

Company No: 5102988

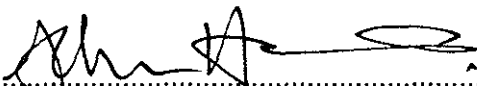
THE COMPANIES ACTS 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF
E.ON UK TRUSTEES LIMITED

The following resolution was passed as a written resolution by the sole shareholder of the Company on 20 August 2004.

WRITTEN RESOLUTION

That the Regulations contained in the documents attached to this written resolution and signed for identification purposes by a director of the Company be and they are hereby adopted as the memorandum of association and the articles of association of the Company in substitution for and to the exclusion of the existing memorandum of association and articles of association of the Company.

Certified:


.....
Secretary

Date: 20 August 2004



G. B. Little

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

E.ON UK TRUSTEES LIMITED



FRESHFIELDS BRUCKHAUS DERINGER

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE

MEMORANDUM OF ASSOCIATION

of

E.ON UK TRUSTEES LIMITED

1. The name of the Company is E.ON UK Trustees Limited.
2. The registered office of the Company will be situate in England and Wales.
3. The objects for which the Company is established are:
 - 3.1 To undertake and carry on the offices, powers and duties of trustee, custodian trustee, agent, attorney or nominee of or for, or to act in any similar capacity (whether alone or jointly with others and whether gratuitously or otherwise) for and in respect of any Group of the retirement benefits scheme established by resolution of the Electricity Council under irrevocable trusts on 20 January 1983 and known as the Electricity Supply Pension Scheme ("the Scheme"), including but not limited to the Powergen Section, the Eastern Section, the East Midlands Electricity Section and the Midlands Section (together, "the Sections") of the E.ON UK Holding Group ("the Group") and the E.ON UK Holding Group or in respect of any other retirement benefits scheme.
 - 3.2 To provide services (whether gratuitously or otherwise) in relation to the management and administration of the Sections and, to any extent necessary, the Group.

- 3.3 To acquire (whether absolutely or conditionally and whether for investment or trust purposes or otherwise) by purchase, subscription or otherwise and to hold, deal with, manage, sell and turn to account any real or personal property of any kind or any interest therein and, in particular, bonds, obligations, securities and investments of all kinds, policies, book debts, claims and choses in action, lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents, licences, and any interest in real or personal property, and any claims against any property of whatever nature or against any person, government, state or province or municipal or other authority or public body.
- 3.4 To exercise all or any trust, power, duty or authority vested in the Company and to take any proceedings necessary or which the Company may deem to be expedient in connection therewith.
- 3.5 To disclaim or transfer responsibility for the exercise, performance and discharge of all or any of the functions, trusts, powers, duties and authorities from time to time vested in the Company and to disclaim any trust and retire from any trusteeship, and to exercise any authority vested in it by any means whatsoever enabling it to appoint new trustees.
- 3.6 To receive the dividends, interest, income, bonuses, rents, profits and advantages of every description from time to time payable or receivable in respect of any of the Company's investments and to vary any such investments from time to time.
- 3.7 To purchase, take on lease or in exchange, hire or otherwise acquire and hold (whether for investment or trust purposes or otherwise) any estate or interest in real or personal, movable or immovable, property, concessions, patents, licences, rights or privileges which the Company may think necessary or convenient or of benefit to any of the Company's property or rights for the time being.
- 3.8 To afford indemnities against liability for any breach of duty (whether or not of a fiduciary nature) or trust (not being of a fraudulent character) to any person from time to time acting jointly with the Company or on its behalf or in accordance with its instructions, in the execution or professed execution of any function, power, duty, discretion or trust and against any other liability to the extent permitted under the Scheme.

