable Preference Shares shall confer upon the holders thereof as a separate class the right in priority to any payment by way of dividend of the Company to receive a preferential dividend (the "Preferential Dividend") calculated in accordance with Article 4(b).
- (b) The Preferential Dividend shall in respect of each Redeemable Preference Share be an amount calculated at an annual rate of 5.2% on an amount in Euros equal to the aggregate of share capital and share premium for the time being paid up on such Redeemable Preference Share, such capital and premium being calculated, if paid up in any currency other than Euros, at the exchange rate as shall have applied on the date of payment of the capital or premium, in Euros exclusive of any imputed tax credit available to shareholders, in respect of (as to the first such dividend) the period commencing on the date of issue of the relevant Redeemable Preference Share and ending on 10 June 2000, and thereafter (as to the second such dividend) the period commencing on 11 June 2000 and ending on 10 December 2000, (as to the third such dividend) the period commencing on 11 December 2000 and ending on 20 April 2001, (as to the fourth such dividend) the period commencing on 21 April 2001 and ending on 10 December 2001, and (as to each subsequent such dividend) in respect of every period of 6 months thereafter until redemption of the relevant Redeemable Preference Share, and proportionately for any part of a 6 month period from the date of issue.

- (c) Subject to the provisions of the Act the Preferential Dividend shall:
- (i) be paid in Euros on 10 June 2000, 10 December 2000, 20 April 2001, 10 December 2001 and thereafter on 10 June and 10 December in each year beginning with 10 June 2002 and ending on redemption of the relevant Redeemable Preference Share; and
 - (ii) without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) accrue from day to day and on 10 June 2000, 10 December 2000, 20 April 2001, 10 December 2001 and thereafter on 10 June and 10 December in each year, beginning with 10 June 2002 and ending on redemption of the relevant Redeemable Preference Share, become a debt due from and immediately payable by the Company to the holders of the Redeemable Preference Shares pro rata according to the number of Redeemable Preference Shares held by each such shareholder, as the case may be.

Redemption

- (d) Subject to the Act, the Redeemable Preference Shares shall be redeemed by the Company as follows:
- (i) upon the Company giving prior notice in writing to the holder of the relevant Redeemable Preference Shares at any time on or after 20 April 2001 but not later than 10 December 2004; or
 - (ii) without notice, on 10 December 2004.
- (e) Where Redeemable Preference Shares are to be redeemed by prior written notice given by the Company or by the holder of the relevant Redeemable Preference Shares the notice to be given (the "Redemption Notice") shall specify the particular Redeemable Preference Shares the subject of the notice and the date (which shall be in accordance with the provisions of the Act) fixed for their redemption.

- (f) Where the Company has given a Redemption Notice, the Company shall be entitled to withdraw it upon giving a further notice to that effect to the relevant holder of the Redeemable Preference Shares at any time before the redemption takes place.
- (g) Where a Redemption Notice has been duly given and has not been withdrawn, or where Redeemable Preference Shares are to be redeemed in accordance with 4(d)(ii) above, the Company shall be obliged, subject to having sufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Redeemable Preference Shares on the date fixed for their redemption and to pay to the relevant holder of the relevant Redeemable Preference Shares an amount in Euros (the “Redemption Monies”) equal to the Euro capital and premium paid up, and such amounts shall, subject to the Company having available profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Redeemable Preference Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at an annual rate of 2% above the Euro base rate from time to time of Barclays Bank Plc in respect of the period from and including the due date down to and including the date of actual payment.
- (h) If the Company is unable, because of having insufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Redeemable Preference Shares on the date fixed for redemption, the Company shall redeem as many of such Redeemable Preference Shares as can lawfully and properly be redeemed and (unless the Redemption Notice is first withdrawn in respect of the remaining Redeemable Preference Shares) the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- (i) On the date fixed for redemption, each of the holders of Redeemable Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company’s registered office, the certificate(s) for such Redeemable Preference Shares (or an indemnity, in a form reasonably

satisfactory to the Board, in respect of any lost certificate(s)) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Redeemable Preference Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.

Capital

- (j) On a return of capital on winding-up or capital reduction or otherwise, the holders of the Redeemable Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to payment of an amount in Euros equal to the Euro capital and premium paid up, on each such Redeemable Preference Share together with a sum equal to all arrears or accruals (if any) of the Preferential Dividend irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the date of commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case). The holders of the Redeemable Preference Shares shall not be entitled to any further right of participation in the assets of the Company.

