

Registered Number: 04712921

Zephyr Investments Limited
(the "Company")

THE COMPANIES ACT 1985



COMPANY LIMITED BY SHARES

At an Extraordinary General Meeting of the Company duly convened and held on 17 February 2004 and following receipt of consent to short notice from the sole shareholder of the Company, the following resolutions were duly passed as a Special Resolution and four Ordinary Resolutions:

IT WAS RESOLVED THAT:

Ordinary Resolutions

1 Increase of Authorised Share Capital

The authorised share capital of the Company be increased from £1,000 to £100,000 by the creation of 99,000 ordinary shares of £1.00 each in accordance with Section 121 of the Companies Act 1985 (as amended) and Regulation 32 of Table A as applied by Article 1 of the new articles of association of the Company.

2 Ratification of Directors' Actions

Any decision and/or action or inaction and/or omission of a director or directors (as appropriate) of the Company in relation to any action or inaction of the Company (including, for the avoidance of doubt, any decision and/or action or inaction and/or omission of a director or directors (as appropriate) of the Company in approving and executing (as applicable) those documents referred to in the board minutes of the board meeting held on 28 January 2004 (which were produced at the meeting and are attached hereto) as the Relevant Documents, the Executed Acquisition Documents and any Ancillary Documents (and listed in the schedules attached thereto)) be ratified.

3 Authorisation to Execute Documents

The directors of the Company, and any authorised signatory, be authorised to execute any of those documents, known as the Relevant Documents and listed in schedule 1 of the minutes of a meeting of the board of directors of the Company on the 28 January 2004, which have not yet been executed.

4 Appointment of Directors

The following persons be appointed, at the directors' recommendation, as directors of the company:

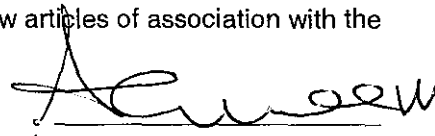
- (i) Edmund Lazarus;
- (ii) Sam Abboud;
- (iii) Asim Zafar;

- (iv) Henry Thompson;
- (v) Juergen Dennersmann; and
- (vi) Volker Beckers.

Special Resolution

5 Adoption of new Articles of Association

The Company adopts the articles of association attached hereto, which were produced at the meeting and which shall replace the existing articles of association of the Company, and that the Secretary be directed immediately to register the new articles of association with the Registrar of Companies.



Chairman

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

Adopted by Special Resolution passed on 17 February 2004

of

Zephyr Investments Limited

PRELIMINARY

1 Table A to apply

The regulations in Table A in The Companies (Tables A to F) Regulations 1985 (as amended to affect companies first registered on the date of adoption of these Articles) shall apply to the Company except as provided in these Articles and so far as not excluded by or inconsistent with these Articles to the exclusion of all other regulations or articles of association.

2 Interpretation

In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

the **"Act"** The Companies Act 1985 as amended.

"Associated Person" means, in relation to a party:

(i) any holding company, subsidiary or fellow subsidiary or any other subsidiaries of any such holding company;

(ii) any trust or limited partnership in which such party has an economic interest of 20 per cent or more;

(iii) any fund managed by such party or (in the case of a party being a fund) the manager of such fund; and

(iv) any other entity in which such party otherwise has an economic interest of 20 per cent or more (to include Englefield in the case of the Englefield Investors and FIIB in the case of the FIIB Investors) or which is an entity having an economic interest in such party of 20 per cent or more.

"these Articles" These Articles of Association as from time to time altered.

"Business Day" means a day on which banks are open for business in England and Wales (excluding Saturdays, Sundays and public holidays).

"clear days" In relation to the period of a notice, that period excluding (1) the day on which the notice is given or deemed to be given and (2) the day for which it is given or on which it is to take effect.