- 3.9 To borrow, raise or secure the payment of money by mortgage, or by the issue of securities, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- 3.10 To establish, operate and manage information retrieval systems, computers and databases and to provide services and facilities ancillary to or for use in connection with the same, in relation to the provision of pensions and the management and administration of retirement benefits schemes.
- 3.11 To arrange and provide facilities for meetings, conferences, seminars, training and educational courses and schemes in relation to the provision of relevant benefits (as defined in section 612 of the Income and Corporation Taxes Act 1988) and the management and administration of the Sections and, to any extent necessary, the Group.
- 3.12 To remunerate or otherwise compensate or reward any person, firm or company for services rendered or to be rendered to the Company by cash payment or otherwise as may be thought expedient by the board.
- 3.13 To employ and pay any agent, whether a solicitor, accountant, actuary, stockbroker, surveyor, banker or other person, to transact any business or do any act required to be transacted or done in the exercise, performance or discharge of all or any of the functions, powers and duties from time to time vested in it (whether under the Scheme or otherwise) or in the execution of any trust (but not to appoint a new or additional trustee).
- 3.14 To do all or any of the above things in any part of the world, and either as principal, agent, contractor or otherwise, and either alone or in conjunction or in partnership with others, and either by or through agents, sub-contractors, trustees or otherwise.
- 3.15 To distribute any of the assets to which the Company is beneficially entitled among the members in specie.
- 3.16 To do all such other things as in the opinion of the Company are or may be incidental or conducive to the above objects or any of them.

In this clause "company", except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other", and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, words in the singular, except where the context otherwise requires, shall be construed as including the plural and vice versa, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company, 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 those paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.
5. Every member undertakes to contribute such amount (not exceeding £50,000) to the Company's assets as may be required to satisfy any liability of the Company to a civil penalty under the Pensions Act 1995 (or any re-enactment thereof) (except any liability resulting from fraud or conscious wrongdoing by the Company) or if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the Company's debts and liabilities arising or contracted before he ceased to be a member and of the costs, charges and expenses of winding-up.

WE, the person whose name and address are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Name and address
of Subscriber

E.ON UK plc
Westwood Business Park
Coventry
CV4 8LG

Dated this day of 2004

Witness to the above Signature:

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

E.ON UK TRUSTEES LIMITED

1. INTERPRETATION

1. In the articles unless the context otherwise requires:

“the Act”	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
“Appointed Director”	means an Appointed Group Trustee who becomes a director pursuant to article 18 or a person nominated as a director by the Principal Employer pursuant to article 18;
“the articles”	means the articles of association of the Company as adopted and amended from time to time;
“board of directors”	means the board of directors of the Company;
“Clause 23A date”	means the date on which the Company assumes the trusts, powers, duties and authorities previously vested in the Group Trustees of the EME, Powergen and TXU Groups pursuant to Clause 23A(3) of the Scheme;

“clear days”

in relation to a period of a notice means 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 and excluding week-ends and public holidays in England and Wales;

“directors”

means the Appointed Directors and the Elected Directors and references to a director shall be to whichever category of director is appropriate;

“the Eastern Section”

means the Eastern Section of the Group;

“the EME Section”

means the EME Section of the Group;

“Elected Director”

means an Elected Director (Powergen Section Constituency) or an Elected Director (Eastern Section Constituency) or an Elected Director (EME Section Constituency) or an Elected Director (Midlands Section Constituency);

“Elected Director (Powergen Section Constituency)”

means an Elected Group Trustee who becomes a director pursuant to article 21 or a person nominated and elected as a director by the Members associated with the Powergen Section pursuant to article 22;

“Elected Director (Eastern Section Constituency)”

means an Elected Group Trustee who becomes a director pursuant to article 21 or a person nominated and elected as a director by the Members associated with the Eastern Section pursuant to article 22;

“Elected Director (EME Section Constituency)”

means an Elected Group Trustee who becomes a director pursuant to article 21 or a person nominated and elected as a

	director by the Members associated with the EME Section pursuant to article 22;
“Elected Director (Midlands Section Constituency)”	means an Elected Group Trustee who becomes a director pursuant to article 21 or a person nominated and elected as a director by the Members associated with the Midlands Section pursuant to article 22;
“member”	means the sole member from time to time of the Company;
“the Midlands Section”	means the Midlands Section of the Group;
“Midlands Transfer Date”	means the date on which the Company assumes the trusts, powers, duties and authorities previously vested in the Group Trustees of the Midlands Electricity Group pursuant to Clause 23A(3) of the Scheme;
“office”	means the registered office of the Company;
“the Group”	means the E.ON UK Holding Group of the Scheme constituted by four Sections, namely the Powergen Section, the Eastern Section, the EME Section and the Midlands Section;
“the Powergen Section”	means the Powergen Section of the Group;
“the Principal Employer”	means the Principal Employer from time to time of the Powergen Section, the Eastern Section, the EME Section, the Midlands Section and the Group;