General Meeting

- (k) The holders of the Redeemable Preference Shares shall, by virtue of and in respect of their holdings of Redeemable Preference Shares, have the right to receive notice of, attend, speak and vote at a General Meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Redeemable Preference Shares (in which case they shall only be entitled to vote on such resolution).
- (l) Except in the circumstances set out above, the holders of the Redeemable Preference Shares shall not have the right to receive notice of, attend, speak or vote at any General Meeting of the Company.

Voting

- (m) Whenever the holders of the Redeemable Preference Shares are entitled to vote on a resolution at a General Meeting of the Company, on a show of hands, every such holder who is present in person or (being a corporation) by a representative shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have one vote in respect of each fully-paid Redeemable Preference Share registered in the name of such holder."
- 5 Subject to any direction to the contrary which may be given by the Company in General Meeting, the directors are unconditionally authorised to allot, create deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any director) on such terms and at such time or times as they think fit, provided that no shares shall be issued at a discount.
- 6 The maximum nominal amount of share capital which the directors may allot or otherwise dispose of in accordance with Article 5 shall be the nominal amount of unissued shares at the date of incorporation of the company or such other amount as shall be authorised by the Company in General Meeting.
- 7 The authority conferred on the directors by Articles 5 and 6 shall remain in force for a period of five years from the date of incorporation of the Company and thereafter provided the authority is renewed from time to time by the Company in General Meeting in accordance with Section 80 of the Act.
- 8 The provision of Section 89(1) of the Act shall not apply to the Company.

CLASS RIGHTS

- 9 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation or a winding up, only with the consent in writing of the holder of 75 per cent of the issued shares of that class. Without prejudice to the generality of this clause, the special rights attached to the Redeemable Preference Shares shall be deemed to be varied:

- (a) by the Company or the Company's board of directors, as appropriate:
 - (i) altering its memorandum or articles of association; or
 - (ii) varying in any way (whether directly or indirectly) the rights attached to any of the shares in the capital of the Company; or
 - (iii) applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company; or
 - (iv) entering into a contract to purchase any of its own shares; or
 - (v) redeeming any of its Shares; or
 - (vi) passing a resolution that it be wound up;
- (b) by the Company or any of its subsidiaries for the time being:
 - (i) altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital; or
 - (ii) granting any option or other right to subscribe for shares; or
 - (iii) disposing of its undertaking or any substantial part thereof; or
 - (iv) disposing of or acquiring any interest in any share in the capital of any company; or
 - (v) calling a meeting to effect or approve any matter which would by virtue of this clause by a variation of the class rights of the Redeemable Preference Shares."

CALLS ON SHARES

- 10 The first sentence of article 12 shall be deleted and shall be replaced by the following wording:

“Subject to the terms of allotment, the directors may:

- (a) at any time, by giving notice to the respective members not later than 4 January 2000, make a call upon the members to pay on 5 January 2000 the sum of £231,000,000 in aggregate in respect of any monies unpaid on their holding of Redeemable Preference Shares (whether in respect of nominal value or premium);
- (b) at any time, by giving not less than five business days’ notice to the respective members, make a call upon the members to pay not later than 31 March 2000 a sum not exceeding £750,000,000 in aggregate in respect of any monies unpaid on their holding of Redeemable Preference Shares (whether in respect of nominal value or premium); and
- (c) at any time, by giving not less than 25 business days’ notice to the respective members, make a call upon the members in respect of any and all monies unpaid on any shares (provided always that such period of 25 business days’ notice may at any time be reduced to five business days’ notice in the event that the directors give to the respective members not less than 25 business days’ notice of such reduction, which reduction shall have effect only in respect of the next following call made by the directors upon the members, but such notices of reduction may be given by the directors in respect of as many prospective calls as the directors in their discretion think fit);

and subject to having received notice from the directors in accordance with the provisions of this Article, each member shall pay to the Company as required by the notice the amount called on his shares.”

LIEN

- 11 The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all monies owing to the Company from him or his estate either alone or jointly with any other person whether as a member or not and whether such monies are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

TRANSFER OF SHARES

- 12 The directors may, in their absolute discretion and without giving any reason therefor, decline to register any transfer or any share whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

- 13 If a quorum is not present within half an hour of the time appointed for a General Meeting, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
- 14 A poll may be demanded at any General Meeting by any member entitled to vote thereat. Regulation 46 of Tale A shall be modified accordingly.
- 15 On a show of hands or on a poll votes may be given either personally or by proxy.