**"communication" and
"electronic
communications"** Have the same meanings as in the Electronic Communications Act 2000.

"Englefield"	means Englefield Capital LLP, a limited liability partnership registered in England under number OC301206 and whose registered office is at Michelin House, 81 Fulham Road, London SW3 6RD.
"Englefield DDB Investors"	means the following Investors: (i) The Englefield Fund L.P., a limited partnership registered in England under number LP008502 and whose registered office is at Michelin House, 81 Fulham Road, London SW3 6RD; (ii) The Englefield Affiliates Fund L.P., a limited partnership registered in England under number LP008642 and whose registered office is at Michelin House, 81 Fulham Road, London SW3 6RD; and (iii) The Englefield Institutional Affiliates Fund L.P., a limited partnership registered in England under number LP008641 and whose registered office is at Michelin House, 81 Fulham Road, London SW3 6RD.
"Englefield Equity Investor"	means The Englefield Zephyr Partnership L.P., a limited partnership registered in Cayman whose registered office is at M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.
"Englefield Investors"	means, together, the Englefield DDB Investors and the Englefield Equity Investor and "Englefield Investor" means any one of them.
"FIIB"	means First Islamic Investment Bank E.C. of P.O. Box 1406, Manama, Bahrain.
"FIIB Equity"	means Wind Power First Euro (Equity) Investments L.P. whose registered office is at West Wind Building, Harbour Drive, P.O. Box 1111, George Town, Grand Cayman, British West Indies.
"FIIB Finance"	means Wind Power First Euro (Finance) Investments Limited whose registered office is at West Wind Building, Harbour Drive, P.O. Box 1111, George Town, Grand Cayman, British West Indies.
"FIIB Investors"	means, together, FIIB Finance and FIIB Equity and "FIIB Investor" means any one of them.
"Group"	means the Company and its Subsidiaries and "Group Company" means any one of them from time to time.
"Investment and Shareholders' Agreement" or "ISA"	means the agreement entered into between the Company, RWE Innogy and the Investors dated 28 January 2004, as varied from time to time in accordance with its terms.
"Investors"	means the Englefield Investors and the FIIB Investors.
"Investor Director"	means any Director so designated in writing by the Member appointing such Director in accordance with Article 25.
"ITC"	means the Investors' Technical Committee, being a body established by the Investors to assist the Investors in relation to matters affecting the Group.

"Member"	means a person whose name is entered in the Register as a holder of Shares in the Company.
"Members' meeting"	Includes both a general meeting and a meeting of the holders of any class of shares of the Company.
"Office"	The registered office of the Company for the time being.
"Permitted Transferee"	means, in relation to a person: <ul style="list-style-type: none"> (i) any holding company, subsidiary or fellow subsidiary or any other subsidiaries of any such holding company; or, in the case of the Investors only: (ii) if that person holds shares (or its trustee, nominee or custodian holds shares) for investment purposes, any trust or limited partnership in which such person has an economic interest; (iii) if that person holds shares (or its trustee, nominee or custodian holds shares) for investment purposes, any fund managed by such party or (in the case of a person being a fund), the manager of such fund or other fund managed by that manager; (iv) if that person holds shares (or its trustee, nominee or custodian holds shares) for investment purposes, any trustee, nominee or custodian of such person; and (v) any other entity in which such person otherwise has an economic interest (to include Englefield in the case of the Englefield Investors and FIIB in the case of the FIIB Investors) or which is an entity having an economic interest in such person.
"Prohibited Transferee"	means any person to whom a transfer would not be permitted under any agreement between the Members and the Company from time to time.
"Register"	The register of members of the Company.
"Regulations"	Regulations in Table A in the Companies (Tables A to F) Regulations 1985 (as amended to affect companies first registered on the date of adoption of these Articles).
"RWE Group"	means RWE Aktiengesellschaft (" RWE ") and the RWE Group Companies.
"RWE Group Companies"	means those companies or corporate bodies which, in relation to RWE, have any of the relationships described in S.421 of the Financial Services and Markets Act 2000.
"RWE Innogy"	means RWE Innogy plc (registered number 03892782) whose registered office is at Windmill Hill Business Park, Whitehall Way, Swindon, Wiltshire SN5 6PB.
"RWE Innogy Director"	means any Director so designated in writing by the Member appointing such Director in accordance with Article 25.
"RWE Innogy Group"	means RWE Innogy and the RWE Innogy Subsidiaries.

- "Shares"** means the ordinary shares in the Company from time to time.
- "Subsidiaries"** means those companies which are subsidiaries of the Company as at the date of adoption of these Articles and any subsidiary or subsidiary undertaking of the Company from time to time.
- the **"United Kingdom"** Great Britain and Northern Ireland.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these Articles). Subject to this any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

SHARE CAPITAL

3 Amount of share capital

- 3.1 The share capital of the Company at the date of the adoption of these Articles is £100,000 divided into 100,000 Shares of £1 each.
- 3.2 Any amendment to these Articles or to the Memorandum of Association shall be deemed to be a variation of the rights attached to the Shares.

SHARES

4 Issue of shares

- 4.1 Subject to Section 80 of the Act, these Articles and any direction to the contrary which may be given by resolution of the members, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 4.2 (a) Pursuant to and in accordance with Section 80 of the Act, the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of adoption of these Articles all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £100,000; and
- (b) by such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.
- 4.3 Except as provided for in any agreement between the Members and the Company from time to time, any unissued shares or other equity securities or shares to be issued ("**New Shares**") or any rights to or in respect thereof shall not be allotted or issued to any person unless the Company has, in the first instance, offered such New Shares to all holders of Shares on a pro

rata basis on the terms that in case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any Member beyond that applied for by him) to their existing holdings of Shares. Such offer:

- 4.3.1 shall stipulate a time not less than 7 days and not exceeding 14 days within which it must be accepted or in default will lapse; and
- 4.3.2 may stipulate that any class of members which desires to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other members shall be used for satisfying the requests for excess New Shares pro rata to the existing shares as the New Shares respectively held by such members making such requests and, thereafter, such New Shares shall be offered to any other person at the same price and on the same terms as the offer to members.

5 Form of share certificate

Every share certificate shall be executed by the Company in such manner as the Directors may decide (which may include use of the Seal and/or manual or facsimile signatures by one or more Directors) and shall specify the number and class of shares to which it relates and the amount paid up on those shares. No certificate shall be issued representing shares of more than one class. Regulation 6 shall be amended accordingly.

6 Effect of failure to answer a capital call on voting rights

Where any Member who has entered into the ISA fails to provide its proportion of any further funds as required by that agreement and has not remedied such breach within 20 Business Days following the expiry of the period referred to in the written notice to be issued to the Members in relation to such funds, then all voting rights in relation to any Shares held by the defaulting Member ("**Defaulter**") and its Associated Persons (including rights to appoint Directors but not rights to receive dividends and other distributions on Shares whether or not declared) shall be forfeited for as long as the default persists (whether or not those Shares are subsequently transferred). The Defaulter's consent on any matter otherwise requiring the approval of the Members shall also not be required and the sitting Directors appointed by the Defaulter before the time of the default shall be required to demit office. Where the Defaulter is an Investor, all such rights forfeited shall accrue to the non-defaulting ("**Non-Defaulter**") Investor (if any) and the Non-Defaulter Investor shall be entitled to appoint director(s) to replace the sitting directors nominated by the Defaulter Investor.

VARIATION OF RIGHTS

7 Manner of variation of rights

- 7.1 Subject to the Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated either with:
 - (a) the written consent of the holders of three-quarters in nominal value of the issued shares of the class; or

- (b) with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class;

and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

- 7.2 To every such separate meeting all the provisions of these Articles relating to general meetings and to the proceedings thereat shall apply *mutatis mutandis*, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.
- 7.3 This Article 7 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

TRANSFER OF SHARES

8 General

- 8.1 A Member may transfer at any time (and from time to time) all or some of its Shares to a Permitted Transferee.
- 8.2 An Investor may transfer at any time (and from time to time) the direct or indirect economic or beneficial interest in all or some of its Shares to any person other than a Prohibited Transferee.
- 8.3 No transfer of any Share in the capital of the Company, other than in accordance with Articles 8.1 or 8.2, shall be made or registered prior to the expiration of any commitment period imposed on any Member under any agreement between the Members and the Company.
- 8.4 No transfer of any Share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles and the proposed transferee has entered into a deed of adherence to be given to the transferee by the Company as required by any agreement between the Members and the Company.

9 Notification

Each Member undertakes to the other Members not to enter into any contractually binding agreement to pledge, mortgage, charge or otherwise encumber, sell, transfer or otherwise dispose of or grant any option over, any of its Shares or any interest in any of its Shares without first giving not less than 20 Business Days' prior written notice to the other Members of its intention save as expressly agreed from time to time between the Members and the Company.

10 Compulsory transfers

- 10.1 No Share and no interest in any Share shall be held by any Member as a bare nominee for or sold or disposed of to any person unless such person is a Permitted Transferee or unless a transfer of such Share to such person is permitted under these Articles or as permitted by any agreement between the Members and the Company from time to time.

- 10.2** For the purpose of ensuring that a transfer of Shares is a transfer permitted under these Articles the Directors may from time to time require any 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 may think fit regarding any matter which they may reasonably deem relevant to such purpose.

11 Right to refuse registration

The Directors shall not refuse to register any transfer of a Share which is a transfer permitted under these Articles (but can refuse and will refuse to register any transfer of a Share which is not permitted under these Articles) but may in their absolute discretion and without assigning any reason thereof refuse to register any transfer of shares on which the Company has a lien. Regulation 24 shall be amended accordingly.

GENERAL MEETINGS

12 Annual and Extraordinary General Meetings

- 12.1** An annual general meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors.
- 12.2** Regulation 39 shall not apply.

13 Polls

A poll may be demanded at any general meeting by the Chairman or by any Member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

14 Chairman

The chairman at any general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply.

15 Quorum

- 15.1** Subject to these Articles and any agreement entered into between the Members and the Company, the quorum at any general meeting shall be two or more Members present in person or by proxy but shall not include any Member who is a Defaulter under Article 6 nor any Member who is prevented from being counted towards a quorum under Article 18. No business shall be transacted at any general meeting unless a quorum is present.

16 Lack of quorum

If at any meeting such a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved. Regulation 41 shall be modified accordingly.

17 Written resolutions

In the case of a corporation, a written resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative.

Regulation 53 shall be extended accordingly and shall apply (as extended) *mutatis mutandis* to written resolutions of any class of members of the Company.

18 Members' Conflicts of Interest

18.1 Restrictions on voting by RWE Innogy

RWE Innogy shall not be entitled to vote on or count in the quorum in relation to any Members' resolution if that resolution concerns the entry into, amendment, termination or enforcement of any contract, agreement or arrangement (whether or not reduced to writing and whether or not legally binding) between any Group Company and any member of the RWE Group or any of its Associated Persons or the grant of any release, compromise or other indulgence in relation thereto.

18.2 Restrictions on voting by the other Members

Subject to any agreement to the contrary between the Members, a Member (other than RWE Innogy) shall not be entitled to vote on any Members' resolution if that resolution concerns the entry into, performance, amendment, termination or enforcement of any contract, agreement or arrangement (whether or not reduced to writing and whether or not legally binding) or the grant of any release, compromise or other indulgence in relation thereto between any Group Company, on the one hand, and:

- (i) such Member or an Associated Person of such Member; or
- (ii) any entity in respect of which a director of such Member or an Associated Person of such Member is also a director; or
- (iii) any entity in respect of which either that Member or an Associated Person of that Member, or a director of that Member or an Associated Person of the Member, has an equity or economic interest of 20 per cent or more,

on the other hand.

PROXIES AND CORPORATE REPRESENTATIVES

19 Proxy need not be a Member

A proxy need not be a Member of the Company.

20 Deposit of form of proxy

The appointment of a proxy must either:

- 20.1** be received at such address (if any) specified in the notice convening the meeting (or, if no place is so specified, at the Office) at least 24 hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used; or
- 20.2** be received by the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll.

20.3 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

20.3.1 in the notice convening the meeting, or

20.3.2 in any instrument of proxy sent out by the company in relation to the meeting, or

20.3.3 in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting.

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting to which the person named in the appointment proposes to vote;

The appointment shall be valid for any adjournment of the meeting as well as for the meeting to which it relates unless the instrument states otherwise. An appointment of proxy relating to more than one meeting (including any adjournment of any such meeting) need only be delivered once and need not be delivered for the purposes of any subsequent meeting to which it relates. In this Article and for the purposes of Regulation 63, "address" in relation to electronic communications, includes any number or address used for the purpose of such communication.

Regulation 62 shall not apply.

21 Corporations and limited partnerships acting by representatives

Any Member which is a corporation or a limited partnership may authorise such person as it thinks fit by resolution of its directors or other governing body or such other means recognised by its constitution to act as its representative at any Members' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation or partnership as the corporation or partnership could exercise if it were an individual Member and such corporation or partnership shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

22 Number of Directors

The number of Directors shall not exceed eight and the minimum number of Directors shall be two. Regulation 64 shall not apply.

23 Share qualification

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at Members' meetings the holders of which appointed him as Director. Regulation 44 shall be amended accordingly.

24 Directors' remuneration and expenses

24.1 The Company shall reimburse/pay to each Investor Director:

- 24.1.1 his reasonable costs and out-of-pocket expenses in respect of attending meetings of the Company or carrying out authorised business on behalf of the Company up to an amount of £5,000; and
- 24.1.2 a fee of £35,000 per annum (together with applicable VAT), such fee to be payable quarterly in advance (with the first such payment being payable on or about the date of the adoption of these Articles).
- 24.2 No fee or expenses shall be payable/reimbursed to any RWE Innogy Director. Regulation 82 shall be amended accordingly and Regulation 83 shall not apply.

APPOINTMENT AND REMOVAL OF DIRECTORS

25 Appointment of Directors

- 25.1 For as long as a Member holds at least 15 per cent. (together with its Permitted Transferees) but less than 25 per cent. of the Shares in the Company, such Member shall be entitled to appoint one director.
- 25.2 For as long as a Member holds at least 25 per cent. (together with its Permitted Transferees) of the Shares in the Company, such Member shall be entitled to appoint two directors.
- 25.3 No Director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 and 90 shall be modified accordingly.

26 Vacation of office

- 26.1 The office of a Director shall be vacated in any of the events specified in Regulation 81 (but not Regulation 81(e)) and Article 6 and also if he is removed from office by the Member who appointed him in accordance with Article 25 but so that if he holds an appointment to an executive office which thereby automatically ends such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 26.2 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 shall not apply.

27 Form of appointment and removal

The appointment of the Directors to be appointed on or about the date of the adoption of these Articles shall be made pursuant to a resolution of the Company. Subsequent appointments or removals of a Director shall be in writing served on the Company and signed by the persons appointing or removing the Director. In the case of a corporation or limited partnership such document may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative.

ALTERNATE DIRECTORS

28 Appointment of alternate Directors

- 28.1 Any Director other than an alternate Director may at any time appoint any person (including another Director) to be the alternate Director of any Director of the relevant class and may at

any time terminate such appointment. The same person may be appointed as the alternate Director of more than one Director. Regulations 65 to 67 shall not apply.

- 28.2** The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director of whom he is the alternate ceases to be a Director.

29 Attendance and notice of meetings

- 29.1** An alternate Director shall be entitled to receive notices of meetings of the Directors and of all committees of Directors of which his appointor is a Member and shall be entitled to attend and vote and be counted in the quorum at any such meeting at which his appointor is not personally present and generally to perform all the functions of his appointor in his absence. The provisions of these Articles shall apply as if the alternate Director were a Director of the relevant class. It shall be necessary to give notice of meetings to an alternate Director who is absent from the United Kingdom. Regulation 66 shall be modified accordingly.
- 29.2** If an alternate Director shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present.
- 29.3** Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director and shall not be deemed to be a Director for the purposes of these Articles, and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor. Regulation 69 shall not apply.
- 29.4** A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by his appointor, it need not be signed by the alternate Director in that capacity. If the *Director of whom he is the alternate is for the time being absent from the United Kingdom* or temporarily unable to act through ill health or disability his signature to any written resolution of the Directors shall be as effective as the signature of the Director of whom he is the alternate.

30 Alternate Directors' interests and remuneration

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses (but only if appointed by an Investor Director) and to be indemnified to the same extent *mutatis mutandis* as if he were a Director.

MEETINGS AND PROCEEDINGS OF DIRECTORS

31 Convening of meetings of Directors

Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. Any Director may, and the Secretary at the request of a Director shall, summon a meeting of the Directors. Meetings of the Directors shall be held at least once a quarter, unless the Directors have agreed otherwise or if the ITC notify the Directors that in their opinion a board meeting should be called in order to discuss any matter relating to the Group or the Shareholders' interest in the Group, then any one Director shall be entitled to call a board meeting on short notice for

that purpose. Notice of a meeting of Directors must be given to any Director for the time being absent from the United Kingdom. Regulation 88 shall be amended accordingly.

32 Notice of Directors' meetings

32.1 Unless otherwise agreed in writing by the Directors (or otherwise permitted under Article 32) in any particular case, at least seven Business Days' written notice shall be given to each Director of every meeting of the Directors.

32.2 Each such notice shall (i) be sent to the address notified from time to time by each Director to the Secretary as his address for the service of such notices (or if no address has been so supplied, to his last known address); (ii) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; (iii) be accompanied by any relevant papers; and (iv) if sent to an address outside the United Kingdom, be sent by courier or facsimile transmission.

33 Quorum

The quorum at a meeting of Directors shall be two including (whilst there are any appointed) one Investor Director and one RWE Innogy Director. If within half an hour of the time appointed for the holding of any meeting of the Directors a quorum shall not be present the Director(s) present shall resolve to adjourn that meeting to a specified place and time (which shall not be earlier than three nor later than seven days after the date originally fixed for the meeting). At such adjourned meeting the quorum necessary for the transaction of the business of the Directors shall be any two Directors. An alternate Director shall be counted in the quorum in the same capacity as his appointor but so that not less than two individuals will constitute the quorum. Regulation 89 shall not apply.

34 Directors' resolutions

At any meeting of the Directors, every Director and Alternate Director shall have one vote. All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution. Save to the extent inconsistent with any provision of any agreement between the Members and the Company, no such resolution shall be effective unless carried by a majority. Regulation 88 shall be modified accordingly.

35 Telephone board meetings

The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall (subject to Article 33) be two Directors so linked. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting is.

36 Minutes

As soon as practicable after each meeting of the board (or committee of the board) a copy of the minutes thereof shall be sent by the Company to the Directors, to any Observer present at the meeting and to the Members. Regulation 100 shall be extended accordingly.

37 Chairman

The Directors may elect from their number a Chairman and determine the period for which each is to hold office. If no Chairman shall have been appointed or if at any meeting of the Directors no Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting. The Chairman shall not be entitled to a second or casting vote. Regulations 84, 88 and 91 shall be amended accordingly.

COMMITTEES OF THE DIRECTORS AND OBSERVERS

38 Appointment and constitution of committees

38.1 The Directors may delegate any of their powers or discretions (including all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees of the Board. The Directors may also delegate to any managing director or any other director holding any other executive office such of their powers as they consider desirable to be exercised by him. The quorum for a meeting of any such committee shall be at least two Directors, including (where any is appointed) one Investor Director and RWE Innogy Director. Regulation 72 shall be amended accordingly.

38.2 Insofar as any power or discretion of the Directors is delegated to a committee, any reference in these Articles to the exercise by the Directors of the delegated power or discretion shall be read and construed as if it were a reference to the exercise of that power or discretion by such committee. In exercising its delegated powers, any committee shall conform to any regulations which may from time to time be imposed by the Directors. Regulation 72 shall be amended accordingly.

38.3 Upon written notification to the Company, any Member having rights of appointment pursuant to Article 25.1 or 25.2 shall be entitled to direct that any Director appointed by it be appointed to any committee of the Board. Rights of removal and substitution of such committee appointees shall operate in the same manner as set out in Articles 26 and 27 in relation to the Board.

38.4 Each Member shall, for so long as it is entitled to appoint at least one Director pursuant to Article 26, have the right to appoint a single observer to attend meetings of the Board (and any committee of the Board) (each an "**Observer**"). Each Observer shall have the right to participate fully in each such meeting save that he or she shall not be entitled to vote.

38.5 The Company shall reimburse each Observer (other than those appointed by RWE Innogy) in respect of his reasonable costs and out-of-pocket expenses in respect of attending meetings of the Company (or of any committee of the Company).

39 Proceedings of committee meetings

The meetings and proceedings of any committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meeting and proceedings of the Directors, so far as those Articles are not superseded by any regulations made by the Directors under Article 38.2.

DIRECTORS' INTERESTS

40 Conflicts of interests

40.1 No RWE Innogy Director shall vote on any matter considered by (and shall not be taken into account for purposes of a quorum of) the Board if that matter concerns the entry into, amendment, termination or enforcement of any contract, agreement or arrangement (whether or not reduced to writing and whether or not legally binding) between the Company and any member of the RWE Innogy Group or any of its Associated Persons or the grant of any release, compromise or other indulgence in relation thereto.

40.2 Save to the extent contemplated by the Members in any agreement between the Members and the Company from time to time, no Investor Director ("**Conflicted Director**") shall vote on any matter considered by (and shall not be taken into account for the purposes of a quorum of) the Board if that matter concerns the entry into, amendment, termination or enforcement of any contract, agreement or arrangement (whether or not reduced to writing and whether or not legally binding) or the grant of any release, compromise or other indulgence in relation thereto between the Company, on the one hand, and:

- (i) an Investor or an Associated Person of such Investor; or
- (ii) any entity in respect of which a director of such Investor or an Associated Person of such Investor is also a director; or
- (iii) any entity in respect of which either that Investor or an Associated Person of that Investor, or a director of that Investor or an Associated Person of the Investor, has an equity or economic interest of 20 per cent or more,

on the other hand, and may appoint an alternate for that Conflicted Director (provided that such alternate Director would not be a Conflicted Director under this Article 40.2). Regulations 94 to 98 shall be amended accordingly.

DIVIDENDS

41 No dividend except out of profits

No dividend shall be paid otherwise than out of profits available for distribution under the Act.

42 Retention of dividends

42.1 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.

42.2 The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

CAPITALISATION OF PROFITS AND RESERVES

43 Capitalisation of profits and reserves

- 43.1** The Directors may, with the sanction of all of the Members of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and Capital Redemption Reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of the Shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying that part of such sum distributable amongst them in paying up in full unissued Shares for allotment and distribution credited as fully paid up to and amongst them.

Regulation 110 shall not apply.

- 43.2** The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned. Regulation 110 shall not apply.

ACCOUNTS

44 Accounting records

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Act shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Every Member of the Company shall have the right to inspect and take copies of any account or book or document of the Company during the Company's normal hours of business. Regulation 109 shall not apply.

INDEMNITY

45 Indemnity

- 45.1** Subject to the provisions of and so far as may be permitted by law, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in

connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

- 45.2** Without prejudice to the provisions of Regulation 87 or Article 45.1, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in Article 45.3), or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 45.3** For the purpose of Article 45.2, "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other body.

NOTICES

46 Notices

- 46.1** Any notice or other communication requiring to be given or served pursuant to these articles shall be in writing and shall be sufficiently given or served if delivered or sent to the contact details of that party as notified by it from time to time to the Company.
- 46.2** Any such notice or other communication shall be delivered by hand or sent by courier, fax or prepaid first class post. If sent by hand or courier such notice or communication shall conclusively be deemed to have been given or served at the time of despatch. If sent by fax such notice or communication shall be deemed to have been given or served at the time of despatch provided a suitable confirmation of such delivery is received by the sender of such fax and a copy of the fax containing such notice or communication (together with such confirmation) is sent by post as soon as practicable thereafter. If sent by post such notice or communication shall conclusively be deemed to have been received two Business Days from the time of posting (save if such notice or communication is required to be sent by air mail, in which case such notice or communication shall conclusively be deemed to have been received five Business Days from the time of posting). Regulations 111 to 115 shall be amended accordingly.