"the Scheme"	means the Electricity Supply Pension Scheme established by an irrevocable declaration of trust of the Electricity Council made on 20 January 1983;
"seal"	means the common seal of the Company;
"secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
"the United Kingdom"	means Great Britain and Northern Ireland.

The regulations contained in the Tables in the Schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

2. The following terms and expressions shall have the same meanings as defined in and shall be construed in accordance with the provisions of the Scheme from time to time:

"Appointed Group Trustee";

"Beneficiary";

"Elected Group Trustee";

"Frozen Benefits";

"Group Administrator";

"Group Assets";

"Member";

"Members associated with the Group";

"Members and Former Members associated with the Eastern Section";

"Members and Former Members associated with the EME Section";

“Members and Former Members associated with the Powergen Section”;

“Members and Former Members associated with the Midlands Section”;

“Special Member”; and

“Transfer Date 2004”.

References to Clauses of the Scheme shall mean such clauses as applicable to the Powergen Section, the Eastern Section, the EME Section or the Midlands Section (as appropriate) from time to time.

3. Subject to articles 1 and 2, terms and expressions shall have the same meanings as defined in the Act.
4. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter.
5. References to writing shall include references to any method of representing or reproducing words in a legible and non-transitory form. References to a document being executed include references to its being executed under hand or under seal or by any other method.
6. Headings are included for convenience only and shall not affect meanings.

MEMBERS

7. The Principal Employer shall be the member. If after the Clause 23A date the identity of the Principal Employer changes pursuant to Clause 2A(3) of the Scheme, the person who was formerly the Principal Employer shall procure that the person who becomes the Principal Employer shall forthwith apply to become and shall thereupon be registered as the member and the person who was formerly the Principal Employer shall thereupon cease to be a member of the Company.

GENERAL MEETINGS

8. All general meetings other than annual general meetings shall be called extraordinary general meetings.

9. The directors may call general meetings and, on the requisition of the member pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than four weeks after receipt of the requisition.

NOTICE OF GENERAL MEETINGS

10. An annual general meeting and 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 but a general meeting may be called by shorter notice if it is so agreed by the member.
11. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
12. The notice shall be given to the member, to all the directors and, in the case of an annual general meeting, to the auditors.
13. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

14. No business shall be transacted at any general meeting unless a quorum is present. The member, being present in person or represented by a proxy or a duly authorised corporate representative, shall be a quorum.
15. The member or his proxy or corporate representative shall decide on any resolution put to the meeting.

POWERS OF DIRECTORS

16. Subject to the provisions of the Act and the memorandum and the articles, the business of the Company shall be managed by the directors who may exercise all the powers of the Company, including but not limited to the exercise and performance of the trusts, powers and discretions from time to

time vested in the Company in relation to the Group. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.

17. The powers given by article 16 shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all the powers exercisable by the directors.

APPOINTMENT AND RETIREMENT OF DIRECTORS

18. Prior to the Clause 23A date, there shall be one director who shall be appointed by the Principal Employer. With effect from the Clause 23A date, the Principal Employer shall appoint five further Appointed Directors, each of whom shall be an employee or former employee or a director or former director of the Principal Employer or one of its Participating Subsidiaries or of the holding company of the Principal Employer or of a Subsidiary of such holding company but need not be a Member. With effect from the Midlands Transfer Date, the Principal Employer shall appoint two further Appointed Directors, each of whom shall be an employee or former employee or a director or former director of the Principal Employer or one of its Participating Subsidiaries or of the holding company of the Principal Employer or of a Subsidiary of such holding company but need not be a Member.