NUMBER OF DIRECTORS

- 16 Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum and the minimum number of directors shall be one.

DELEGATION OF POWERS

- 17 The following sentence shall be inserted after the first sentence of Regulation 72 of Table A:

"Any committee of directors shall have the power unless the directors direct otherwise to appoint as a member or as members of the committee for any specific purpose any person or persons who are not directors of the Company".

ALTERNATE DIRECTORS

- 18 Any director (other than an alternate director) may appoint any person to be an alternate director and may remove from office an alternate director so appointed by him.

- 19 When an alternate director is also a director or acts as an alternate director for more than one director, such alternate director shall have one vote for every director so represented by him (in addition to his own vote if he is himself a director) and when so acting shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 20 The directors shall not be subject to retirement by rotation and accordingly the final two sentences of Regulation 79 of Table A shall not apply to the Company.
- 21 The Company may by ordinary resolution appoint a person who is willing to act as a director either to fill a vacancy or as an additional director.
- 22 Any member or members holding a majority in nominal amount of the issued share capital which confers the right to attend and vote at General Meetings may at any time appoint any person to be a director, whether as an additional director or to fill a vacancy, and may remove from office any director howsoever appointed. Any such appointment or removal shall be effected by notice in writing to the Company signed by the member or members making the same or in the case of a corporate member signed by any director thereof or by any person so authorised by resolution of the directors or of any other governing body thereof. Any such appointment or removal shall take effect when the notice effecting the same is delivered to the registered office or to the secretary of the Company, or is produced at a meeting of the directors. Any such removal shall be without prejudice to any claim which a director may have under any contract between him and the Company.
- 23 There shall be no age limit for directors of the Company.
- 24 A director shall not be required to hold any qualifications shares in the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 25 Regulation 81 of Table A shall be amended by substituting for paragraphs (c) and (e) thereof the following provisions:

"(c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director; or"

"(e) he is otherwise duly removed from office."

REMUNERATION OF DIRECTORS

26 Regulation 82 of Table A shall be amended by the addition of the following:

"Such remuneration shall be divided between the directors in such proportion and manner as the directors may unanimously determine or in default of such determination equally, except that the director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Any director who, at the request of the directors, performs special services or goes or resides abroad for any purpose of the Company may receive such extra remuneration by way of salary, commission or participation in profits, or partly in one way and partly in another, as the directors may determine."

PROCEEDING OF DIRECTORS

27 Regulation 88 of Table A shall be amended by substituting for the sentence:

"It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom".

the following sentence:

"Notice of every meeting of directors shall be given to each director or his alternate director, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company their address outside the United Kingdom".

28 If and so long as the minimum number of directors specified under these Articles is one, a sole director may exercise all the powers conferred on the directors by these Articles, and shall do so by written resolution under his hand and, so long as there is such sole director, Regulations 88 to 90 of Table A shall not apply to the Company and Article 23 of these Articles shall have no effect.

- 29 Any director (including an alternate director) may participate in a meeting of the directors or a committee of directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 30 Subject to such disclosure as is required by Section 317 of the Act a director shall be entitled to vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with interests of the Company.

THE SEAL

- 31 In accordance with Section 39 of the Act the Company may have an official seal for use in any territory, district or place elsewhere than in the United Kingdom.

NOTICES

- 32 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111, and 112 of Table A shall be amended accordingly.

INDEMNITY

- 33 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company shall be entitled to be indemnified by the company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office including, but without prejudice to the generality of the foregoing, and liability incurred by him (a) in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or (b) in connection with any application in which relief is granted to him by the Court from liability in

respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

NAME AND ADDRESS OF SUBSCRIBER.

Number of shares taken by subscriber

NATIONAL GRID HOLDINGS LIMITED

2

185 Park Street

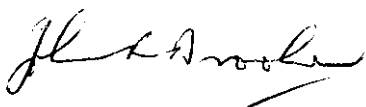
London

SE1 9DY



Dated this 8th day of December, 1999

Witness to the above Signature:



National Grid House

Kirby Corner Road

Covenky

CV4 8JY