Subject to the appointment of one or more additional directors in accordance with article 25, there shall be eight Appointed Directors from time to time.

19. The Principal Employer shall be entitled at any time to remove from office any Appointed Director and following such removal or any vacation of office of an Appointed Director pursuant to article 27, to appoint another person as an Appointed Director. A person can only be appointed as an Appointed Director where he is an employee or former employee or a director or former director of the Principal Employer or of one of its Participating Subsidiaries or of the holding company of the Principal Employer or of a Subsidiary of such holding company but need not be a Member.
20. Any appointment or removal of an Appointed Director as aforesaid shall be made by notice in writing addressed to the secretary and shall take effect on delivery thereof at the office or at such later date as may be specified therein.

21. With effect from the Clause 23A date, each Elected Group Trustee:
- (i) of the Powergen Group holding office immediately prior to the Transfer Date 2004 who has been nominated by the Elected Group Trustees of the Powergen Group and who is willing to act shall become an Elected Director (Powergen Section Constituency);
 - (ii) of the TXU Group holding office immediately prior to the Transfer Date 2004 who has been nominated by the Elected Group Trustees of the TXU Group and who is willing to act shall become an Elected Director (Eastern Section Constituency); and
 - (iii) of the EME Group holding office immediately prior to the Transfer Date 2004 who has been nominated by the Elected Group Trustees of the EME Group and who is willing to act shall become an Elected Director (EME Section Constituency).

and each shall continue to hold office as an Elected Director until the date on which his normal term of office as an Elected Group Trustee would have expired.

With effect from the Midlands Transfer Date, each Elected Group Trustee of the Midlands Electricity Group holding office immediately prior to the Midlands Transfer Date who has been nominated by the Elected Group Trustees of the Midlands Electricity Group and who is willing to act shall become an Elected Director (Midlands Section Constituency) and each shall continue to hold office as an Elected Director until the date on which his normal term of office as an Elected Group Trustee would have expired.

With effect on and from the Transfer Date 2004, subject to the appointment of one or more additional directors in accordance with article 25, there shall be nine Elected Directors, of which three shall be Elected Directors (Powergen Section Constituency), three shall be Elected Directors (Eastern Section Constituency) and three shall be Elected Directors (EME Section Constituency). With effect on and from the Midlands Transfer Date, subject to the appointment of one or more additional directors in accordance with article 25, there shall be twelve Elected Directors, of which three shall be Elected Directors (Powergen Section Constituency), three shall be Elected Directors (Eastern Section Constituency), three shall be Elected Directors

(EME Section Constituency) and three shall be Elected Directors (Midlands Section Constituency).

22. The persons eligible for election to the office of Elected Director (Powergen Section Constituency), Elected Director (Eastern Section Constituency), Elected Director (EME Section Constituency) and Elected Director (Midlands Section Constituency) shall be Members associated with the Powergen Section, Members associated with the Eastern Section, Members associated with the EME Section and Members associated with the Midlands Section respectively (but in each case excluding Members entitled to Frozen Benefits and Special Members). Subject to and in accordance with the rules made under article 23:

- (i) the Elected Directors (Powergen Section Constituency) shall be elected by the Members associated with the Powergen Section (with the aforementioned exclusions);
- (ii) the Elected Directors (Eastern Section Constituency) shall be elected by the Members associated with the Eastern Section (with the aforementioned exclusions);
- (iii) the Elected Directors (EME Section Constituency) shall be elected by the Members associated with the EME Section (with the aforementioned exclusions); and
- (iv) the Elected Directors (Midlands Section Constituency) shall be elected by the Members associated with the Midlands Section (with the aforementioned exclusions).

All Elected Directors shall hold office for such term (not exceeding six years) as may be specified in the said rules. Any Elected Director retiring from office shall, if qualified, be eligible for re-election.

Notwithstanding the above, prior to the nomination of candidates for the next following election the Principal Employer, with the unanimous consent of the directors, may extend the terms of office of the Elected Group Trustees then holding office whose term will next expire, by a period not exceeding one year, in circumstances where it considers it appropriate to do so. In such event, the Group Trustees shall notify the Members associated with the

Powergen Section, the Eastern Section, the EME Section and the Midlands Section (as the case may be) accordingly.

23. Rules for the nomination of candidates and the election of Elected Directors shall be made by the directors from time to time. The said rules may provide that all or any of the Elected Directors shall have such qualifications and shall be representative of such categories of Member as are therein specified.
- 23.1 If a casual vacancy occurs in the office of Elected Director (Powergen Section Constituency) the continuing Elected Directors may, by notice to the secretary, with copy to the Group Administrator, nominate a Member associated with the Powergen Section (but excluding Members entitled to Frozen Benefits and Special Members) to fill that vacancy. Any person so nominated shall hold office as an Elected Director (Powergen Section Constituency) until the expiry of the normal term of office of the former Elected Director (Powergen Section Constituency) whose departure gave rise to such vacancy, when such person shall be eligible for re-election.
- 23.2 If a casual vacancy occurs in the office of Elected Director (Eastern Section Constituency) the continuing Elected Directors may, by notice to the secretary, with copy to the Group Administrator, nominate a Member associated with the Eastern Section (but excluding Members entitled to Frozen Benefits and Special Members) to fill that vacancy. Any person so nominated shall hold office as an Elected Director (Eastern Section Constituency) until the expiry of the normal term of office of the former Elected Director (Eastern Section Constituency) whose departure gave rise to such vacancy, when such person shall be eligible for re-election.
- 23.3 If a casual vacancy occurs in the office of Elected Director (EME Section Constituency) the continuing Elected Directors may, by notice to the secretary, with copy to the Group Administrator, nominate a Member associated with the EME Section (but excluding Members entitled to Frozen Benefits and Special Members) to fill that vacancy. Any person so nominated shall hold office as an Elected Director (EME Section Constituency) until the expiry of the normal term of office of the former Elected Director (EME Section Constituency) whose departure gave rise to such vacancy, when such person shall be eligible for re-election.

- 23.4 If a casual vacancy occurs in the office of Elected Director (Midlands Section Constituency) the continuing Elected Directors may, by notice to the secretary, with copy to the Group Administrator, nominate a Member associated with the Midlands Section (but excluding Members entitled to Frozen Benefits and Special Members) to fill that vacancy. Any person so nominated shall hold office as an Elected Director (Midlands Section Constituency) until the expiry of the normal term of office of the former Elected Director (Midlands Section Constituency) whose departure gave rise to such vacancy, when such person shall be eligible for re-election.
24. Save as aforesaid, the directors shall not be required to retire by rotation.
25. In accordance with Clause 22A (Future merger of sections) of the Scheme as applicable to the Powergen Section, the Eastern Section, the EME Section and the Midlands Section, in the event of any proposal to transfer all or part the Group Assets of one or more Sections to another Section or to a new Group of the Scheme or to another Retirement Benefits Scheme, in each case on terms which do not provide for the assets and liabilities of, or derived from those Sections to continue to be ringfenced from one another (a *Merger*), the directors may (without extending any Group Trustee discretions under Rules 17C or 17D or otherwise) take such steps as are necessary in order to manage any conflict of interest or duty within the board of directors in order to ensure that, where the directors have a discretion under the rules of any Section or otherwise whether or not to agree to such a transfer, the interests of Beneficiaries subject to such discretion are properly considered in accordance with the obligations under the rules of the relevant Section. Such measures may include, without limitation, the establishment of sub-committees of the board in accordance with articles 42 to 46, the appointment of separate legal and actuarial advisers for sub-committees of the directors for the period of negotiation of the Merger and, with the consent of the Principal Employer, the appointment of additional directors (without disturbing the voting balance between Appointed Group Trustees and Elected Group Trustees) for the period of negotiation of the Merger.
26. The provisions of section 293 of the Act (age limit for directors) shall not apply.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 27. The office of a director shall be vacated if:
 - 27.1 in the case of an Appointed Director, he resigns his office by notice to the secretary, with copy to the Group Administrator and the Principal Employer;
 - 27.2 in the case of an Elected Director, he ceases to be a Member of the Powergen Section, the Eastern Section, the EME Section or the Midlands Section (as the case may be and, subject to 27.2.1 below, in each case excluding Members entitled to Frozen Benefits and Special Members), resigns his office by notice to the secretary, or is removed by resolution passed by a simple majority of the other Elected Directors (other than the Elected Director to be so removed), a copy of which resolution shall be delivered forthwith to the secretary;
 - 27.2.1 An Elected Director (Midlands Section Constituency) who became an Elected Director with effect on and from the Midlands Transfer Date in accordance with article 21 may continue to be an Elected Director until the date on which his normal term of office as an Elected Group Trustee would have expired in accordance with article 21 (or, if such period is extended in accordance with article 22, until the expiry of such additional period) notwithstanding the fact that he may have become a Member entitled to Frozen Benefits since the Midlands Transfer Date.
 - 27.3 subject to article 26 above, he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director or prohibited or disqualified from being a trustee of any trust scheme under or pursuant to the Pensions Act 1995, in which event the director shall forthwith give notice to the secretary;
 - 27.4 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 27.5 he is, or may be, suffering from mental disorder and either:
 - 27.5.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in

Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

- 27.5.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs.

REMUNERATION OF DIRECTORS

28. The directors shall not be entitled to any remuneration or to any benefit by way of pension, gratuity or otherwise.

DIRECTORS' EXPENSES

29. Subject to Clause 16(2) of the Scheme, the member shall pay or reimburse the directors any travelling, hotel or other expenses reasonably incurred by them in connection with their attendance at meetings of the directors or committees of directors or general meetings or otherwise howsoever in connection with the discharge of their duties, in accordance with its policies as notified to the directors from time to time.

DIRECTORS' APPOINTMENTS AND INTERESTS

30. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- 30.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
- 30.2 shall not be accountable to the Company for any benefit which he derives from any office or employment or from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
31. For the purposes of article 30:
- 31.1 a general notice given to the directors 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

- 31.2 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.

PROCEEDINGS AND VOTING OF DIRECTORS

32. With effect on and from the Clause 23A date, five Directors, of whom two shall be Appointed Directors, one shall be an Elected Director (Powergen Section Constituency), one shall be an Elected Director (Eastern Section Constituency) and one shall be an Elected Director (EME Section Constituency) respectively holding office from time to time shall be a quorum for the transaction of the business of the directors. With effect on and from the Midlands Transfer Date, six Directors, of whom two shall be Appointed Directors, one shall be an Elected Director (Powergen Section Constituency), one shall be an Elected Director (Eastern Section Constituency), one shall be an Elected Director (EME Section Constituency) and one shall be an Elected Director (Midlands Section Constituency) respectively holding office from time to time shall be a quorum for the transaction of the business of the directors.

33. With effect on and from the Clause 23A date, each Appointed Director shall be entitled to exercise one and a half votes and each Elected Director shall be entitled to exercise one vote.

Each Appointed Director and each Elected Director shall be entitled by notice to the secretary to designate another Appointed Director or Elected Director respectively to attend, speak and vote on his behalf (in addition to the vote of the person designated) at any meeting which his designator does not attend. Any such designations may be terminated in like manner. Resolutions of the directors shall be passed by a simple majority of the votes cast, save that the chairman of the meeting shall be entitled to a casting vote in addition to any other votes he may have.

34. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. Any two directors by notice to the other

directors and the secretary may, and the secretary at the request of any two directors shall, call a meeting of the directors.

35. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, 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 calling a general meeting.
36. The Principal Employer shall be entitled to appoint one of the Appointed Directors to be the chairman of the board of directors and another of the Appointed Directors to be the deputy chairman of the board of directors and may at any time remove either or both of them from that office. Unless he is unwilling to do so, the said chairman or, in his absence, the said deputy chairman shall preside at every meeting of the directors at which he is present but if there is no director holding such office or offices, or if the director or directors holding such office or offices is or are unwilling to preside or is or are not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number who is an Appointed Director to be chairman of the meeting.
37. All acts done by a meeting of directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director 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 and had been entitled to vote.
38. Any director may participate in a meeting of the directors or a committee of directors by means of a conference telephone, video-conference or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in such manner shall be deemed to constitute presence in person at such meeting.
39. 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 located.
40. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors (if that number is

sufficient to constitute a quorum of such meeting) shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.

41. If a question arises at a meeting of directors or of a committee of directors as to voting entitlements the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

DELEGATION OF DIRECTORS' POWERS

42. The directors may delegate any of their powers (excluding the power to sub-delegate such powers) to any committee consisting of at least two directors, of whom at least one shall be an Appointed Director and at least one an Elected Director, together with any number of other persons.
43. The powers of delegation of the directors under article 42 shall be without prejudice to the powers of delegation of the Company under the terms of the Scheme from time to time.
44. Any delegation under article 42 or as referred to in article 43 shall be authorised by resolution of the directors and may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered by resolution but not otherwise.
45. Subject to any such conditions, the proceedings of a committee shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
46. References in the articles to a committee of directors or to a director as a member of such a committee shall include a committee established under the articles or to such person or persons (whether or not directors) respectively.

SECRETARY

47. Subject to the provisions of the Act, the secretary shall be appointed by the Principal Employer for such term as it may think fit and any secretary so appointed may be removed by the Principal Employer by notice. The secretary may be the Group Administrator of the Group.

MINUTES

- 48. The directors shall cause minutes to be made in books kept for the purpose:
 - 48.1 of all appointments of officers made by the directors; and
 - 48.2 of all proceedings at meetings of the Company and of the directors and of committees of directors including the names of the directors present at each such meeting.

THE SEAL

- 49. The Company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such person or persons as the directors may from time to time determine.

RECOVERY OF EXPENSES

- 50. Any costs, charges, fees and expenses arising from or attributable to the exercise by the Company of any of the powers set out in Clauses 5 to 8 of the Scheme shall be borne out of the Group Assets attributable to the Group. Subject to Clause 16 of the Scheme, all costs and expenses (whether relating to the administration of the Group or incurred by the Company) which are duly authorised or approved by the directors shall be paid by the Principal Employer.

RECORDS

- 51. The Principal Employer shall not have any right to inspect any records, minutes or documents of the Company except as conferred by statute or authorised by the directors.

NOTICES

- 52. Any notice to be given to or by any person pursuant to the memorandum or articles shall be in writing.
- 53. The Company may give notice to the member or a director either personally or by sending it by post in a prepaid envelope addressed to the member or director at his last notified address or by leaving it at that address or by

sending it by facsimile transmission or by e-mail to a number or e-mail address duly notified to the Company. A director whose address for the time being is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member or director shall be entitled to receive any notice from the Company.

54. Any other document may be served on or delivered to the member or a director by the Company either personally or by sending it by post in a prepaid envelope addressed to the member at his or its registered address, or by leaving it at that address addressed to the member or director.
55. Any notice to be given to the secretary or to the Company shall be addressed to the secretary or the Company respectively and may (in the case of the secretary) be given personally or (in either case) by sending it by post in a prepaid envelope to the office or by leaving it at the office or by sending it by facsimile transmission to a number duly notified by the Company.
56. Any notice or other document sent by post shall be deemed to have been served or delivered on the day following that on which it was put in the post and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document sent by facsimile transmission shall be deemed to have been served or delivered on the day it was so sent. Any notice or other document sent otherwise than by post or facsimile transmission shall be deemed to have been served or delivered on the day it was so delivered.

WINDING UP

57. If the Company is wound up, (whether by way of voluntary liquidation or under supervision or by the Court) it may, after satisfaction of all its debts and liabilities, with the sanction of an extraordinary resolution of the Company, vest the whole or any part of its assets in some other body having objects or functions similar to the objects of the Company, such body to be determined by the member at or before the time of dissolution.

Name and address
of Subscriber

E.ON UK plc
Westwood Business Park
Coventry
CV4 8LG

Dated this day of 2004

Witness to the above Signature: