



CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company Number

109608

I hereby certify that

MOVELEVEL LIMITED

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

Signed at Edinburgh

2 MARCH 1988

Registrar of Companies

**Statutory Declaration of compliance
with requirements on application
for registration of a company****12**Please do not
write in
this margin

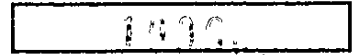
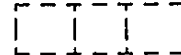
Pursuant to section 12(3) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

For official use



Name of company

* **MOVELEVEL LIMITED*** insert full
name of CompanyI, **ANDREW COCKBURN**of **24 CASTLE STREET****EDINBURGH EH2 3HT**† 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(2)]† and that all the requirements of the above Act 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
provisions of the Statutory Declarations Act 1835

Declared at **EDINBURGH**

Declarant to sign below

the **17th** day of **February**One thousand nine hundred and **88**

before me

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths.

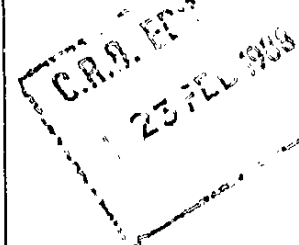
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JORDAN & SONS LIMITED
24, CASTLE STREET
EDINBURGH
TELEPHONE 253 0031

Presentor's name address and
reference (if any):

Oswalds of Edinburgh Limited
Registration Agents
24 Castle Street
EDINBURGH
EH2 3HT

For official Use
New Companies Section

Post room



The Companies Act 1985

Private Company Limited by Shares

Company Number:

MEMORANDUM AND ARTICLES OF ASSOCIATION

MOVELEVEL LIMITED

Incorporated in the

**Oswalds of Edinburgh Limited
Registration Agents
24 Castle Street
Edinburgh EH2 3HT
Telephone 031-225-7308/9 Telex 72428
Fax 031-225-9609**

THE COMPANIES ACT 1985

102600

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

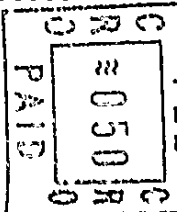
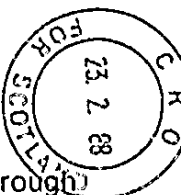
MOVELEVEL LIMITED

1. The Company's name is 'MOVELEVEL LIMITED'.
2. The Company's registered office is to be situated in Scotland.
3. The Company's objects are:-

(a) To carry on for profit, directly or indirectly, whether by itself or through subsidiary, associated or allied companies or firms in the United Kingdom or elsewhere in all or any of its branches any business, undertaking, project or enterprise of any description whether of a private or public character and all or any trades, processes and activities connected therewith or ancillary or complementary thereto.

OB RM

23 FEB 1983



(b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.

(c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire

(e) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

(f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

(g) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

(h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(k) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(l) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

(m) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

(n) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

(o) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

(p) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

(q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

(r) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient

(s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

(t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the

Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(u) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.

(v) To distribute among the Members of the Company in kind any property of the Company of whatever nature.

(w) To procure the Company to be registered or recognised in any part of the world.

(x) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

(y) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:-

(1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.

(2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Company.

(3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

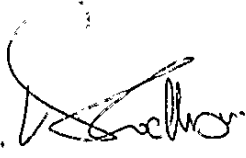
so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.


4. The liability of the Members is limited.

5. The Company's share capital is £1,000 divided into 1,000 shares of £1 each.

We, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Name and addresses of Subscribers	Number of shares taken by each Subscriber
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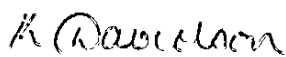
1. Andrew Cockburn, 24 Castle Street, Edinburgh Company Registration Agent	 - One
---	---

2. William Scott, 24 Castle Street, Edinburgh Company Registration Agent	 - One
---	--

Total shares taken	- Two
--------------------	-------

Dated this 17th day of February, 1988.

Witness to the above Signatures:- Karen Davidson,
24 Castle Street,
Edinburgh
Company Registration Agent



THE COMPANIES ACT 1985

199666

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

MOVELEVEL LIMITED

PRELIMINARY

1. (a) The Regulations contained in 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 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

ALLOTMENT OF SHARES

2. (a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (d) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

(b) All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the Directors propose to issue shall first be offered to

the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act.

(c) In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

(d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

SHARES

3. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

4. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

GENERAL MEETINGS AND RESOLUTIONS

5. (a) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the

remuneration of, the Auditors.

(b) Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

6. (a) Clause 40 in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence.

(b) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(c) Clause 41 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

7. (a) Clause 64 in Table A shall not apply to the Company.

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whensoever the minimum number of the Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Clause 89 in Table A shall be modified accordingly.

(c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.

(d) No person shall be appointed a Director at any General Meeting unless either:-

(i) he is recommended by the Directors; or

(ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

(e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

(f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.

BORROWING POWERS

8. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

9. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION OF DIRECTORS

10. The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Clause 81 in Table A shall be modified accordingly.

GRATUITIES AND PENSIONS

11. (a) The Directors may exercise the powers of the Company conferred by Clause 3(t) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

(b) Clause 87 in Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

12. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

INDEMNITY

13. (a) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

(b) Clause 118 in Table A shall not apply to the Company.

TRANSFER OF SHARES

14. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a share, whether or not it is a fully paid share, and the first sentence of Clause 24 in Table A shall not apply to the Company.

Names and addresses of subscribers

1. Andrew Cockburn,
24 Castle Street,
Edinburgh
Company Registration Agent

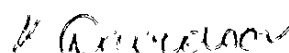


2. William Scott,
24 Castle Street,
Edinburgh
Company Registration Agent



Dated this 17th day of February, 1988.

Witness to the above Signatures: Karen Davidson,
24 Castle Street,
Edinburgh
Company Registration Agent





COMPANIES FORM No. 10

**Statement of first directors
and secretary and intended
situation of registered office**

10

Please do not
write in
this margin

Pursuant to section 10 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

109605

Name of company

* insert full name
of company

* MOVELEVEL LIMITED

The intended situation of the registered office of the company on incorporation is as stated below

24 Castle Street

EDINBURGH.

Postcode EH2 3HT

If the memorandum is delivered by an agent for the subscribers of the
memorandum please mark 'X' in the box opposite and insert
the agent's name and address below

X

OSWALDS OF EDINBURGH LIMITED

COMPANY REGISTRATION AGENTS

24 CASTLE STREET

EDINBURGH

Postcode

Number of continuation sheets attached (see note 1)

PRINTED AND SUPPLIED BY

Jordan & Sons

JORDAN & SONS LIMITED
JORDAN HOUSE
BRUNSWICK PLACE
LONDON W1A 1AE
TELEPHONE 01 753 3030
TELEX 201119



Presentor's name address and
reference (if any):

OSWALDS OF EDINBURGH LIMITED
COMPANY REGISTRATION AGENTS
24 CASTLE STREET
EDINBURGH

For official Use
General Section

Post room

C.R.O. EDINB
23 FEB 1988

The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:

Please do not write in this margin

Name (note 3)		Andrew Cockburn		Business occupation	
				Registration Agent	
Previous name(s) (note 3)				Nationality	
Address (note 4)		24 Castle Street		British	
		EDINBURGH		Date of birth (where applicable)	
		Postcode	EH2 3HT.	(note 6)	
Other directorships †					
None					
I consent to act as director of the company named on page 1					
Signature				Date 17th February 1988	

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.


Name (note 3)				Business occupation	
Previous name(s) (note 3)				Nationality	
Address (note 4)				Date of birth (where applicable)	
		Postcode		(note 6)	
Other directorships †					
I consent to act as director of the company named on page 1					
Signature				Date	

Name (note 3)				Business occupation	
Previous name(s) (note 3)				Nationality	
Address (note 4)				Date of birth (where applicable)	
		Postcode		(note 6)	
Other directorships †					
I consent to act as director of the company named on page 1					
Signature				Date	

Please do not
write in
this margin

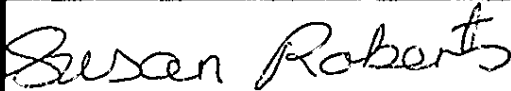
The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

Please complete
legibly, preferably
in black type, or
bold block lettering

Name (notes 3 & 7) William Scott	
Previous name(s) (note 3)	
Address (notes 4 & 7) 24 Castle Street	
DINBURGH.	
Postcode	EH2 3HT.
I consent to act as secretary of the company named on page 1	
Signature 	Date 17th February 1988

Name (notes 3 & 7)	
Previous name(s) (note 3)	
Address (notes 4 & 7)	
Postcode	
I consent to act as secretary of the company named on page 1	
Signature	Date

delete if the form is
signed by the
subscribers

	GOWARDS OF EDINBURGH LIMITED	
	COMPANY REGISTRATION AGENTS	
Signature of agent on behalf of subscribers	24 CASTLE STREET	
	EDINBURGH	Date 17th February 1988

delete if the form is
signed by an agent on
behalf of the
subscribers.

Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date

All the subscribers
must sign either
personally or by a
person or persons
authorised to sign
for them.

Notes

- 1 If the spaces on Page 2 are insufficient the names and particulars must be entered on the prescribed continuation sheet(s).
- 2 'Director' includes any person who occupies the position of a director, by whatever name called.
3. For an individual, his present christian name(s) and surname must be given, together with any previous christian name(s) or surname(s).

"Christian name" includes a forename. In the case of a peer or person usually known by a title different from his surname, "surname" means that title. In the case of a corporation, its corporate name must be given.

A previous christian name or surname need not be given if:—

- (a) in the case of a married woman, it was a name by which she was known before her marriage; or
- (b) it was changed or ceased to be used at least 20 years ago, or before the person who previously used it reached the age of 18; or
- (c) in the case of a peer or a person usually known by a British title different from his surname, it was a name by which he was known before he adopted the title or succeeded to it

- 4 Usual residential address must be given or, in the case of a corporation, the registered or principal office.
- 5 The names must be given of all bodies corporate incorporated in Great Britain of which the director is also a director, or has been a director at any time during the preceeding five years.

However, a present or past directorship need not be disclosed if it is, or has been, held in a body corporate which, throughout that directorship, has been:—

- (a) a dormant company (which is a company which has had no transactions required to be entered in the company's accounting records, except any which may have arisen from the taking of shares in the company by a subscriber to the memorandum as such).
- (b) a body corporate of which the company making the return was a wholly-owned subsidiary;
- (c) a wholly-owned subsidiary of the company making the return; or
- (d) a wholly-owned subsidiary of a body corporate of which the company making the return was also a wholly owned subsidiary.

6. Dates of birth need only be given if the company making the return is:—

- (a) a public company;
- (b) the subsidiary of a public company; or
- (c) the subsidiary of a public company registered in Northern Ireland

- 7 Where all the partners in a firm are joint secretaries, only the name and principal office of the firm need be stated.

Where the secretary or one of the joint secretaries is a Scottish firm the details required are the firm name and its principal office.

thm.

The Companies Act 1985
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MOVELEVEL LIMITED

(Registered Number 109608)

(Adopted by Special Resolution passed on [] 1988)

1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations (such tables being hereinafter called "Table A") other than Regulations 2, 3, 23, 35, 40, 41, 54, 64 to 69 (inclusive), 73 to 80 (inclusive), 87, 94 to 97 (inclusive), 118, and the first sentence of Regulation 24, shall apply to the Company save insofar as they are varied hereby and such Regulations (save as so varied) and the Articles hereinafter contained shall be the Regulations of the Company

INTERPRETATION

2. In these Articles the following expressions shall have the following meanings:-

"the Act"

shall mean the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

"the Company"

shall mean the Company and all or any associated subsidiary or holding companies for the time being of any of them and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Companies of the Group" and "Company of the Group" shall be construed accordingly.

"holding company" and
"subsidiary company"
"associated company"

shall mean the same as in Section 736 of the Act.

shall mean the same as in Section 302 of the Income and Corporation Taxes Act 1970

"FKI Babcock"

shall mean FKI Babcock plc

"the FKI Babcock Group"

shall mean FKI Babcock and all or any associated subsidiary or

holding companies for the time being of FKI Babcock and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Company of the FKI Babcock Group" and "Companies of the FKI Babcock Group" shall be construed accordingly

"equity share capital"

shall mean equity securities as defined in Section 94 of the Act and in particular shall include Ordinary Shares but shall exclude Preference Shares

"Flotation"

shall mean either:-

- (i) the granting of permission by the Council of The Stock Exchange for the ordinary share capital of the Company to be dealt in on the Unlisted Securities Market or any other unlisted securities market for the time being administered by the Council of The Stock Exchange; or
- (ii) the admission by the Council of The Stock Exchange of the ordinary share capital of the Company to the Official List; or
- (iii) the granting of permission for the ordinary share capital of the Company to be dealt in on any recognised stock exchange (as defined in Section 535 of the Income and Corporation Taxes Act 1970)

"Control"

shall mean the right by virtue of holding shares in the Company or by virtue of any contract or other arrangement with any holder of shares in the Company to exercise 50 per cent or more of the total voting rights conferred by all the equity share capital of the Company for the time being in issue

"Transfer of Control"

shall mean the transfer of any share(s) in the Company which would if completed result in any person or persons who were not Members of the Company at the date

these Articles were adopted obtaining Control of the Company or alternatively would result in the loss of Control of the Company by the shareholders in Control at the time of the transfer in question

"the Specified Price"

shall mean in the case of the Ordinary Shares the higher of par and the highest price per share (including any non cash element but excluding stamp duty stamp duty reserve tax and commission) paid by the proposed transferee and/or persons acting in concert with the proposed transferee (as defined in the City Code on Takeovers and Mergers in force at the date of adoption of these Articles) within the period of twelve months prior to and on the proposed date of completion of any transfer of such shares which price shall in the event that the same cannot be agreed between the Directors and all the Members to whom such offer is to be made be referred for determination by the Auditors who in so determining shall act as experts and not as arbitrators and whose decision shall in the absence of manifest error be final and binding on the Company and the Shareholders

"the Auditors"

shall mean the Auditors for the time being of the Company

"a Financial Year"

shall mean a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions contained in the Act

"Privileged Relation"

in relation to a shareholder shall mean the spouse of that person and his children (including step and adopted children)

"Family Trusts"

in relation to a shareholder means trusts under which no immediate beneficial interest in the shares held on such trusts is for the time being vested in any person other than the shareholder or his Privileged Relations and no power of control over the voting powers

"the Settlor"

conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees of such trust as trustees of such member or his Privileged Relations shall mean in respect of any Settled Shares the member or former member who transferred such shares to a Privileged Relation into Family Trusts under the provisions of paragraph (b) or (c) of sub-Article 15 (1)

"Settled Shares"

shall mean any shares in the Company which have at any time been transferred by a Settlor to a Privileged Relation or into Family Trusts under the provisions of paragraph (b) or (c) of sub-Article 15 (1) and which continue for the time being to be held by a Privileged Relation of the Settlor or on Family Trusts created by the Settlor

"Moneys Borrowed"

shall mean in respect of Group Companies all amounts for the time being remaining undischarged or owing or due by virtue of any of the operations referred to in sub-Article 26(1) and all other moneys borrowed including without prejudice to the generality of the foregoing:-

- (i) the principal amount of any indebtedness the repayment whereof is guaranteed or secured or the subject of any indemnity for the time being in force (other than guarantees granted in connection with the supply of goods in the ordinary course of business of the Company's business); and
- (ii) the principal amount for the time being owing in respect of any debenture within the meaning of Section 744 of the Act whether issued for cash or otherwise; and
- (iii) the amount outstanding in respect of acceptance by Group Companies or by any

bank or accepting house under any acceptance credit opened on behalf of any such Group Company (not being acceptances in relation to the purchase of goods in the normal course of trading);

- (iv) any amount raised by accommodation bills; and
- (v) the principal amount for the time being owing in respect of any arrangement for hire purchase or purchase on credit sale or conditional sale terms; and
- (vi) the aggregate amount of any book debts sold which have not yet been collected and the collection of which is the responsibility of any Group Company; and
- (vii) any amount raised by hire purchase, leasing, factoring or similar arrangements

PROVIDED ALWAYS that there shall not be taken into account as being Moneys Borrowed:-

- (i) any moneys borrowed for the purpose of repaying the whole or any part of moneys previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for such purpose within 3 months of such moneys being raised; or
- (ii) any loans mortgages charges or other liabilities for the time owing or outstanding between Group Companies

AND PROVIDED FURTHER that moneys borrowed in a currency other than sterling shall be converted at the rate of exchange for the relevant currency (and by reference to the relevant amount and period of borrowing) prevailing in the London inter-bank market on the date on which the borrowing limited falls to be applied

SHARE CAPITAL

3. The authorised share capital of the Company at the date of the adoption of these Articles is Seven hundred thousand pounds (£700,000) divided into One hundred thousand (100,000) Ordinary Shares of One pound each ("the Ordinary Shares") and six hundred thousand (600,000) Cumulative Redeemable Preference Shares of One pound each ("the Preference Shares")

4. The rights attaching to the said respective classes of shares shall be as follows:-

(1) As regards income:-

(a) (i) the Preference Shares shall entitle the holders thereof as a class to receive in respect of each Financial Year prior to any dividend being paid in respect of any share of any other class a fixed cumulative dividend payable in cash (exclusive of any imputed tax credit available to the holders of such Preference Shares) of an amount equal to 9 per cent of the aggregate amounts paid up or credited as paid up on the Preference Shares for the time being in issue which dividend shall accrue from day to day PROVIDED THAT the Preference Shares shall not carry the right to receive payment of the said dividend in respect of the period from the date of issue of the Preference Shares up to and including 31st March 1990

(ii) Subject to the provisions of part VIII of the Act and until the Preference Shares shall have been redeemed the Preference Dividend shall be paid by way of interim dividend by periodic instalments on each of the 1st day of April and the 1st day of October in each calendar year (the first of which instalments shall for the avoidance of doubt be payable on 1st October 1990 in respect of the period from 1st April 1990 until such date) of an amount equal (in each case) to 4.5 per cent of the amount paid up or credited as paid up on each Preference Share in issue as at the dates payment becomes due in accordance with the foregoing provisions of this sub-paragraph

Every such payment shall be distributed amongst the holders of the Preference Shares pro rata according to the number of Preference Shares respectively held by them as at the date when payment becomes due in accordance with the foregoing provisions of

- this sub-paragraph (ii) and every sum so distributed shall be accompanied by a certificate in respect of the relative imputed tax credit
- (iii) Subject to the provisions of part VIII of the Act the Preference Dividend shall ipso facto and without requiring any resolution of the Directors or of the Company in General Meeting and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A become as and when the same falls due in accordance with the foregoing provisions of sub-paragraph (a) (ii) above of this sub-Article 4 (1) a debt due from and immediately payable (whether or not demanded) by the Company to the holders of the Preference Shares

(b) In the event that whether by reason of any principle of law or otherwise the Company is unable to pay in full on or by any date on which any sum would otherwise become payable by way of Preference Dividend in accordance with the foregoing provisions of sub-paragraph (a) of this sub-Article 4 (1) (any such date being referred to in this sub-paragraph (b) as a "Due Date" and any such dividends as aforesaid falling payable on a Due Date being referred to as a "Relevant Preferred Dividend") then the following provisions shall apply:-

- (i) on the Due Date the Company shall pay on account of the Relevant Preferred Dividend the maximum sum (if any) which may then be paid by the Company in accordance with any governing principles of law; and
- (ii) on every succeeding Due Date the Company shall pay on account of the outstanding balance of the Relevant Preferred Dividend the maximum sum (if any) which may on each such succeeding Due Date be paid by the Company in accordance with any governing principles of law until all arrears of Relevant Preferred Dividend shall have been paid in full; and so that
- (iii) subject only as aforesaid and in particular to the provisions of part VIII of the Act every sum which shall become payable on a Due Date in accordance with the foregoing provisions of this sub-Article 4 (1) (b) shall ipso facto and without requiring any resolution of the Directors or of the Company in General Meeting and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A become on such Due Date a debt due from

and immediately payable (whether or not demanded) by the Company to the holders of the Preference Shares

(c) Save with the written consent of the holders of the Preference Shares no dividends shall be declared or paid on the Ordinary Shares in respect of any Financial Year unless and until (i) the Preference Dividend shall actually have been paid in full in respect of such Financial Year and in respect of all previous Financial Years of the Company and (ii) the Group shall have no indebtedness in respect of Moneys Borrowed

(d) Subject to the payment of the Preference Dividend and subject always to the provisions of paragraph (c) above of this sub-Article 4(1) any further profits which the Company may determine to distribute in respect of any Financial Year shall belong to and be distributed amongst the holders of the Ordinary Shares pro rata according to the amount paid up or credited as paid up on any such shares held by them respectively

(2) As regards capital:-

On a return of assets on liquidation or otherwise the surplus of assets of the Company remaining after the payment of liabilities shall belong to and be distributed as follows:-

(aa) firstly in paying to the holders of the Preference Share all arrears (if any) of the Preference Dividend whether declared or earned or not and calculated down to the date of payment; and

(bb) secondly in paying to the holders of the Preference Shares the full amount paid up or credited as paid up thereon; and

(cc) thirdly in paying to the holders of the Ordinary Shares the full amount paid up or credited as paid up thereon; and

(dd) fourthly the balance of such assets shall belong to the holders of the Ordinary Shares pro rata according to the amount paid up or credited as paid up on any such shares held by them respectively

(3) As regards redemption:-

(a) The Company shall have the right at any time

subject to the provisions of the Act and provided that there shall be no arrears of Preference Dividends as at the date of such redemption to redeem the Preference Shares intranches of not less than £60,000 at par ("the Call Option")

(b) The Company shall subject to the provisions of the Act and to the extent not already done under subparagraph (3) (a) above redeem all the Preference Shares at par on the earliest of the following dates:-

(i) the 31st March 1998 (and so that and Preference Shares not so redeemed on or by such date shall be redeemed as soon as the Company shall be permitted so to do in accordance with the provisions of the Act and in the event that on such date the Company is permitted to redeem some only of the Preference Shares it shall redeem such Preference Shares on such date and it shall redeem the remaining Preference Shares so soon thereafter as the Company shall be permitted so to do); and

(ii) immediately prior to Flotation; and

(iii) immediately prior to the registration of any Transfer of Control

(c) The call option shall be exercised by notice in writing to the holders of the Preference Shares to be redeemed which notice shall state the date on which completion of such redemption is to take place in accordance with the provisions of subparagraph (d) below of this sub-Article 4 (3) ("the Call Notice")

(d) Completion of the redemption of the Preference Shares shall take place in the case of a Call Option within 21 days of the date of service of the Call Notice and otherwise on the due date for redemption whereupon in either case the Company shall deliver to the holder of the Preference Shares so redeemed a bankers' draft for the aggregate of:-

(i) the total redemption price; and

(ii) all arrears or deficiency of Preference Dividend calculated down to the date of redemption and to be payable whether such dividend has been declared or earned or not

and the holders of the Preference Shares so redeemed shall deliver to the Company the share certificates therefor and where a certificate also comprises shares not to be redeemed the Company

will issue a fresh certificate for the balance.

(4) As regards Meetings and voting:-

(a) The holders of the Preference Shares shall be entitled to receive notice of General Meetings of the Company but shall not be entitled to attend or vote either in person or by proxy at any such Meeting by virtue of in respect of their holdings of Preference Shares unless:-

(i) their dividends or any part thereof shall at the date when the notice convening the Meeting is sent out be six months in arrears; or

(ii) any resolution to be proposed at the Meeting constitutes an actual or deemed variation of the rights attaching to the Preference Shares as set out in Article 7 of these Articles in which event the holders of the Preference Shares shall have the right to attend and vote only on such resolution.

(b) Whenever the holders of Preference Shares are entitled to vote every holder present in person shall have one vote and on a poll every holder present in person or by proxy shall have one vote for every Preference Share held by such holder

(c) The holders of the Ordinary Shares shall be entitled to receive notice of General Meetings of the Company and to attend and vote either in person or by proxy at any such Meeting and every such holder present in person or by proxy shall have one vote for every Ordinary Share held by him

5. Subject to the provisions of the Act the Company may:-

(1) Issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the holder on such terms and in such manner as shall be prescribed in these Articles or by the Resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company; and

(2) Purchase its own shares (including any redeemable shares) and, for so long as it remains a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

6. Subject to the provisions of these Articles and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the Resolution creating or issuing such shares

or effecting the increase in the authorised share capital of the Company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the Directors who may issue them, subject to the provisions of Section 80 of the Act and of Articles 9 and 10 below to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit

CLASS RIGHTS

7. Whenever the capital of the Company is divided into different classes of share 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 of a winding up, with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be one person present in person or by proxy (whenever there is only one holder of shares of that class) but where there are two or more holders of shares of that class the quorum shall be two persons at least holding or representing by proxy not less than two thirds in nominal amount of the issued shares of the class and the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively PROVIDED THAT without prejudice to the generality of this Article the special rights attached to the Preference Shares shall be deemed to be varied and accordingly the prior consent (in writing or in separate meeting in manner aforesaid) of the holders of the Preference Ordinary Shares shall be required in accordance with the provisions of this Article 7 to the following matters in relation to the Company:-

- (a) any alteration or increase or reduction of the authorised or issued share capital of the Company or of any of its subsidiaries (other than by redemption of Preference Shares in accordance with these Articles) or by any variation of the rights attached to any of the shares for the time being in the capital of the Company; or
- (b) the disposal of any assets (including share capital held by the Company or any of its subsidiaries) or activities of the Company or any of its subsidiaries which are fundamental to the existing business of the Company and for the purposes of this sub-Article (b) "fundamental" shall mean property assets or activities representing or accounting for 25 per cent (25%) or more of the value of the net assets or trading income of the Company and its subsidiaries as shown in the then latest audited consolidated profit and loss account or balance sheet (as the case may be) of the Company; or
- (c) any diversification away from the existing business of the

Company; or

- (d) any alteration of any of the provisions of the Memorandum or Articles of Association of the Company or any of its subsidiaries; or
- (e) the giving of notice of any resolution to wind up the Company or any of its subsidiaries; or
- (f) the removal from office of the Special Director other than in accordance with Article 24
- (g) the payment or proposed payment of any dividend on the Ordinary Shares other than as permitted under the terms of Article 4(1)(c) hereof
- (h) any proposal to exceed the borrowing restrictions in Article 26 hereof

FURTHER ISSUES

8. No shares shall be issued to any infant bankrupt or person suffering from mental disorder.

9. The Directors of the Company shall not exercise any power of the Company to allot relevant securities as defined in Section 80(2) of the Act unless they are authorised so to do by the Company in General Meeting and any purported allotment in contravention of this provision shall be void and of no effect.

10. (1) In accordance with Section 91(1) of the Act subsections 89(1), and 90(1) to (6) inclusive of the Act shall not apply to any allotment of shares in the Company.

(2) Subject always to Articles 8 and 9, if the Directors shall determine to make an issue of any shares forming part of the share capital of the Company for the time being they shall unless the Company shall by Special Resolution otherwise direct be bound to make an offer (stipulated to be open to acceptance within twenty eight days) in the case of an issue of any class of share to each member for the time being holding shares in the equity share capital of the Company of such a proportion of the shares which the Directors determine to issue as the aggregate nominal value of that member's holding of equity share capital bears to the aggregate nominal value of shares in the equity share capital of the Company immediately prior to the issue of the shares as if any such member shall be bound within twenty eight days of the making of such offer to him either to accept or reject in writing such offer in full or in part (and in default of so doing shall be deemed to have rejected the offer in full). After the expiration of that time, or on the receipt of an intimation from any member to whom the offer is made that he rejects the offer in whole or in part, the Directors shall offer the shares so rejected or deemed to have been rejected in like manner to such of the other members as accepted the original offer in full PROVIDED THAT if any of the shares comprised in such further offer are rejected or if deemed to be rejected then the whole of such share issue whether any

part or parts have been accepted or not by any Member shall be cancelled.

LIEN

11. (1) The lien conferred by Regulation 8 of Table A shall extend also to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of the several joint holders and shall be a first and paramount lien for all moneys and liabilities whether presently due and payable or not.

(2) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

12. The instrument of transfer of any fully paid share shall be signed by or on behalf of the transferor only but in the case of a partly paid share, the instrument of transfer shall also be signed by or on behalf of the transferee. The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

13. (1) The Directors may refuse to register any transfer of any share on which the Company has a lien or any transfer of any share (not being a fully paid share) to a person whom they shall not approve (not being a person referred to in Article 15 (1));

(2) No share may be transferred to any infant, bankrupt person or person suffering from mental disorder.

14. (1) Subject to Article 13 the Directors shall register any transfer of any shares made in the circumstances prescribed in Article 15 but in any other circumstances the Directors shall refuse to register any transfer of any share whether or not it is a fully paid share;

(2) Any directions (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to some person other than that Member or any sale or other disposition for consideration or otherwise by whomsoever made and whether effected by an instrument in writing or not of a beneficial interest in a share other than any such sale or other disposition in favour of an existing member shall for the purposes of these Articles be deemed to be a transfer, and the Directors shall accordingly decline to register such person as the holder thereof except where the proposed transferee is a person to whom a transfer of shares may be made by a Member pursuant to Article 15 or where the provisions of that Article have been complied with.

15. (1) Subject to the provisions of Articles 12, 13 and 14 and to the following provisions of this Article any share may at any time be transferred without restriction as to price or otherwise in the following circumstances:-

- (a) by FKI Babcock or any Company of the FKI Babcock Group to any other Company of the FKI Babcock Group or to any other person firm or Company whatsoever PROVIDED that if the proposed transfer of any share is to any person firm or Company other than any Company of the FKI Babcock Group FKI Babcock or the relevant Company of the FKI Babcock Group the terms of sub-Article 15(2) of these Articles shall apply to such proposed transfer save that:-
 - (i) the remaining members shall not have the right to require the Auditors to value the shares in question and Article 15(2) shall be construed accordingly
 - (ii) the provisoes (aa) to (dd) of Article 15(2)(i) shall in any event not apply
- (b) in the case of any shares which are not already Settled Shares by any member being an individual to a Privileged Relation
- (c) in the case of shares which are not already Settled Shares by any member being an individual to trustees to be held on Family Trusts and so that where any Settled Shares are held by Trustees on Family Trusts:-
 - (i) such Settled Shares may on any change of trustees be transferred to the new trustees; and
 - (ii) such Settled Shares may at any time be transferred to the Settlor thereof or to any other person to whom under sub-paragraph (c) above of this sub-Article 15 (1) the same could have been transferred by the Settlor if he had been the holder thereof; or
- (d) by any member to any other person for whatever consideration with the consent of all the other members for the time being of the Company
- (e) by any member at any time to the Company in accordance with the provisions of the Act
- (2) (a) Except in the case of a transfer of shares expressly authorised by subclause (1) of this Article any Member wishing to sell, transfer or otherwise dispose of any share or the beneficial interest therein ("the Transferor") shall give

notice in writing ("a Transfer Notice") to the Company that he desires to transfer or dispose of the same specifying:-

- (i) the shares which he desires to sell or transfer; and
- (ii) the price at which he is willing to sell or transfer these shares; and
- (iii) whether or not the Transfer Notice is conditional upon all and not part only of the shares comprised in it being sold and so that in the absence of such specification the Transfer Notice shall be deemed to be so conditional

Such Notice shall constitute the Company as agent for the sale of the shares to any Member willing to purchase the same ("the Transferee") at the price specified therein or fixed by the Auditors of the Company in accordance with sub-clause (f) of this Sub-Article 15 (2) ("the Fair Value") (whichever shall be the lower). A Transfer Notice may include several shares. Whenever the capital is divided into different classes of shares a separate Transfer Notice shall be given for each class of shares. Once served a Transfer Notice shall not be revocable at the instance of the Transferor without the written consent of all the other Members for the time being

- (b) Forthwith upon receipt of a Transfer Notice and with a view to finding a Transferee for the shares comprised in the Transfer Notice, the Directors shall forthwith give notice in writing thereof ("an Offer Notice") to all the Members. The Offer Notice shall state the price per share specified in the Transfer Notice and shall first offer such shares to the Members then holding the remaining shares of the same class as those offered in proportion to their then holdings of such class of shares. For the purposes of this Article 15 only all shares for the time being comprised in the equity share capital shall be deemed to be shares of the same class. Such offer ("the First Offer") shall be limited to a time of twenty eight days from the date of the Offer Notice provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15 (2) the First Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the Members in accordance with sub-Clause (g) below of this sub-Article 15 (2) ("the First Period"). If not accepted within the First Period the First Offer

shall be deemed to have been declined. The First Offer shall give the Members to whom it is made the right to claim shares offered in addition to their due proportion. If any such Members do not accept their due proportion the unaccepted shares shall be distributed amongst those claiming additional shares in proportion as nearly as may be to their said holdings but no Member shall be bound to take more shares than those he has claimed.

- (c) Where the capital is divided into different classes the Offer Notice shall also contain a further offer ("the Second Offer") offering to the remaining Members in proportion to their then holdings of shares, such of the shares comprised in the Transfer Notice which have not been taken up or agreed to be taken up under the First Offer within the First Period. The Second Offer shall be limited to a time of twenty eight days from the expiry of the First Period provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15 (2) the Second Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the Members in accordance with sub-Clause (g) below of this sub-Article 15 (2) ("the Second Period"). If not accepted within the Second Period the Second Offer shall be deemed to have been declined. The provisions of subclause (b) of this Article regarding claims for additional shares shall (mutatis mutandis) apply to the Second Offer also.
- (d) Whenever the capital is divided into different classes and there is only one holder of the particular class in respect of which a Transfer Notice is served or whenever all the shareholders of that particular class are holding companies or associated or subsidiary companies of other shareholders of the same class then where a Transfer Notice is served in respect of shares of that class the First Period shall be deemed to expire forthwith upon service of such Transfer Notice and the Second Offer shall be deemed to be made in respect of all the shares comprised in that Transfer Notice so that the Second Period shall be deemed to commence upon service of the Offer Notice
- (e) If the Company shall within the First or Second Period (as the case may be) find a Transferee or Transferees for the share(s) offered for sale and shall give notice thereof to the Transferor he shall be bound upon payment of the Fair Value to transfer the share(s) to the Transferee or Transferees.

- (f) (i) The Fair Value for the shares specified in a Transfer Notice shall be the price specified therein by the Transferor provided that any Member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requiring the Company to procure the Auditors to certify in writing the price which in their opinion represents the fair value for the shares comprised in the Transfer Notice as between a willing Vendor and a willing Purchaser on the basis of the Company as a going concern. Upon receipt of such notice the Company shall instruct the Auditors to certify as aforesaid. For the purpose of this Article the fair value of each Share comprised in the Transfer Notice shall be its value as a rateable proportion of the total value of the issued shares of the relevant class in question and shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice. In so certifying the Auditors shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding on the parties PROVIDED THAT in any circumstances where a Transfer Notice has been given or deemed to have been given pursuant to subclauses (3) (4) (5) (6) or (7) of this Article, the calculation of the Fair Value shall be referred to the Auditors forthwith upon the said Notice being given or deemed to have been given;
- (ii) The cost of obtaining an Auditors Certificate pursuant to sub-Article (f) (i) shall be borne by the Company.
- (g) In the event of the Auditors' Certificate being issued as to the Fair Value, the Company shall forthwith give notice to the Transferor and Transferee(s) of the sum so certified and within a period of seven days after service of such notice any Transferee may revoke his acceptance in whole (but not in part) by notice in writing served on the Company
- (h) If the Transferor, after having become bound to transfer his share(s) as aforesaid, makes default in transferring the same, the Company may receive the purchase money tendered by the Transferee(s) and the proposed Transferor shall be deemed to have appointed any one Director or the Secretary of the Company as his Agent and Attorney to execute a transfer of the share(s) to the Transferee(s) and upon the execution of such transfer the Company shall hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the

Transferee(s) and after his or their name(s) have been entered on the Register of Members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

- (i) If the Directors shall not by the expiry of the First Period or, where the capital is divided into different classes of shares, by the expiry of the Second Period, find a Transferee for all the shares offered from amongst the Members of the Company in accordance with the foregoing provisions of this Article, or if the Company shall within the relevant period give the Transferor notice in writing that the Company has no prospect of finding purchasers of such shares or any of them the Transferor shall be at liberty within a period of three months from the end of the First Period or as the case may be the Second Period, on a bona fide sale or transfer subject to the provisions of Article 13 and the following provisions of this Article to sell and/or transfer such unsold share(s) or the beneficial interest therein to any person at any price being not less than the Fair Value PROVIDED THAT:-
- (aa) for so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company the prior written consent of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall be required before the Directors may register any such transfer or transfers; and
- (bb) the person or persons to whom any such shares are to be transferred must have been previously approved by the Directors of the Company such approval not to be unreasonably withheld unless the proposed transferee is a person considered by the directors to be a competitor or connected with a competitor of the business of the Company and its subsidiaries; and
- (cc) if the Transfer Notice shall state that the Transferor is not willing to transfer part only of the shares comprised in the Transfer Notice he shall be entitled under this sub-clause 15(2)(i) to transfer all but not part of such shares; and
- (dd) the Directors may require to be satisfied in such manner as they may reasonably think fit that such shares are being transferred in pursuance of a bona fide sale or transfer for the consideration stated in the relative form of Stock Transfer without any deduction, rebate or allowance whatsoever to the Transferee and the Directors, if not so satisfied, may refuse to

register or approve the Transfer

(3) Any person entitled to a share other than a Settled Share in consequence of the death or bankruptcy of a Member shall be bound at any time if and when required in writing by any other Member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt Member

(4) Any person or persons registered or otherwise entitled to be registered as the holder of any Settled Shares shall be bound at any time following the death or bankruptcy of the Settlor of any such shares if and when required in writing by any other Member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt Settlor

(5) Notwithstanding the foregoing provisions of this Article any Member who is a Director or employee of a Company of the Group shall upon ceasing to hold office as a Director of or to be employed by the Company or any Company of the Group and if required by any other Member so to do give a Transfer Notice in respect of all the shares other than Settled Shares then registered in his name and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such person so ceases to be a Director or Employee otherwise than as result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-clause (2)(f) of this Article 15

(6) Where the Settlor of any Settled Shares was at the time such shares were transferred by the Settlor so as to become Settled Shares a Director or employee of a Company of the Group then any person or persons registered or otherwise entitled to be registered as the holder of any of such Settled Shares shall upon the Settlor of any such shares ceasing to hold office as a Director of or to be employed by a Company of the Group and if and when required by any other Member so to do to give a Transfer Notice in respect of all the shares then registered in his or their respective names and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such Settlor so ceases to be a Director or employee otherwise than as a result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-clause (2)(f) of this Article 15

(7) If and whenever any Settled Shares cease to be held on Family Trusts (other than in consequence of a Transfer authorised by sub-paragraph (c) of sub-Article 15 (1)) the trustees of such Family Trust shall forthwith give a Transfer Notice in respect of the shares in question and such shares may not otherwise be transferred

(8) If at any time a proposed transfer of any shares made other than in accordance with the provisions of sub-Article 15 (1) would if completed constitute a Transfer of Control then

notwithstanding any other provision contained in these Articles then the Directors shall not sanction the making and registration of any such transfer unless the provisions of sub-Article 4 (3) shall have been complied with nor unless the proposed transferee shall first have made a general offer in writing (stipulated to be open for acceptance for at least 28 days) to purchase all the issued shares in the capital of the Company (other than Preference Shares) at the Specified Price which offer in the absence of written acceptance by any Member within the period during which it is expressed to be open for acceptance shall be deemed to have been rejected by any such Member not accepting

(9) Any transfer or purported transfer of any share made otherwise than in accordance with this Article shall be void and of no effect and in any case where, pursuant to this Article, a Transfer Notice shall be required to be given in respect of any share(s) and such Transfer Notice is not duly given within a period of fourteen days such Transfer Notice shall be deemed to have been given at the expiration of the said period or at the expiry of fourteen days after the Directors first became aware of the default and the provisions of this Article shall take effect accordingly.

GENERAL MEETINGS AND RESOLUTIONS

16. (1) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

(2) Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

17. (1) No business shall be transacted at any General Meeting unless a quorum is present at the time when the Meeting proceeds to business

(2) If a quorum is not present within half an hour from the time appointed for a General Meeting or if at any time during a General Meeting such quorum ceases to be present the General Meeting shall stand adjourned to the same day in the next week at the same time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(3) For so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company a quorum shall consist of a duly authorised representative of FKI Babcock or of the relevant Company of the FKI Babcock Group (as the case may be) and any one other member present in person or by proxy

18. At any General Meeting of the Company, a poll may be demanded by one or more Members present in person or by proxy or being a corporation by its duly authorised representative and having the right to vote at the Meeting and subclauses (b) (c) and (d) of Regulation 46 of Table A shall be modified accordingly.

ACCOUNTS

19. Every Financial Year shall commence on 1st April and end on 31st March in the following year and the Directors shall cause to be prepared, in accordance with the provisions of the Act, a consolidated balance sheet of the Company and its subsidiaries as at the end of each such Financial Year and a consolidated profit and loss account of the Company and its subsidiaries for each such Financial Year (together "the Accounts").

APPOINTMENT AND REMOVAL OF DIRECTORS

20. Unless and until otherwise determined by Ordinary Resolution of the Company there shall be no maximum number of Directors but the minimum number of Directors shall be two

21. (1) The Directors shall not be required to retire by rotation

(2) The provisions of Section 293 of the Act shall apply to the Company notwithstanding that the Company is neither a Public Company nor a subsidiary of a Public Company

22. Subject always to the provisions of Article 7 the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

23. Subject always to the provisions of Article 7 the Directors may appoint a person who is willing to act to be a director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

24. (1) Notwithstanding any limitation on the number of Directors fixed by or in accordance with these Articles for so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall have the right at any time and from time to time to appoint one person ("the Special Director") as a Director of the Company and

to remove from office any person so appointed and to appoint another in his place

(2) The appointment and removal of the Special Director shall be effected by a notice or notices in writing signed on behalf of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) and given to the Company at its Registered office and shall take effect forthwith upon receipt

(3) The Company shall procure at the written request of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) that the Special Director shall be appointed as a Director of such subsidiary company or companies of the Company as FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall specify

(4) The Company shall re-imburse to the Special Director all reasonable expenses incurred by him in connection with his office and shall indemnify the Special Director in a form satisfactory to FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) against reasonable actions taken by him in his capacity as a Director

25. In addition and without prejudice to the provisions of Section 303 and 304 of the Act the Company may, by Extraordinary Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

BORROWING POWERS

26. (1) Subject to the remaining provisions of this Article 26 the Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money and the fulfilment of obligations and the performance of contracts to enter into leasing hire or credit purchase transactions and to mortgage or charge the property assets and uncalled capital of the Company and (subject to Section 80 of the Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

(2) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous written consent of the holders of the Preference Shares no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) then exceeds or would as a result of such borrowing exceed an amount equal to one and a half times the aggregate of:-

(a) the nominal amount paid up on the share capital of the Company; and

(b) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries of the Company and deducting any debit balance on the combined profit and loss account, all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared recommended or made since that date except in so far as provided for in such balance sheet.

(3) A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (2) of this Article be owing by the Company and its subsidiaries without such sanction shall be conclusive in favour of the Company and all persons dealing with the Company.

(4) No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 26 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given in respect of any such debt or liability shall be invalid or ineffectual except where the lender or recipient of the security or other person to whom a liability is incurred has actual express notice at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded

GRATUITIES AND PENSIONS

27. The Directors may exercise all the powers of the Company conferred by the Memorandum of Association of the Company to pay and/or provide pensions, annuities, gratuities, superannuation, and other allowances, benefits advantages, facilities and services both for persons who are or have been Directors of, or who are or have been employed by the Company and their dependants and relatives and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

PROCEEDINGS OF DIRECTORS

28. So long as FKI Babcock or the relevant Company within the FKI Babcock Group shall have appointed a Special Director there shall be no quorum at any Meeting of the Board of Directors and accordingly no business transacted at any meeting of the Board of Directors shall be valid unless the Special Director is present or alternatively unless the Special Director has received at least 7 days prior written notice of such meeting

and the business to be transacted thereat and has given written consent to the business referred to in such notice of Meeting being moved in his absence and Clause 89 in Table A shall be construed accordingly.

29. Where at any Meeting of the Directors there is to be transacted any business which if carried would constitute an actual or deemed variation of the rights attaching to the Preference Shares as set out in Article 7 then in relation to any such matter the Special Director shall be entitled to such number of votes as shall constitute a majority on the Board and Clause 88 of Table A shall be interpreted accordingly.

30. Any Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

31. Any Director or member of a committee of Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the Meeting can hear each other and any Director or member of a committee participating in such a meeting in this manner shall be deemed to be present in person at such meeting.

ALTERNATE DIRECTORS

32. (1) Each Director shall have the power (i) at any time to appoint as an alternate Director, either another Director or any other person who in the case of an alternate appointed by a director other than the Special Director shall be approved for that purpose by resolution of the Directors and (ii) at any time, to terminate such appointment.

(2) The appointment of an alternate Director shall automatically terminate on the happening of any event which, if he were a Director, would cause him to vacate the office of Director or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

(3) Every appointment, removal or resignation of an alternate Director, shall be in writing signed by the appointor or (as the case may be) by the alternate Director and shall take effect (subject to any approval required under subclause (1) of this Article) upon receipt of such written appointment, removal or resignation at the Registered Office of the Company.

(4) An alternate Director shall, (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled to receive notices of all Meetings of the Directors or of any committee of the

Directors of which his appointor is a member, and to attend and, in place of his appointor, exercise the voting rights which would have been exerciseable by his appointor and be counted for the purposes of a quorum at any such Meeting at which his appointor is not personally present and generally, in the absence of his appointor, to perform and exercise all the functions, powers and duties as a Director of his appointor and to receive notice of all General Meetings. An alternate Director shall during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor but shall not be entitled to any remuneration or fee from the Company;

(5) A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at Meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

INDEMNITY

33. Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss or damage, and no or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto PROVIDED THAT this Article shall only have effect insofar as its provisions are not avoided by section 310 of the Act.

[COPY]

special resolution(s)

J 378(2)

Company Number

109608

name of company

MOVELEVEL

Limited

At an Extraordinary General Meeting of the members of the above-named company, duly convened and held at 65 Renfield Street, Glasgow G2 1NJ on the Thirty First day of March 1988

the following SPECIAL RESOLUTION(S) was/were duly passed:-

In terms of the Resolutions and Articles of Association appended hereto.

SIGNED

(DIRECTOR)

NOTES

- (1) This copy Resolution may be continued on the reverse side of this form if necessary and it should be signed by the Chairman of the Meeting OR by a Director OR by the Secretary of the Company whose position should be stated under his name.
- (2) This copy Resolution is required to be filed with the registrar of companies within 15 DAYS after it has been passed and can be sent to Jordan & Sons Ltd for that purpose.

PRINTED AND PUBLISHED BY

Jordan & Sons

JORDAN & SONS LIMITED

100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

JORDAN & SONS LIMITED

100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

BRUNSWICK PLACE

GLASGOW G2 1NJ

TELEPHONE 01 253 0111

TELEFAX 01 253 0111

THE COMPANIES ACT 1985

Company No 109608

RESOLUTIONS OF MOVELEVEL LIMITED

We, the undersigned being all the members for the time being of the above named Company entitled to receive notice of and to attend and vote at General Meetings HEREBY PASS the following resolutions as Special Resolutions and agree that the said resolutions shall pursuant to Article 53 of Table A to the Companies (Tables A to F) Regulations 1985 as incorporated in the Articles of Association of the Company for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held

RESOLUTIONS

- (1) That the authorised share capital of the Company be and is hereby increased from £1000 to £700,000 by the creation of 99,000 new Ordinary Shares of £1 each and 600,000 new Cumulative Redeemable Preference Shares of £1 each having attached thereto the respective rights set out in the new Articles of Association of the Company proposed to be adopted by Special Resolution (2) below;
- (2) That the regulations contained in the printed document produced to the meeting and signed for the purpose of identification by the Chairman be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association;
- (3) That the Directors be and they are hereby authorised pursuant to Section 80 of the Companies Act 1985 at any time

during the period of five years from the date of this Resolution to allot or grant rights to subscribe for up to the numbers of the shares of the classes specified below as if the provisions of Article 10 of the Articles of Association adopted by Special Resolution (2) above did not apply thereto

<u>Class of Share</u>	<u>Maximum Number of Shares</u>
Cumulative Redeemable Preference Ordinary	600,000 100,000

(4) That the objects of the Company are to be altered by the deletion of Clause 3(a) and the substitution of:-

(a) To carry on the business of a holding company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist, or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and

adminstration of any companies of which this Company is a member or which are in any manner controlled by, or connected with the Company, and to carry on all or any of the businesses of capitalists, trustees, financiers, financial agents, company promoters, bill discounters, insurance brokers and agents, mortgage brokers, rent and debt collectors, stock and share brokers and dealers and commission and general agents, merchants and traders; and to manufacture, buy, sell, maintain, repair and deal in plant, machinery, tools, articles and things of all kinds capable of being used for the purposes of the above-mentioned businesses or any of them, or likely to be required by customers of or persons having dealings with the Company

Dated this 30th day of Nov. 1988

Name of Member

J R Milligan

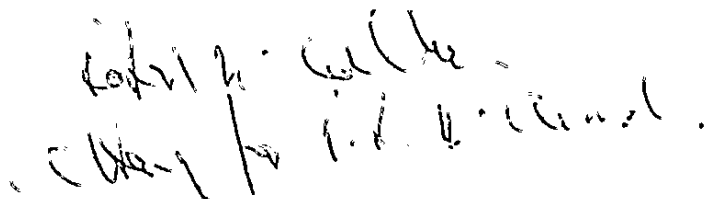
Signature of Member



J Stevenson



P R McAinsh



G

COMPANIES FORM No. 224

Notice of accounting reference date (to be delivered within 6 months of incorporation)

224

Please do not
write in
this margin

Pursuant to section 224 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

109608

Name of company

* insert full name
of company

*	MOVELEVEL LIMITED
---	-------------------

gives notice that the date on which the company's accounting reference period is to be treated as coming to an end in each successive year is as shown below:

Important
The accounting
reference date to
be entered along-
side should be
completed as in the
following examples:

Day Month

3	1	0	3
---	---	---	---

5 April
Day Month

0	5	0	4
---	---	---	---

30 June
Day Month

3	0	0	6
---	---	---	---

31 December
Day Month

3	1	1	2
---	---	---	---

† Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate



Signed

Designation† Director

Date 31st March 1988

PRINTED AND SUPPLIED BY
Jordans
JORDAN & SONS LIMITED



5/87

Presenter's name address and
reference (if any):

For official Use

General Section

Post Room

14 APR 1988

For official Use	General Section	Post Room
14 APR 1988		

[COPY]

special resolution(s)

J378(2)

name of company

Company Number

109608

MOVELEVEL

Limited

At an Extraordinary General Meeting of the members of the above-named company, duly convened and held at 24 Castle Street, Edinburgh EH2 3HT

on the 21st day of March 19 88

the following SPECIAL RESOLUTION(S) was/were duly passed:-

That the name of the Company be changed To: "ATLANTIC POWER & GAS (HOLDING) LIMITED".

13 APR 1988

G.F. 5454
23 MAR 1988

OSWALDS OF EDINBURGH LIMITED
COMPANY SECRETARIES
24 CASTLE STREET
EDINBURGH

SIGNED

M. Stewart Scott
Secretary

NOTES

- (1) This copy Resolution may be continued on the reverse side of this form if necessary and it should be signed by the Chairman of the Meeting OR by a Director OR by the Secretary of the Company whose position should be stated under his name
- (2) This copy Resolution is required to be filed with the registrar of companies within 15 DAYS after it has been passed and can be sent to Jordan & Sons Ltd. for that purpose



CERTIFICATE OF INCORPORATION ON CHANGE OF NAME

Company Number

109608

I hereby certify that

MOVELEVEL LIMITED

having by special resolution changed its name, is now
incorporated under the name of

ATLANTIC POWER & GAS (HOLDING) LIMITED

Signed at Edinburgh

20 APRIL 1988

A handwritten signature in black ink, appearing to be 'D. J. Longhead', written over a horizontal line.

Registrar of Companies

**Notice of increase
in nominal capital****123**Please do not
write in
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

109608

Name of company

* insert full name
of company* MOVELEVEL LIMITED

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 31ST March 1988 the nominal capital of the company has been
increased by £ 6,9,000 beyond the registered capital of £ 1,000.

§ the copy must be
printed or in some
other form approved
by the registrar

A copy of the resolution authorising the increase is attached.§

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new
shares have been or are to be issued are as follow:

Please tick here if
continued overleaf☐† Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed

Designation† Director/Secretary Date 14 4 88

Presentor's name address and
reference (if any):

KERR & CO.,
65 Renfield Street,
Glasgow G2 1NJ

For official Use
General Section

Post room

C.R.S. ELIMBU ON
11 APR 1988

THE COMPANIES ACT 1985

Company No 109608

RESOLUTIONS OF MOVELEVEL LIMITED

We, the undersigned being all the members for the time being of the above named Company entitled to receive notice of and to attend and vote at General Meetings HEREBY PASS the following resolutions as Special Resolutions and agree that the said resolutions shall pursuant to Article 53 of Table A to the Companies (Tables A to F) Regulations 1985 as incorporated in the Articles of Association of the Company for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held

RESOLUTIONS

- (1) That the authorised share capital of the Company be and is hereby increased from £1000 to £700,000 by the creation of 99,000 new Ordinary Shares of £1 each and 600,000 new Cumulative Redeemable Preference Shares of £1 each having attached thereto the respective rights set out in the new Articles of Association of the Company proposed to be adopted by Special Resolution (2) below;
- (2) That the regulations contained in the printed document produced to the meeting and signed for the purpose of identification by the Chairman be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association;
- (3) That the Directors be and they are hereby authorised pursuant to Section 80 of the Companies Act 1985 at any time

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during the period of five years from the date of this Resolution to allot or grant rights to subscribe for up to the numbers of the shares of the classes specified below as if the provisions of Article 10 of the Articles of Association adopted by Special Resolution (2) above did not apply thereto

<u>Class of Share</u>	<u>Maximum Number of Shares</u>
Cumulative Redeemable Preference	600,000
Ordinary	100,000

(4) That the objects of the Company are to be altered by the deletion of Clause 3(a) and the substitution of:-

(a) To carry on the business of a holding company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist, or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and

adminstration of any companies of which this Company is a member or which are in any manner controlled by, or connected with the Company, and to carry on all or any of the businesses of capitalists, trustees, financiers, financial agents, company promoters, bill discounters, insurance brokers and agents, mortgage brokers, rent and debt collectors, stock and share brokers and dealers and commission and general agents, merchants and traders; and to manufacture, buy, sell, maintain, repair and deal in plant, machinery, tools, articles and things of all kinds capable of being used for the purposes of the above-mentioned businesses or any of them, or likely to be required by customers of or persons having dealings with the Company

Dated this 3rd day of Dec., 1988

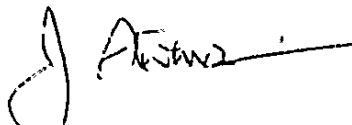
Name of Member

J R Milligan

Signature of Member



J Stevenson



P R McAinsh

Robert H. Cullen
C. Cullen for P.R. McAinsh



No. of Company 109608

The Companies Act 1985

PRIVATE COMPANY LIMITED BY SHARES

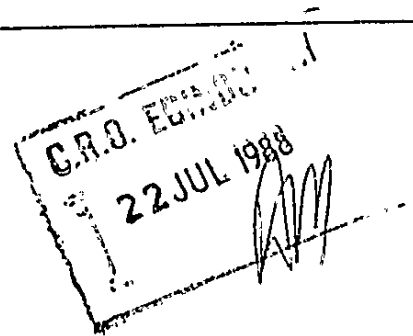
MEMORANDUM AND ARTICLES OF ASSOCIATION

ATLANTIC POWER & GAS (HOLDING) LIMITED

(Incorporated the 2nd day of March 1988)

FILED IN ACCORDANCE
WITH THE PROVISIONS OF S.18
OF THE COMPANIES ACT 1985

Oswalds of Edinburgh Limited
Registration Agents
24 Castle Street
Edinburgh EH2 3HT
Telephone 031 225 7308/9 Telex 72428



THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

ATLANTIC POWER & GAS (HOLDING) LIMITED

1. *The Company's name is "ATLANTIC POWER & GAS (HOLDING) LIMITED".
2. The Company's registered office is to be situated in Scotland.
3. The Company's objects are:-

(a) To carry on the business of a holding company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist, or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and administration of any companies of which this Company is a member or which are in any manner controlled by, or connected with the Company, and to carry on all or any of the businesses of capitalists, trustees, financial agents, company financiers, promoters, bill discounters, insurance brokers and agents, mortgage brokers, rent and debt collectors, stock and share brokers and dealers and commission and general agents, merchants and traders; and to manufacture, buy, sell, maintain, repair and deal in plant, machinery, tools, articles and things of all kinds capable of being used for the purposes of the above-mentioned businesses or any of them, or likely to be required by customers of or persons having dealings with the Company.

* With effect from the 20th day of April 1988, the name of the Company was changed from "MOVELEVEL LIMITED".

(b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.

(c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(e) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

(f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

(g) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

(h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(k) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(l) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

(m) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

(n) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

(o) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

(p) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

(q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

(r) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

(s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

(t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company, and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(u) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.

(v) To distribute among the Members of the Company in kind any property of the Company of whatever nature.

(w) To procure the Company to be registered or recognised in any part of the world.

(x) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

(y) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:-

(1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.

(2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Company.

(3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(4) In this clause the expression "the Act" means the Companies Act 1985 but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

4. The liability of the Members is limited.

5. *The Company's share capital is £700,000 divided into 700,000 shares of £1 each.

* By a Special Resolution passed on the 31st day of March 1988 the share capital was increased beyond the registered capital of £1,000 by the creation of 99,000 Ordinary shares of £1 each and 600,000 Cumulative Redeemable Preference shares of £1 each, all shares having attached the rights and restrictions as set out in the Articles of Association as adopted at that date.

WE, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and addresses of Subscribers	Number of shares taken by each Subscriber
------------------------------------	---

- | | |
|--|-------|
| 1. Andrew Cockburn,
24 Castle Street,
Edinburgh. | - One |
|--|-------|

Company Registration Agent.

- | | |
|--|-------|
| 2. William Scott,
24 Castle Street,
Edinburgh. | - One |
|--|-------|

Company Registration Agent.

Total shares taken	- Two
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Dated this 17th day of February, 1988.

Witness to the above Signatures:- Karen Davidson,
24 Castle Street,
Edinburgh.

Company Registration Agent.

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

ATLANTIC POWER & GAS (HOLDING) LIMITED

(Adopted by Special Resolution passed on 31st March 1988)

1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations (such tables being hereinafter called "Table A") other than Regulations 2, 3, 23, 35, 40, 41, 54, 64 to 69 (inclusive), 73 to 80 (inclusive), 87, 94 to 97 (inclusive), 118, and the first sentence of Regulation 24, shall apply to the Company save insofar as they are varied hereby and such Regulations (save as so varied) and the Articles hereinafter contained shall be the Regulations of the Company.

INTERPRETATION

2. In these Articles the following expressions shall have the following meanings:-

"the Act"

shall mean the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

"the Company"

shall mean the Company and all or any associated subsidiary or holding companies for the time being of any of them and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Companies of the Group" and "Company of the Group" shall be construed accordingly.

"holding company" and
"subsidiary Company"

shall mean the same as in Section 736 of the Act.

"associated company"

shall mean the same as in Section 302 of the Income and Corporation Taxes Act 1970

"FKI Babcock"

shall mean FKI Babcock plc

"the FKI Babcock Group"

shall mean FKI Babcock and all or any associated subsidiary or holding companies for the time being of FKI Babcock and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Company of the FKI Babcock Group" and "Companies of the FKI Babcock Group" shall be construed accordingly

"equity share capital"

shall mean equity securities as defined in Section 94 of the Act and in particular shall include Ordinary Shares but shall exclude Preference Shares

"Flotation"

shall mean either:-

(i) the granting of permission by the Council of The Stock Exchange for the ordinary share capital of the Company to be dealt in on the Unlisted Securities Market or any other unlisted securities market for the time being administered by the Council of The Stock Exchange; or

(ii) the admission by the Council of The Stock Exchange of the ordinary share capital of the Company to the Official List; or

(iii) the granting of permission for the ordinary share capital of the Company to be dealt in on any recognised stock exchange (as defined in Section 535 of the Income and Corporation Taxes Act 1970)

"Control"

shall mean the right by virtue of holding shares in the Company or by virtue of any contract or other arrangement with any holder of shares in the Company to exercise 50 per cent or more of the total voting rights conferred by all the equity share capital of the Company for the time being in issue.

"Transfer of Control"

shall mean the transfer of any share(s) in the Company which would if completed result in any person or persons who were not Members of the Company at the

date these Articles were adopted obtaining Control of the Company or alternatively would result in the loss of Control of the Company by the shareholders in Control at the time of the transfer in question.

"the Specified Price"

shall mean in the case of the Ordinary Shares the higher of par and the highest price per share (including any non cash element but excluding stamp duty stamp duty reserve tax and commission) paid by the proposed transferee and/or persons acting in concert with the proposed transferee (as defined in the City Code on Takeovers and Mergers in force at the date of adoption of these Articles) within the period of twelve months prior to and on the proposed date of completion of any transfer of such shares which price shall in the event that the same cannot be agreed between the Directors and all the Members to whom such offer is to be made be referred for determination by the Auditors who in so determining shall act as experts and not as arbitrators and whose decision shall in the absence of manifest error be final and binding on the Company and the Shareholders

"the Auditors"

shall mean the Auditors for the time being of the Company

"a Financial Year"

shall mean a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions contained in the Act

"Privileged Relation"

in relation to a shareholder shall mean the spouse of that person and his children (including step and adopted children)

"Family Trusts"

in relation to a shareholder means trusts under which no immediate beneficial interest in the shares held on such trusts is for the time being vested in any person other than the shareholder or his

Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees of such trust as trustees of such member or his Privileged Relations

"the Settlor"

shall mean in respect of any Settled Shares the member or former member who transferred such shares to a Privileged Relation into Family Trusts under the provisions of paragraph (b) or (c) of sub-Article 15 (1)

"Settled Shares"

shall mean any shares in the Company which have at any time been transferred by a Settlor to a Privileged Relation or into Family Trusts under the provisions of paragraph (b) or (c) of sub-Article 15 (1) and which continue for the time being to be held by a Privileged Relation of the Settlor or on Family Trusts created by the Settlor

"Moneys Borrowed"

shall mean in respect of Group Companies all amounts for the time being remaining undischarged or owing or due by virtue of any of the operations referred to in sub-Article 26(1) and all other moneys borrowed including without prejudice to the generality of the foregoing:-

(i) the principal amount of any indebtedness the repayment whereof is guaranteed or secured or the subject of any indemnity for the time being in force (other than guarantees granted in connection with the supply of goods in the ordinary course of business of the Company's business); and

(ii) the principal amount for the time being owing in respect of any debenture within the meaning of Section 744 of the Act whether issued for cash or otherwise; and

(iii) the amount outstanding in respect of acceptance by Group Companies or by any bank or

accepting house under any acceptance credit opened on behalf of any such Group company (not being acceptances in relation to the purchase of goods in the normal course of trading);

(iv) any amount raised by accommodation bills; and

(v) the principal amount for the time being owing in respect of any arrangement for hire purchase or purchase on credit sale or conditional sale terms; and

(vi) the aggregate amount of any book debts sold which have not yet been collected and the collection of which is the responsibility of any Group Company; and

(vii) any amount raised by hire purchase, leasing, factoring or similar arrangements

PROVIDED ALWAYS that there shall not be taken into account as being Moneys Borrowed:-

(i) any moneys borrowed for the purpose of repaying the whole or any part of moneys previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for such purpose within 3 months of such moneys being raised; or

(ii) any loans mortgages charges or other liabilities for the time being owing or outstanding between Group Companies

AND PROVIDED FURTHER that moneys borrowed in a currency other than sterling shall be converted at the rate of exchange for the relevant currency (and by reference to the relevant amount and period of borrowing) prevailing in the London inter-bank market on the date on which the borrowing limited falls to be applied

SHARE CAPITAL

3. The authorised share capital of the Company at the date of the adoption of these Articles is Seven hundred thousand pounds (£700,000) divided into One hundred thousand (100,000) Ordinary Shares of One Pound each ("the Ordinary Shares") and six hundred thousand (600,000) Cumulative Redeemable Preference Shares of One pound each ("the Preference Shares").

4. The rights attaching to the said respective classes of shares shall be as follows:-

(1) As regards income:-

(a) (i) the Preference Shares shall entitle the holders thereof as a class to receive in respect of each Financial Year prior to any dividend being paid in respect of any share of any other class a fixed cumulative dividend payable in cash (exclusive of any imputed tax credit available to the holders of such Preference Shares) of an amount equal to 9 per cent of the aggregate amounts paid up or credited as paid up on the Preference Shares for the time being in issue which dividend shall accrue from day to day PROVIDED THAT the Preference Shares shall not carry the right to receive payment of the said dividend in respect of the period from the date of issue of the Preference Shares up to and including 31st March 1990.

(ii) Subject to the provisions of part VIII of the Act and until the Preference Shares shall have been redeemed the Preference Dividend shall be paid by way of interim dividend by periodic instalments on each of the 1st day of April and the 1st day of October in each calendar year (the first of which instalments shall for the avoidance of doubt be payable on 1st October 1990 in respect of the period from 1st April 1990 until such date) of an amount equal (in each case) to 4.5 per cent of the amount paid up or credited as paid up on each Preference Share in issue as at the dates payment becomes due in accordance with the foregoing provisions of this sub-paragraph.

Every such payment shall be distributed amongst the holders of the Preference Shares pro rata according to the number of Preference Shares respectively held by them as at the date when payment becomes due in accordance with the foregoing provisions of this sub-paragraph (ii) and every sum so distributed shall be accompanied by a certificate in respect of the relative imputed tax credit.

(iii) Subject to the provisions of part VIII of the Act the Preference Dividend shall ipso facto and without requiring any resolution of the Directors or of the Company in General Meeting and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A become as and when the same falls due in accordance with the foregoing provisions of sub-paragraph (a) (ii) above of this sub-Article 4 (1) a debt due from and immediately payable (whether or not demanded) by the Company to the holders of the Preference Shares.

(b) In the event that whether by reason of any principle of law or otherwise the Company is unable to pay in full on or by any date on which any sum would otherwise become payable by way of Preference Dividend in accordance with the foregoing provisions of sub-paragraph (a) of this sub-Article 4 (1) (any such date being referred to in this sub-paragraph (b) as a "Due Date" and any such dividends as aforesaid falling payable on a Due Date being referred to as a "Relevant Preferred Dividend") then the following provisions shall apply:-

(i) on the Due Date the Company shall pay on account of the Relevant Preferred Dividend the maximum sum (if any) which may then be paid by the Company in accordance with any governing principles of law; and

(ii) on every succeeding Due Date the Company shall pay on account of the outstanding balance of the Relevant Preferred Dividend the maximum sum (if any) which may on each such succeeding Due Date be paid by the Company in accordance with any governing principles of law until all arrears of Relevant Preferred Dividend shall have been paid in full; and so that

(iii) subject only as foresaid and in particular to the provisions of part VIII of the Act every sum which shall become payable on a Due Date in accordance with the foregoing provisions of this sub-Article 4 (1) (b) shall ipso facto and without requiring any resolution of the Directors or of the Company in General Meeting and notwithstanding anything contained in regulations 102 to 108 (inclusive) of Table A become on such Due Date a debt due from and immediately payable (whether or not demanded) by the Company to the holders of the Preference Shares.

(c) Save with the written consent of the holders of the Preference Shares no dividends shall be declared or paid on the Ordinary Shares in respect of any Financial Year unless and until (i) the Preference Dividend shall actually have been paid in full in respect of such Financial Year and in respect of all previous Financial Years of the Company and (ii) the Group shall have no indebtedness in respect of Moneys Borrowed.

(d) Subject to the payment of the Preference Dividend and subject always to the provisions of paragraph (c) above of this sub-Article 4(1) any further profits which the Company may determine to distribute in respect of any Financial Year shall belong to and be distributed amongst the holders of the Ordinary Shares pro rata according to the amount paid up or credited as paid up on any such shares held by them respectively.

(2) As regards capital:-

On a return of assets on liquidation or otherwise the surplus of assets of the Company remaining after the payment of liabilities shall belong to and be distributed as follows:-

(aa) firstly in paying to the holders of the Preference Shares all arrears (if any) of the Preference Dividend whether declared or earned or not and calculated down to the date of payment; and

(bb) secondly in paying to the holders of the Preference Shares the full amount paid up or credited as paid up thereon; and

(cc) thirdly in paying to the holders of the Ordinary Shares the full amount paid up or credited as paid up thereon; and

(dd) fourthly the balance of such assets shall belong to the holders of the Ordinary Shares pro rata according to the amount paid up or credited as paid up on any such shares held by them respectively

(3) As regards redemption:-

(a) The Company shall have the right at any time subject to the provisions of the Act and provided that there shall be no arrears of Preference Dividends as at the date of such redemption to redeem the Preference Shares intranches of not less than £60,000 at par ("the Call Option")

(b) The Company shall subject to the provisions of the Act and to the extent not already done under sub-paragraph (3) (a) above redeem all the Preference Shares at par on the earliest of the following dates:-

(i) the 31st March 1998 (and so that any Preference Shares not so redeemed on or by such date shall be redeemed as soon as the Company shall be permitted so to do in accordance with the provisions of the Act and in the event that on such date the Company is permitted to redeem some only of the Preference Shares it shall redeem such Preference Shares on such date and it shall redeem the remaining Preference Shares so soon thereafter as the Company shall be permitted so to do); and

(ii) immediately prior to Flotation; and

(iii) immediately prior to the registration of any Transfer of Control.

(c) The call option shall be exercised by notice in writing to the holders of the Preference Shares to be redeemed which notice shall state the date on which completion of such redemption is to take place in accordance with the provisions of sub-paragraph (d) below of this sub-Article 4 (3) ("the Call Notice").

(d) Completion of the redemption of the Preference Shares shall take place in the case of a Call Option within 21 days of the date of service of the Call Notice and otherwise on the due date for redemption whereupon in either case the Company shall deliver to the holder of the Preference Shares so redeemed a bankers' draft for the aggregate of:-

(i) the total redemption price; and

(ii) all arrears or deficiency of Preference Dividend calculated down to the date of redemption and to be payable whether such dividend has been declared or earned or not;

and the holders of the Preference Shares so redeemed shall deliver to the Company the share certificates therefor and where a certificate also comprises shares not to be redeemed the Company will issue a fresh certificate for the balance.

(4) As regards Meetings and voting:-

(a) The holders of the Preference Shares shall be entitled to receive notice of General Meetings of the Company but shall not be entitled to attend or vote either in person or by proxy at any such Meeting by virtue of in respect of their holdings of Preference Shares unless:-

(i) their dividends or any part thereof shall at the date when the notice convening the Meeting is sent out be six months in arrears; or

(ii) any resolution to be proposed at the Meeting constitutes an actual or deemed variation of the rights attaching to the Preference Shares as set out in Article 7 of these Articles in which event the holders of the Preference Shares shall have the right to attend and vote only on such resolution.

(b) Whenever the holders of Preference Shares are entitled to vote every holder present in person shall have one vote and on a poll every holder present in person or by proxy shall have one vote for every Preference Share held by such holder.

(c) The holders of the Ordinary Shares shall be entitled to receive notice of General Meetings of the Company and to attend and vote either in person or by proxy at any such Meeting and every such holder present in person or by proxy shall have one vote for every Ordinary Share held by him.

5. Subject to the provisions of the Act the Company may:-

(1) Issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the holder on such terms and in such manner as shall be prescribed in these Articles or by the Resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company; and

(2) Purchase its own shares (including any redeemable shares) and, for so long as it remains a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

6. Subject to the provisions of these Articles and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the Resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the Directors who may issue them, subject to the provisions of Section 80 of the Act

and of Articles 9 and 10 below to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit.

CLASS RIGHTS

7. Whenever the capital of the Company is divided into different classes of share 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 of a winding up, with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be one person present in person or by proxy (whenever there is only one holder of shares of that class) but where there are two or more holders of shares of that class the quorum shall be two persons at least holding or representing by proxy not less than two-thirds in nominal amount of the issued shares of the class and the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively PROVIDED THAT without prejudice to the generality of this Article the special rights attached to the Preference Shares shall be deemed to be varied and accordingly the prior consent (in writing or in separate meeting in manner aforesaid) of the holders of the Preference Ordinary Shares shall be required in accordance with the provisions of this Article 7 to the following matters in relation to the Company:-

(a) any alteration or increase or reduction of the authorised or issued share capital of the Company or of any of its subsidiaries (other than by redemption of Preference Shares in accordance with these Articles) or by any variation of the rights attached to any of the shares for the time being in the capital of the Company; or

(b) the disposal of any assets (including share capital held by the Company or any of its subsidiaries) or activities of the Company or any of its subsidiaries which are fundamental to the existing business of the Company and for the purposes of this sub-Article (b) "fundamental" shall mean property assets or activities representing or accounting for 25 per cent (25%) or more of the value of the net assets or trading income of the Company and its subsidiaries as shown in the then latest audited consolidated profit and loss account or balance sheet (as the case may be) of the Company; or

(c) any diversification away from the existing business of the Company; or

(d) any alteration of any of the provisions of the Memorandum or Articles of Association of the Company or any of its subsidiaries; or

(e) the giving of notice of any resolution to wind up the Company or any of its subsidiaries; or

(f) the removal from office of the Special Director other than in accordance with Article 24.

(g) the payment or proposed payment of any dividend on the Ordinary Shares other than as permitted under the terms of Article 4(1)(c) hereof.

(h) any proposal to exceed the borrowing restrictions in Article 26 hereof.

FURTHER ISSUES

8. No shares shall be issued to any infant bankrupt or person suffering from mental disorder.

9. The Directors of the Company shall not exercise any power of the Company to allot relevant securities as defined in Section 80(2) of the Act unless they are authorised so to do by the Company in General Meeting and any purported allotment in contravention of this provision shall be void and of no effect.

10. (1) In accordance with Section 91(1) of the Act subsections 89(1), and 90(1) to (6) inclusive of the Act shall not apply to any allotment of shares in the Company.

(2) Subject always to Articles 8 and 9, if the Directors shall determine to make an issue of any shares forming part of the share capital of the Company for the time being they shall unless the Company shall by Special Resolution otherwise direct be bound to make an offer (stipulated to be open to acceptance within twenty-eight days) in the case of an issue of any class of share to each member for the time being holding shares in the equity share capital of the Company of such a proportion of the shares which the Directors determine to issue as the aggregate nominal value of that member's holding of equity share capital bears to the aggregate nominal value of shares in the equity share capital of the Company immediately prior to the issue of the shares and any such member shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing such offer in full or in part (and in default of so doing shall be deemed to have rejected the offer in full). After the expiration of that time, or on the receipt of an intimation from any member to whom the offer is made that he rejects the offer in whole or in part, the Directors shall offer the shares so rejected or deemed to have been rejected in like manner to such of the other members as accepted the original offer in full PROVIDED THAT if any of the shares comprised in such further offer are rejected or if deemed to be rejected then the whole of such share issue whether any part or parts have been accepted or not by any Member shall be cancelled.

LIEN

11. (1) The lien conferred by Regulation 8 of Table A shall extend also to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of the several joint holders and shall be a first and paramount lien for all moneys and liabilities whether presently due and payable or not.

(2) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

12. The instrument of transfer of any fully paid share shall be signed by or on behalf of the transferor only but in the case of a partly paid share, the instrument of transfer shall also be signed by or on behalf of the transferee. The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

13. (1) The Directors may refuse to register any transfer of any share on which the Company has a lien or any transfer of any share (not being a fully paid share) to a person whom they shall not approve (not being a person referred to in Article 15 (1));

(2) No share may be transferred to any infant, bankrupt person or person suffering from mental disorder.

14. (1) Subject to Article 13 the Directors shall register any transfer of any shares made in the circumstances prescribed in Article 15 but in any other circumstances the Directors shall refuse to register any transfer of any share whether or not it is a fully paid share;

(2) Any directions (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to some person other than that Member or any sale or other disposition for consideration or otherwise by whomsoever made and whether effected by an instrument in writing or not of a beneficial interest in a share other than any such sale or other disposition in favour of an existing member shall for the purposes of these Articles be deemed to be a transfer, and the Directors shall accordingly decline to register such person as the holder thereof except where the proposed transferee is a person to whom a transfer of shares may be made by a Member pursuant to Article 15 or where the provisions of that Article have been complied with.

15. (1) Subject to the provisions of Articles 12, 13 and 14 and to the following provisions of this Article any share may at any time be transferred without restriction as to price or otherwise in the following circumstances:-

(a) by FKI Babcock or any Company of the FKI Babcock Group to any other Company of the FKI Babcock Group or to any other person firm or Company whatsoever PROVIDED that if the proposed transfer of any share is to any person firm or Company other than any Company of the FKI Babcock Group FKI Babcock or the relevant Company of the FKI Babcock Group the terms of sub-Article 15(2) of these Articles shall apply to such proposed transfer save that:-

(i) the remaining members shall not have the right to require the Auditors to value the shares in question and Article 15(2) shall be construed accordingly;

(ii) the provisos (aa) to (dd) of Article 15(2)(i) shall in any event not apply;

(b) in the case of any shares which are not already Settled Shares by any member being an individual to a Privileged Relation;

(c) in the case of shares which are not already Settled Shares by any member being an individual to trustees to be held on Family Trusts and so that where any Settled Shares are held by Trustees on Family Trusts:-

(i) such Settled Shares may on any change of trustees be transferred to the new trustees; and

(ii) such Settled Shares may at any time be transferred to the Settlor thereof or to any other person to whom under sub-paragraph (c) above of this sub-Article 15 (1) the same could have been transferred by the Settlor if he had been the holder thereof; or

(d) by any member to any other person for whatever consideration with the consent of all the other members for the time being of the Company;

(e) by any member at any time to the Company in accordance with the provisions of the Act.

(2) (a) Except in the case of a transfer of shares expressly authorised by subclause (1) of this Article any Member wishing to sell, transfer or otherwise dispose of any share or the beneficial interest therein ("the Transferor") shall give notice in writing ("a Transfer Notice") to the Company that he desires to transfer or dispose of the same specifying:-

(i) the shares which he desires to sell or transfer; and

(ii) the price at which he is willing to sell or transfer these shares; and

(iii) whether or not the Transfer Notice is conditional upon all and not part only of the shares comprised in it being sold and so that in the absence of such specification the Transfer Notice shall be deemed to be so conditional.

Such Notice shall constitute the Company as agent for the sale of the shares to any Member willing to purchase the same ("the Transferee") at the price specified therein or fixed by the Auditors of the Company in accordance with sub-clause (f) of this sub-Article 15 (2) ("the Fair Value") (whichever shall be the lower). A Transfer Notice may include several shares. Whenever the capital is divided into different classes of shares a separate Transfer Notice shall be given for each class of shares. Once served a Transfer Notice shall not be revocable at the instance of the Transferor without the written consent of all the other Members for the time being.

(b) Forthwith upon receipt of a Transfer Notice and with a view to finding a Transferee for the shares comprised in the Transfer Notice, the Directors shall forthwith give notice in writing thereof ("an Offer Notice") to all the Members. The Offer Notice shall state the price per share specified in the Transfer Notice and shall first Offer such shares to the Members then holding the remaining shares of the same class as those offered in proportion to their then holdings of such class of shares. For the purposes of this Article 15 only all shares for the time being comprised in the equity share capital shall be deemed to be shares of the same class. Such offer ("the First Offer") shall be limited to a time of twenty-eight days from the date of the Offer Notice provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15 (2) the First Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the Members in accordance with sub-Clause (g) below of this sub-Article 15 (2) ("the First Period"). If not accepted within the First Period the First Offer shall be deemed to have been declined. The First Offer shall give the Members to whom it is made the right to claim shares offered in addition to their due proportion. If any such Members do not accept their due proportion the unaccepted shares shall be distributed amongst those claiming additional shares in proportion as nearly as may be to their said holdings but no Member shall be bound to take more shares than those he has claimed.

(c) Where the capital is divided into different classes the Offer Notice shall also contain a further offer ("the Second Offer") offering to the remaining Members in proportion to their then holdings of shares, such of the shares comprised in the Transfer Notice which have not been taken up or agreed to be taken up under the First Offer within the First Period. The Second Offer shall be limited to a time of twenty-eight days from the expiry of the First Period provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15 (2) the Second Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the Members in accordance with sub-Clause (g) below of this sub-Article 15 (2) ("the Second Period"). If not accepted within the Second Period the Second Offer shall be deemed to have been declined. The provisions of sub-Clause (b) of this Article regarding claims for additional shares shall (mutatis mutandis) apply to the Second Offer also.

(d) Whenever the capital is divided into different classes and there is only one holder of the particular class in respect of which a Transfer Notice is served or whenever all the shareholders of that particular class are holding companies or associated or subsidiary companies of other shareholders of the same class then where a Transfer Notice is served in respect of shares of that class the First Period shall be deemed to expire forthwith upon service of such Transfer Notice and the Second Offer shall be deemed to be made in respect of all the shares comprised in that Transfer Notice so that the Second Period shall be deemed to commence upon service of the Offer Notice.

(e) If the Company shall within the First or Second Period (as the case may be) find a Transferee or Transferees for the share(s) offered for sale and shall give notice thereof to the Transferor he shall be bound upon payment of the Fair Value to transfer the share(s) to the Transferee or Transferees.

(f) (i) The Fair Value for the shares specified in a Transfer Notice shall be the price specified therein by the Transferor provided that any Member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requiring the Company to procure the Auditors to certify in writing the price which in their opinion represents the fair value for the shares comprised in the Transfer Notice as between a willing Vendor and a willing Purchaser on the basis of the Company as a going concern. Upon receipt of such notice the Company shall instruct the Auditors to certify as aforesaid. For the purpose of this Article the fair value of each share comprised in the Transfer Notice shall be its value as a rateable proportion of the total value of the issued shares of the relevant class in question and shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice. In so certifying the Auditors shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding on the parties PROVIDED THAT in any circumstances where a Transfer Notice has been given or deemed to have been given pursuant to sub-Clauses (3) (4) (5) (6) or (7) of this Article, the calculation of the Fair Value shall be referred to the Auditors forthwith upon the said Notice being given or deemed to have been given;

(ii) The cost of obtaining an Auditors Certificate pursuant to sub-Article (f) (i) shall be borne by the Company.

(g) In the event of the Auditors' Certificate being issued as to the Fair Value, the Company shall forthwith give notice to the Transferor and Transferee(s) of the sum so certified and within a period of seven days after service of such notice any Transferee may revoke his acceptance in whole (but not in part) by notice in writing served on the Company.

(h) If the Transferor, after having become bound to transfer his share(s) as aforesaid, makes default in transferring the same, the Company may receive the purchase money tendered by the Transferee(s) and the proposed Transferor shall be deemed to have appointed any one Director or the Secretary of the Company as his Agent and Attorney to execute a transfer of the share(s) to the Transferee(s) and upon the execution of such transfer the Company shall hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the Transferee(s) and after his or their name(s) have been entered on the Register of Members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

(i) If the Directors shall not by the expiry of the First Period or, where the capital is divided into different classes of shares, by the expiry of the Second Period, find a Transferee for all the shares offered from amongst the Members of the Company in

the Company in accordance with the foregoing provisions of this Article, or if the Company shall within the relevant period give the Transferor notice in writing that the Company has no prospect of finding purchasers of such shares or any of them the Transferor shall be at liberty within a period of three months from the end of the First Period or as the case may be the Second Period, on a bona fide sale or transfer subject to the provisions of Article 13 and the following provisions of this Article to sell and/or transfer such unsold share(s) or the beneficial interest therein to any person at any price being not less than the Fair Value PROVIDED THAT:-

(aa) for so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company the prior written consent of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall be required before the Directors may register any such transfer or transfers; and

(bb) the person or persons to whom any such shares are to be transferred must have been previously approved by the Directors of the Company such approval not to be unreasonably withheld unless the proposed transferee is a person considered by the directors to be a competitor or connected with a competitor of the business of the Company and its subsidiaries; and

(cc) if the Transfer Notice shall state that the Transferor is not willing to transfer part only of the shares comprised in the Transfer Notice he shall be entitled under this sub-clause 15(2)(i) to transfer all but not part of such shares; and

(dd) the Directors may require to be satisfied in such manner as they may reasonably think fit that such shares are being transferred in pursuance of a bona fide sale or transfer for the consideration stated in the relative form of Stock Transfer without any deduction, rebate or allowance whatsoever to the Transferee and the Directors, if not so satisfied, may refuse to register or approve the Transfer.

(3) Any person entitled to a share other than a Settled Share in consequence of the death or bankruptcy of a Member shall be bound at any time if and when required in writing by any other Member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt Member.

(4) Any person or persons registered or otherwise entitled to be registered as the holder of any Settled Shares shall be bound at any time following the death or bankruptcy of the Settlor of any such shares if and when required in writing by any other Member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt Settlor.

(5) Notwithstanding the foregoing provisions of this Article any Member who is a Director or employee of a company of the Group shall upon ceasing to hold office as a Director of or to be employed by the Company or any Company of the Group and if required by any other Member so to do give a Transfer Notice in respect of all the shares other than Settled Shares then registered

in his name and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such person so ceases to be a Director or Employee otherwise than as result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-clause (2)(f) of this Article 15

(6) Where the Settlor of any Settled Shares was at the time such shares were transferred by the Settlor so as to become Settled Shares a Director or employee of a Company of the Group then any person or persons registered or otherwise entitled to be registered as the holder of any of such Settled Shares shall upon the Settlor of any such shares ceasing to hold office as a Director of or to be employed by a company of the Group and if and when required by any other Member so to do to give a Transfer Notice in respect of all the shares then registered in his or their respective names and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such Settlor so ceases to be a Director or employee otherwise than as a result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-clause (2) (f) of this Article 15.

(7) If and whenever any Settled Shares cease to be held on Family Trusts (other than in consequence of a Transfer authorised by sub-paragraph (c) of sub-Article 15 (1)) the trustees of such Family Trust shall forthwith give a Transfer Notice in respect of the shares in question and such shares may not otherwise be transferred.

(8) If at any time a proposed transfer of any shares made other than in accordance with the provisions of sub-Article 15 (1) would if completed constitute a Transfer of Control then notwithstanding any other provision contained in these Articles then the Directors shall not sanction the making and registration of any such transfer unless the provisions of sub-Article 4 (3) shall have been complied with nor unless the proposed transferee shall first have made a general offer in writing (stipulated to be open for acceptance for at least 28 days) to purchase all the issued shares in the capital of the Company (other than Preference Shares) at the Specified Price which offer in the absence of written acceptance by any Member within the period during which it is expressed to be open for acceptance shall be deemed to have been rejected by any such Member not accepting.

(9) Any transfer or purported transfer of any share made otherwise than in accordance with this Article shall be void and of no effect and in any case where, pursuant to this Article, a Transfer Notice shall be required to be given in respect of any share(s) and such Transfer Notice is not duly given within a period of fourteen days such Transfer Notice shall be deemed to have been given at the expiration of the said period or at the expiry of fourteen days after the Directors first became aware of the default and the provisions of this Article shall take effect accordingly.

GENERAL MEETINGS AND RESOLUTIONS

16. (1) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

(2) Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

17. (1) No business shall be transacted at any General Meeting unless a quorum is present at the time when the Meeting proceeds to business.

(2) If a quorum is not present within half an hour from the time appointed for a General Meeting or if at any time during a General Meeting such quorum ceases to be present the General Meeting shall stand adjourned to the same day in the next week at the same time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(3) For so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company a quorum shall consist of a duly authorised representative of FKI Babcock or of the relevant Company of the FKI Babcock Group (as the case may be) and any one other member present in person or by proxy.

18. At any General Meeting of the Company, a poll may be demanded by one or more Members present in person or by proxy or being a corporation by its duly authorised representative and having the right to vote at the Meeting and sub-clauses (b) (c) and (d) of Regulation 46 of Table A shall be modified accordingly.

ACCOUNTS

19. Every Financial Year shall commence on 1st April and end on 31st March in the following year and the Directors shall cause to be prepared, in accordance with the provisions of the Act, a consolidated balance sheet of the Company and its subsidiaries as at the end of each such Financial Year and a consolidated profit and loss account of the Company and its subsidiaries for each such Financial Year (together "the Accounts").

APPOINTMENT AND REMOVAL OF DIRECTORS

20. Unless and until otherwise determined by Ordinary Resolution of the Company there shall be no maximum number of Directors but the minimum number of Directors shall be two.

21. (1) The Directors shall not be required to retire by rotation.

(2) The provisions of Section 293 of the Act shall apply to the Company notwithstanding that the Company is neither a Public Company nor a subsidiary of a Public Company.

22. Subject always to the provisions of Article 7 the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

23. Subject always to the provisions of Article 7 the Directors may appoint a person who is willing to act to be a director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

24. (1) Notwithstanding any limitation on the number of Directors fixed by or in accordance with these Articles for so long as FKI Babcock or any Company of the FKI Babcock Group holds any shares in the Company FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall have the right at any time and from time to time to appoint one person ("the Special Director") as a Director of the Company and to remove from office any person so appointed and to appoint another in his place.

(2) The appointment and removal of the Special Director shall be effected by a notice or notices in writing signed on behalf of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) and given to the Company at its Registered office and shall take effect forthwith upon receipt.

(3) The Company shall procure at the written request of FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) that the Special Director shall be appointed as a Director of such subsidiary company or companies of the Company as FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) shall specify.

(4) The Company shall reimburse to the Special Director all reasonable expenses incurred by him in connection with his office and shall indemnify the Special Director in a form satisfactory to FKI Babcock or the relevant Company of the FKI Babcock Group (as the case may be) against reasonable actions taken by him in his capacity as a Director.

25. In addition and without prejudice to the provisions of Section 303 and 304 of the Act the Company may, by Extraordinary Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint

another person in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

BORROWING POWERS

26. (1) Subject to the remaining provisions of this Article 26 the Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money and the fulfilment of obligations and the performance of contracts to enter into leasing hire or credit purchase transactions and to mortgage or charge the property assets and uncalled capital of the Company and (subject to Section 80 of the Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

(2) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous written consent of the holders of the Preference Shares no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) then exceeds or would as a result of such borrowing exceed an amount equal to one and a half times the aggregate of:-

(a) the nominal amount paid up on the share capital of the Company; and

(b) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries of the Company and deducting any debit balance on the combined profit and loss account, all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared recommended or made since that date except in so far as provided for in such balance sheet.

(3) A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (2) of this Article be owing by the Company and its subsidiaries without such sanction shall be conclusive in favour of the Company and all persons dealing with the Company.

(4) No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 26 is observed and no debt or liability incurred in excess of

such limit shall be invalid and no security given in respect of any such debt or liability shall be invalid or ineffectual except where the lender or recipient of the security or other person to whom a liability is incurred has actual express notice at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

GRATUITIES AND PENSIONS

27. The Directors may exercise all the powers of the Company conferred by the Memorandum of Association of the Company to pay and/or provide pensions, annuities, gratuities, superannuation, and other allowances, benefits advantages, facilities and services both for persons who are or have been Directors of, or who are or have been employed by the Company and their dependants and relatives and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

PROCEEDINGS OF DIRECTORS

28. So long as FKI Babcock or the relevant Company within the FKI Babcock Group shall have appointed a Special Director there shall be no quorum at any Meeting of the Board of Directors and accordingly no business transacted at any meeting of the Board of Directors shall be valid unless the Special Director is present or alternatively unless the Special Director has received at least 7 days prior written notice of such meeting and the business to be transacted thereat and has given written consent to the business referred to in such notice of Meeting being moved in his absence and Clause 89 in Table A shall be construed accordingly.

29. Where at any Meeting of the Directors there is to be transacted any business which if carried would constitute an actual or deemed variation of the rights attaching to the Preference Shares as set out in Article 7 then in relation to any such matter the Special Director shall be entitled to such number of votes as shall constitute a majority on the Board and Clause 88 of Table A shall be interpreted accordingly.

30. Any Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

31. Any Director or member of a committee of Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the Meeting can hear each other and any Director or member of a committee participating in such a meeting in this manner shall be deemed to be present in person at such meeting.

ALTERNATE DIRECTORS

32. (1) Each Director shall have the power (i) at any time to appoint as an alternate Director, either another Director or any other person who in the case of an alternate appointed by a Director other than the Special Director shall be approved for that purpose by resolution of the Directors and (ii) at any time, to terminate such appointment.

(2) The appointment of an alternate Director shall automatically terminate on the happening of any event which, if he were a Director, would cause him to vacate the office of Director or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

(3) Every appointment, removal or resignation of an alternate Director, shall be in writing signed by the appointor or (as the case may be) by the alternate Director and shall take effect (subject to any approval required under sub-clause (1) of this Article) upon receipt of such written appointment, removal or resignation at the Registered Office of the Company.

(4) An alternate Director shall, (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled to receive notices of all Meetings of the Directors or of any committee of the Directors of which his appointor is a member, and to attend and, in place of his appointor, exercise the voting rights which would have been exercisable by his appointor and be counted for the purposes of a quorum at any such Meeting at which his appointor is not personally present and generally, in the absence of his appointor, to perform and exercise all the functions, powers and duties as a Director of his appointor and to receive notice of all General Meetings. An alternate Director shall during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor but shall not be entitled to any remuneration or fee from the Company.

(5) A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at Meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

INDEMNITY

33. Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss or damage or misfortune which may happen to or be incurred by the

incurred by the Company in the proper execution of the duties of his office or in relation thereto PROVIDED THAT this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

Names and addresses of subscribers

1. Andrew Cockburn,
24 Castle Street,
Edinburgh.

Company Registration Agent.

2. William Scott,
24 Castle Street,
Edinburgh.

Company Registration Agent.

Dated this 17th day of February, 1988.

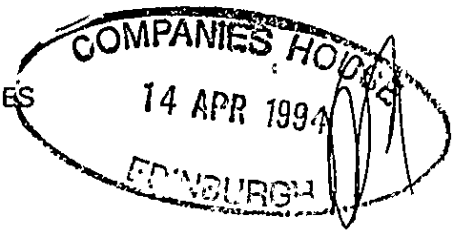
Witness to the above Signatures:- Karen Davidson,
24 Castle Street,
Edinburgh.

Company Registration Agent.

109608

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES



ATLANTIC POWER & GAS (HOLDING) LIMITED
(Adopted by Special Resolution passed on 31st March 1994)

1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (such table being hereinafter called "Table A") other than Regulations 2, 3, 23, 35, 40, 41, 54, 64 to 69 (inclusive), 87, 94 to 97 (inclusive), 118 and the first sentence of Regulation 24, shall apply to the Company save insofar as they are varied hereby and such Regulations (save as so varied) and the Articles hereinafter contained shall be the Regulations of the Company.

INTERPRETATION

2. In these Articles the following expressions shall have the following meanings:-

"the Act"	shall mean the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;
"ASIC"	shall mean Abtrust Scotland Investment Company PLC;
"a member of the ASIC Group"	shall mean <ol style="list-style-type: none">(i) ASIC, and any subsidiary or holding company of ASIC or any subsidiary of any such holding company; and(ii) any company or fund managed by Abtrust Fund Managers Limited or any subsidiary or holding company of Abtrust Fund Managers Limited or subsidiary of such holding company;
"Associated Company"	shall mean the same as in Section 302 of the Income and Corporation Taxes Act 1970;
"the Auditors"	shall mean the Auditors for the time being of the Company;

"Babcock"	shall mean Babcock International Group plc;
"the Babcock Group"	shall mean Babcock and all or any associated subsidiary or holding companies for the time being of Babcock and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Company of the Babcock Group" and "Companies of the Babcock Group" shall be construed accordingly;
"the Company"	shall mean the Company and all or any associated subsidiary or holding companies for the time being of any of them and any associated or subsidiary company of any such holding company as aforesaid and the expressions "Companies of the Group" and "Company of the Group" shall be construed accordingly.
"Control"	shall mean the right by virtue of holding shares in the Company or by virtue of any contract or other arrangement with any holder of shares in the Company to exercise 50 per cent or more of the total voting rights conferred by all the equity share capital of the Company for the time being in issue;
"equity share capital"	shall mean the Ordinary Shares and any equity securities as defined in Section 94 of the Act;
"Family Trusts"	in relation to a shareholder means trusts under which no immediate beneficial interest in the shares held on such trusts is for the time being vested in any person other than the shareholder or his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees of such trust as trustees of such member or his Privileged Relations;
"a Financial Year"	shall mean a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions contained in the Act;
"Flotation"	shall mean either:- (i) the granting of permission by the Council of The Stock Exchange for the ordinary share capital of the Company to be dealt in on the Unlisted Securities Market or any other unlisted securities market for the time being administered by the Council of The Stock Exchange; or

- (ii) the admission by the Council of The Stock Exchange of the ordinary share capital of the Company to the Official List; or
- (iii) the granting of permission for the ordinary share capital of the Company to be dealt in on any recognised stock exchange (as defined in Section 841 of the Income and Corporation Taxes Act 1988);

"GRC"	shall mean Grampian Regional Council, duly designated and appointed as the Administrating Authority of the Grampian Regional Council Superannuation Fund;
"a member of the GRC Group"	shall mean GRC or any successor of GRC or any other fund administered by GRC or such successor;
"Group"	means the Company and all or any associated subsidiary or holding companies for the time being of the Company and any associated or subsidiary company for the time being of any such holding company;
"holding company" and "subsidiary company"	shall mean the same as in Section 736 of the Act;
"Loan Notes"	means the loan notes between the Company and each of ASIC and GRC providing for a loan by ASIC and GRC to the Company of £627,000 and £168,000 respectively created of even date with the date of adoption of these Articles;
"the Ordinary Shares"	means the 'A' Shares, the 'B' Shares and the 'C' Shares;
"Privileged Relation"	in relation to a shareholder shall mean the spouse of that person and his children (including step and adopted children);
"the Specified Price"	shall mean at the option of all of the holders of the 'C' Shares either:- <ul style="list-style-type: none">(a) a price per share equal to the amount paid by way of subscription for each such share; or(b) the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to

the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares provided that if any part of the price per share is payable otherwise than by cash the holders of the 'C' Shares may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

plus in either case a sum equal to any accruals of the dividends on such share grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as an expert and not as an arbiter) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants of Scotland) whose decision shall be final and binding;

"Settled Shares"

shall mean any shares in the Company which have at any time been transferred by a Settlor to a Privileged Relation or into Family Trusts under the provisions of paragraph (c) or (d) of sub-Article 15(1) and which continue for the time being to be held by a Privileged Relation of the Settlor or on Family Trusts created by the Settlor;

"the Settlor"

shall mean in respect of any Settled Shares the member or former member who transferred such shares to a Privileged Relation or into Family Trusts under the provisions of paragraph (c) or (d) of sub-Article 15(1);

"Transfer of Control"

shall mean the transfer of any share(s) in the Company which would if completed result in any person or persons who were not members of the Company at the date these Articles were adopted obtaining Control of the Company or alternatively would result in the loss of Control of the Company by the shareholders in Control at the time of the transfer in question.

SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of these Articles is One Hundred and Ten Thousand Pounds (£110,000) divided into Sixty Thousand (60,000) 'A' Shares of One Pound each ("the 'A' Shares") Forty Thousand 'B' Shares of One Pound each ("the 'B' Shares") and Ten Thousand (10,000) 'C' Shares of One Pound each ("the 'C' Shares").
4. The rights attaching to the said respective classes of shares shall be as follows:-

(1) As regards income:-

- (a) The 'B' Shares shall entitle the holders thereof, in priority to the payment of dividends to the holders of all or any other shares in the capital of the Company, to the first £2,460,000 in aggregate of dividend declared by the Company on or after 31st March 1994, to be divided amongst the 'B' Shares pro rata according to the amount paid up or credited as paid up on such shares but shall not entitle the holders of the 'B' Shares to any further or additional participation in the income of the Company.
- (b) No dividend shall be declared or paid to the holders of the 'A' Shares or the 'C' Shares unless all sums due and payable to the holders of the Loan Notes have been so paid;

Subject to this Article 4(1) and with the prior written consent of ASIC and GRC the Company may distribute the profits available for distribution *pro rata* among the 'A' Shares and the 'C' Shares of the Company according to the amounts paid up or credited as paid up on the shares held by them and shall accrue on a daily basis.

(2) As regards capital:-

On a return of assets on liquidation or otherwise the surplus of assets of the Company remaining after the payment of liabilities shall belong to and be distributed as follows:-

- (a) first in paying to the holders of the Ordinary Shares the subscription price paid for each such share held by such holder, provided that if the assets available are insufficient to repay to such holders the total subscription prices paid for such shares then each such holder shall receive the proportion which the total subscription price for the 'A' Shares the 'B' Shares or the 'C' Shares held by him or it bears to the aggregate of the total subscription prices for the 'A' Shares, the 'B' Shares and the 'C' Shares;
- (b) the balance of such assets shall be distributed amongst the holders of the 'A' Shares and the 'C' Shares (*pari passu* as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the 'A' Shares and the 'C' Shares held by them respectively.

(3) As regards voting:-

- (a) Save as stated at Article 4(3)(b) below, at a General Meeting of the Company every person present, whether as an individual member of the Company or as a duly authorised representative of a corporate member of the Company or as a proxy for a member of the Company, shall have one vote on a show of hands and upon a poll every member present, whether in person or by a duly authorised representative of a corporate member of the Company or by proxy, shall have one vote for each £1 nominal paid up or credited as paid up on all the shares of the equity share capital of the Company of which he is the holder.
- (b) The holders of 'B' Shares shall have no right to attend or to appoint any proxy or to authorise any person to attend any meeting of the Company or to vote at any meeting of the Company save in respect of any resolution proposed at any such meeting which would or may constitute a variation or abrogation of the rights of the holders of 'B' Shares as a class or which

would or may affect the rights of the holders of 'B' Shares set out in Article 4(1)(a) above or the abrogation or variation thereof or which would or may have a material adverse effect on the ability of the Company to duly perform its obligations contained in the Agreement for purchase of Shares made between the Company and Babcock on 31st March, 1994 ("the Purchase Agreement").

- (c) The holders of the 'B' Shares shall have the right to receive notice of all meetings of the Company specifying the business to be conducted thereat. Notwithstanding any provision of these Articles to the contrary, no resolution may be passed at any meeting of the Company where notice as aforesaid has not been duly given to the holders of the 'B' Shares.

5. Subject to the provisions of the Act the Company may:-

- (1) Issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the holder on such terms and in such manner as shall be prescribed in these Articles or by the resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company; and
- (2) Purchase its own shares (including any redeemable shares) and, for so long as it remains a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

6. Subject to the provisions of these Articles and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing such shares or effecting the increase in the authorised share capital of the Company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the Directors who may issue them, subject to the provisions of Section 80 of the Act and of Articles 8, 9 and 10 below to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit.

CLASS RIGHTS

7. Whenever the capital of the Company is divided into different classes of share 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 of a winding up, with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply except that the necessary quorum shall be one person present in person or by proxy (whenever there is only one holder of shares of that class) but where there are two or more holders of shares of that class the quorum shall be two persons at least holding or representing by proxy not less than two-thirds in nominal amount of the issued shares of the class and the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively PROVIDED THAT without prejudice to the generality of this Article the special rights attached to the 'B' Shares and/or the 'C' Shares, as the case may be, shall be deemed to be varied by and accordingly the prior consent (in writing or in a separate meeting in manner aforesaid) of the holders of three-fourths in nominal value of the 'B' Shares and

the 'C' Shares shall be required in accordance with the provisions of this Article 7 to the following matters in relation to the Company (save that in relation to the matters specified in Article 7(k) and Article 7(l) the consent of the holders of three-fourths in nominal value of the 'C' Shares only shall be required and in relation to the matters specified in Article 7(m) and 7(o) the consent of the holders of three-fourths in nominal value of the 'B' Shares only shall be required and in relation to the matters specified in Article 7(a) to Article 7(j) inclusive the consent (as aforesaid) of the holders of the 'B' Shares shall only be required if such holders would have voting rights in relation to such matter in accordance with Article 4(3)(b) hereof):-

- (a) the grant of any option or other right to subscribe for shares or by the alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries or of any joint venture company of which the Company is a member, or any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries or of any joint venture company of which the Company is a member; or
- (b) the disposal of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof or of any joint venture company of which the Company is a member, or by the disposal of any share in the capital of any subsidiary of the Company or of any joint venture company of which the Company is a member; or
- (c) the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries or of any joint venture company of which the Company is a member; or
- (d) the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or
- (e) any alteration of the restrictions on the powers of the directors of the Company and its subsidiaries or of any joint venture company of which is the Company is a member to borrow money or guarantees or create charges; or
- (f) the winding up of the Company or any of its subsidiaries or of any joint venture company of which the Company is a member; or
- (g) the redemption of any of the Company's shares or by the entering into of a contract by the Company to purchase any of its shares; or
- (h) any alteration of the Company's Memorandum or Articles of Association; or
- (i) any alteration of the Company's accounting reference date or change of auditors; or
- (j) the entering into of a written service agreement with any director or connected person (as defined by Section 839 of the Income and Corporation Taxes Act 1988) or the material variation of any such existing service agreement with any such person; or
- (k) the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the 'C' Shares; or
- (l) the removal from office of the Investors' Director otherwise than in accordance with Article 25.

- (m) the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the 'B' Shares; or
 - (o) the removal from office of the Special Director other than in accordance with Article 25A.
8. No shares shall be issued to any infant, bankrupt or person suffering from mental disorder.
9. The Directors of the Company shall not exercise any power of the Company to allot relevant securities as defined in Section 80(2) of the Act unless they are authorised so to do by the Company in General Meeting and any purported allotment in contravention of this provision shall be void and of no effect.
10. (1) In accordance with Section 91(1) of the Act, subsections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to any allotment of shares in the Company.
- (2) Subject always to Articles 8 and 9, if the Directors shall determine to make an issue of any shares forming part of the share capital of the Company for the time being they shall unless the Company shall by Special Resolution otherwise direct be bound to make an offer (stipulated to be open for acceptance within twenty-eight days) in the case of an issue of any class of share to each member for the time being holding shares in the equity share capital of the Company of such a proportion of the shares which the Directors determine to issue as the aggregate nominal value of that member's holding of equity share capital bears to the aggregate nominal value of shares in the equity share capital of the Company immediately prior to the issue of the shares and any such member shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing such offer in full or in part (and in default of so doing shall be deemed to have rejected the offer in full). After the expiration of that time, or on the receipt of an intimation from any member to whom the offer is made that he rejects the offer in whole or in part, the Directors shall offer the shares so rejected or deemed to have been rejected in like manner to such of the other members as accepted the original offer in full PROVIDED THAT if any of the shares comprised in such further offer are rejected or if deemed to be rejected then the whole of such share issue whether any part or parts have been accepted or not by any member shall be cancelled.
- (3) Any shares offered in terms of sub-Article (2) above to a member of the ASIC Group shall at the request of such member of the ASIC Group be registered in the name or names of any one or more member of the ASIC Group.
- (4) Any shares offered in terms of sub-Article (?) above to a member of the GRC Group shall at the request of such member of the GRC Group be registered in the name or names of any one or more members of the GRC Group.

LIEN

11. (1) The lien conferred by Regulation 8 of Table A shall extend also to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of the several joint holders and shall be a first and paramount lien for all moneys and liabilities whether presently due and payable or not.

- (2) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

12. The instrument of transfer of any fully paid share shall be signed by or on behalf of the transferor only but in the case of a partly paid share, the instrument of transfer shall also be signed by or on behalf of the transferee. The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
13. (1) The Directors may refuse to register any transfer of any share on which the Company has a lien or any transfer of any share (not being a fully paid share) to a person whom they shall not approve (not being a person referred to in Article 15(1));
- (2) No share may be transferred to any infant, bankrupt person or person suffering from mental disorder.
14. (1) Subject to Article 13 the Directors shall register any transfer of any shares made in the circumstances prescribed in Article 15 but in any other circumstances the Directors shall refuse to register any transfer of any share whether or not it is a fully paid share;
- (2) Any directions (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to some person other than that member or any sale or other disposition for consideration or otherwise by whomsoever made and whether effected by an instrument in writing or not of a beneficial interest in a share other than any such sale or other disposition in favour of an existing member shall for the purposes of these Articles be deemed to be a transfer, and the Directors shall accordingly decline to register such person as the holder thereof except where the proposed transferee is a person to whom a transfer of shares may be made by a member pursuant to Article 15 or where the provisions of that Article have been complied with.
15. (1) Subject to the provisions of Articles 12, 13 and 14 and to the following provisions of this Article any share may at any time be transferred without restriction as to price or otherwise in the following circumstances:-
- (a) a transfer of any shares in the Company held by any member of the ASIC Group may be made between the member of the ASIC Group holding such shares and any other member of the ASIC Group without restriction as to price or otherwise and any such transfer or transfers shall be registered by the Directors;
- (b) a transfer of any shares in the Company held by any member of the GRC Group may be made between the member of the GRC Group holding such shares and any other member of the GRC Group without restriction as to price or otherwise and any such transfer or transfers shall be registered by the Directors;

- (c) in the case of any shares which are not already Settled Shares by any member being an individual to a Privileged Relation;
- (d) in the case of shares which are not already Settled Shares by any member being an individual to trustees to be held on Family Trusts and so that where any Settled Shares are held by Trustees on Family Trusts:-

- (i) such Settled Shares may on any change of trustees be transferred to the new trustees; and
- (ii) such Settled Shares may at any time be transferred to the Settlor thereof or to any other person to whom under sub-paragraph (c) above of this sub-Article 15(1) the same could have been transferred by the Settlor if he had been the holder thereof; or

Provided Always that the provisions of sub-Article 15(i)(d) shall not apply to the transfer of shares if the effect of such transfer would be to make Family Trusts (or the trustees thereof) the holders of more than one-half in nominal value of the issued equity share capital of the Company,

- (e) by any member to any other person for whatever consideration with the consent of all the other members for the time being of the Company;
- (f) by any member at any time to the Company in accordance with the provisions of the Act.

- (2) (a) Except in the case of a transfer of shares expressly authorised by sub-Clause (1) of this Article any member wishing to sell, transfer or otherwise dispose of any share or the beneficial interest therein ("the Transferor") shall give notice in writing ("a Transfer Notice") to the Company that he desires to transfer or dispose of the same specifying:-

- (i) the shares which he desires to sell or transfer;
- (ii) the price at which he is willing to sell or transfer these shares; and
- (iii) whether or not the Transfer Notice is conditional upon all and not part only of the shares comprised in it being sold and so that in the absence of such specification the Transfer Notice shall be deemed to be so conditional.

Such Notice shall constitute the Company as agent for the sale of the shares to any member willing to purchase the same ("the Transferee") at the price specified therein or fixed by the Auditors of the Company in accordance with sub-Clause (f) of this sub-Article 15(2) ("the Fair Value") (whichever shall be the lower). A Transfer Notice may include several shares. Whenever the capital is divided into different classes of shares a separate Transfer Notice shall be given for each class of shares. Once served a Transfer Notice shall not be revocable at the instance of the Transferor without the written consent of all the other members for the time being.

- (b) Forthwith upon receipt of a Transfer Notice and with a view to finding a Transferee for the shares comprised in the Transfer Notice, the Directors shall forthwith give notice in writing thereof ("an Offer Notice") to all the members. The Offer Notice shall state the price per share specified in the

Transfer Notice and shall first offer such shares to the members then holding the remaining shares of the same class as those offered in proportion to their then holdings of such class of shares. For the purposes of this Article 15 only all shares for the time being comprised in the equity share capital shall be deemed to be shares of the same class. Such offer ("the First Offer") shall be limited to a time of twenty-eight days from the date of the Offer Notice provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15(2) the First Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the members in accordance with sub-Clause (g) below of this sub-Article 15(2) ("the First Period"). If not accepted within the First Period the First Offer shall be deemed to have been declined. The First Offer shall give the members to whom it is made the right to claim shares offered in addition to their due proportion. If any such members do not accept their due proportion the unaccepted shares shall be distributed amongst those claiming additional shares in proportion as nearly as may be to their said holdings but no member shall be bound to take more shares than those he has claimed.

- (c) Where the capital is divided into different classes the Offer Notice shall also contain a further offer ("the Second Offer") offering to the remaining members in proportion to their then holdings of shares, such of the shares comprised in the Transfer Notice which have not been taken up or agreed to be taken up under the First Offer within the First Period. The Second Offer shall be limited to a time of twenty-eight days from the expiry of the First Period provided that (without prejudice to the foregoing) if a certificate of valuation is required under sub-Clause (f) of this sub-Article 15(2) the Second Offer shall remain open for acceptance until the expiry of a period of fourteen days following the date on which notice of the Fair Value so certified shall have been given by the Company to the members in accordance with sub-Clause (g) below of this sub-Article 15(2) ("the Second Period"). If not accepted within the Second Period the Second Offer shall be deemed to have been declined. The provisions of sub-Clause (b) of this Article regarding claims for additional shares shall (*mutatis mutandis*) apply to the Second Offer also.
- (d) Whenever the capital is divided into different classes and there is only one holder of the particular class in respect of which a Transfer Notice is served or whenever all the shareholders of that particular class are holding companies or associated or subsidiary companies of other shareholders of the same class then where a Transfer Notice is served in respect of shares of that class the First Period shall be deemed to expire forthwith upon service of such Transfer Notice and the Second Offer shall be deemed to be made in respect of all the shares comprised in that Transfer Notice so that the Second Period shall be deemed to commence upon service of the Offer Notice.
- (e) If the Company shall within the First or Second Period (as the case may be) find a Transferee or Transferees for the share(s) offered for sale and shall give notice thereof to the Transferor he shall be bound upon payment of the Fair Value to transfer the share(s) to the Transferee or Transferees.
- (f) (i) The Fair Value for the shares specified in a Transfer Notice shall be the price specified therein by the Transferor provided that any

member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requiring the Company to procure the Auditors to certify in writing the price which in their opinion represents the fair value for the shares comprised in the Transfer Notice as between a willing vendor and a willing purchaser on the basis of the Company as a going concern. Upon receipt of such notice the Company shall instruct the Auditors to certify as aforesaid. For the purpose of this Article the fair value of each share comprised in the Transfer Notice shall be its value as a rateable proportion of the total value of the issued shares of the relevant class in question and shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice. In so certifying the Auditors shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding on the parties PROVIDED THAT in any circumstances where a Transfer Notice has been given or deemed to have been given pursuant to sub-Clauses (3), (4), (5), (6) or (7) of this Article, the calculation of the Fair Value shall be referred to the Auditors forthwith upon the said Notice being given or deemed to have been given;

- (ii) The cost of obtaining an Auditors Certificate pursuant to sub-Article (f) (i) shall be borne by the Company.
- (g) In the event of the Auditors' Certificate being issued as to the Fair Value, the Company shall forthwith give notice to the Transferor and Transferee(s) of the sum so certified and within a period of seven days after service of such notice any Transferee may revoke his acceptance in whole (but not in part) by notice in writing served on the Company.
- (h) If the Transferor, after having become bound to transfer his share(s) as aforesaid, makes default in transferring the same, the Company may receive the purchase money tendered by the Transferee(s) and the proposed Transferor shall be deemed to have appointed any one Director or the Secretary of the Company as his Agent and Attorney to execute a transfer of the share(s) to the Transferee(s) and upon execution of such transfer the Company shall hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the Transferee(s) and after his or their name(s) have been entered on the Register of Members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.
- (i) If the Directors shall not by the expiry of the First Period or, where the capital is divided into different classes of shares, by the expiry of the Second Period, find a Transferee for all the shares offered from amongst the members of the Company in accordance with the foregoing provisions of this Article, or if the Company shall within the relevant period give the Transferor notice in writing that the Company has no prospect of finding purchasers of such shares or any of them the Transferor shall be at liberty within a period of three months from the end of the First Period or as the case may be the Second Period, on a *bona fide* sale or transfer subject to the provisions of Article 13 and the following provisions of this Article to sell and/or transfer such unsold share(s) or the beneficial interest therein to any person at any price being not less than the Fair Value PROVIDED THAT:-

- (aa) the person or persons to whom any such shares are to be transferred must have been previously approved by the Directors of the Company such approval not to be unreasonably withheld unless the proposed transferee is a person considered by the Directors to be a competitor or connected with a competitor of the business of the Company and its subsidiaries;
 - (bb) if the Transfer Notice shall state that the Transferor is not willing to transfer part only of the shares comprised in the Transfer Notice he shall be entitled under this sub-Clause 15(2)(i) to transfer all but not part of such shares;
 - (cc) the Directors may require to be satisfied in such manner as they may reasonably think fit that such shares are being transferred in pursuance of a *bona fide* sale or transfer for the consideration stated in the relative form of Stock Transfer without any deduction, rebate or allowance, whatsoever to the Transferee and the Directors, if not so satisfied, may refuse to register or approve the Transfer.
- (3) Any person entitled to a share other than a Settled Share in consequence of the death or bankruptcy of a member shall be bound at any time if and when required in writing by any other member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt member.
- (4) Any person or persons registered or otherwise entitled to be registered as the holder of any Settled Shares shall be bound at any time following the death or bankruptcy of the Settlor of any such shares if and when required in writing by any other member so to do, to give a Transfer Notice in respect of all the shares then registered in the name of the deceased or bankrupt Settlor.
- (5) Notwithstanding the foregoing provisions of this Article any member who is a Director or employee of a company of the Group shall upon ceasing to hold office as a Director or to be employed by the Company or any company of the Group and if required by any other member so to do give a Transfer Notice in respect of all the shares other than Settled Shares then registered in his name and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such person so ceases to be a Director or employee otherwise than as a result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-Clause (2)(f) of this Article 15.
- (6) Where the Settlor of any Settled Shares was at the time such shares were transferred by the Settlor so as to become Settled Shares a Director or employee of a Company of the Group then any person or persons registered or otherwise entitled to be registered as the holder of any of such Settled Shares shall upon the Settlor of any such shares ceasing to hold office as a Director or to be employed by a company of the Group and if and when required by any other member so to do to give a Transfer Notice in respect of all the shares then registered in his or their respective names and notwithstanding anything to the contrary contained in this Article the Fair Value in respect of such shares shall (in the event that such Settlor so ceases to be a Director or employee otherwise than as a result of death, normal retirement or ill health) be that value certified by the Auditors in accordance with sub-Clause (2)(f) of this Article 15.

- (7) If and whenever any Settled Shares cease to be held on Family Trusts (other than in consequence of a Transfer authorised by sub-paragraph (d) of sub-Article 15(1)) the trustees of such Family Trust shall forthwith give a Transfer Notice in respect of the shares in question and such shares may not otherwise be transferred.
- (8) If at any time a proposed transfer of any shares made other than in accordance with the provisions of paragraphs (a) to (e) inclusive of sub-Article 15(1) would if completed constitute a Transfer of Control then notwithstanding any other provision contained in these Articles the Directors shall not sanction the making and registration of any such transfer unless the proposed transferee shall first have made an offer in writing (stipulated to be open for acceptance for at least 28 days) to purchase all the issued 'C' Shares at the Specified Price which offer in the absence of written acceptance by any member to whom it is made within the period during which it is expressed to be open for acceptance shall be deemed to have been rejected by any such member not accepting.
- (9) Any transfer or purported transfer of any share made otherwise than in accordance with this Article shall be void and of no effect and in any case where, pursuant to this Article, a Transfer Notice shall be required to be given in respect of any share(s) and such Transfer Notice is not duly given within a period of fourteen days such Transfer Notice shall be deemed to have been given at the expiration of the said period or at the expiry of fourteen days after the Directors first became aware of the default and the provisions of this Article shall take effect accordingly.

GENERAL MEETINGS AND RESOLUTIONS

- 16. (1) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Clause 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.
- (2) Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.
- (3) For so long as ASIC or GRC or any member of the ASIC Group or the GRC Groups holds any shares in the Company a quorum shall consist of a duly authorised representative of ASIC or GRC or of the relevant member of the ASIC Group or the GRC Group and any one other member present in person or by proxy.
- 17. (1) No business shall be transacted at any General Meeting unless a quorum is present at the time when the Meeting proceeds to business.
- (2) If a quorum is not present within half an hour from the time appointed for a General Meeting or if at any time during a General Meeting such quorum ceases to be present the General Meeting shall stand adjourned to the same day in the next week at the same time and place as the Directors may determine; and if at the

adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

18. At any General Meeting of the Company, a poll may be demanded by one or more members present in person or by proxy or being a corporation by its duly authorised representative and having the right to vote at the Meeting and sub-Clauses (b), (c) and (d) of Regulation 46 of Table A shall be modified accordingly.

ACCOUNTS

19. Every Financial Year shall commence on 1st April and end on 31st March in the following year and the Directors shall cause to be prepared, in accordance with the provisions of the Act, a consolidated balance sheet of the Company and its subsidiaries as at the end of each such Financial Year and a consolidated profit and loss account of the Company and its subsidiaries for each such Financial Year (together "the Accounts")

APPOINTMENT AND REMOVAL OF DIRECTORS

20. Unless and until otherwise determined by Ordinary Resolution of the Company there shall be no maximum number of Directors but the minimum number of Directors shall be two.
21. (1) The Directors shall not be required to retire by rotation.
- (2) The provisions of Section 293 of the Act shall apply to the Company notwithstanding that the Company is neither a Public Company nor a subsidiary of a Public Company.
22. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.
23. The Directors may appoint a person who is willing to act to be a director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.
24. In addition and without prejudice to the provisions of Section 303 and 304 of the Act but subject always to the provisions of Article 25 the Company may, by Ordinary Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
25. (1) Notwithstanding any limitation on the number of Directors fixed by or in accordance with these Articles, the holders of the three-fourths in nominal value of the issued 'C' Shares shall have the right at any time and from time to time to appoint one person ("the Investors' Director") as a Director of the Company and to remove from office any person so appointed and to appoint another in his place.
- (2) The appointment and removal of the Investors' Director shall be effected by a notice or notices in writing signed on behalf of the holders of three-fourths in nominal value of the issued 'C' Shares and given to the Company at its registered office and shall take effect forthwith upon receipt.

- (3) The Company shall procure at the written request of the holders of three-fourths in nominal value of the issued 'C' Shares that the Investors' Director shall be appointed as a Director of such subsidiary company or companies of the Company as such holders shall specify.
 - (4) The Company shall reimburse to the Investors' Director all reasonable expenses incurred by him in connection with his office and shall indemnify the Investors' Director in a form satisfactory to the holders of three-fourths in nominal value of the issued 'C' Shares against reasonable actions taken by him in his capacity as a Director.
- 25A.
- (1) Notwithstanding any limitation on the number of Directors fixed by or in accordance with these Articles for so long as Babcock or any Company of the Babcock Group holds any 'B' Shares in the Company Babcock or the relevant Company of the Babcock Group (as the case may be) shall have the right to appoint one person ("the Special Director") as a Director of the Company and to remove from office any person so appointed and to appoint another in his place but only if the Company has not performed its obligations pursuant to Clause 3 of the Purchase Agreement. The rights shall be exercisable notwithstanding any waiver or grace period granted to the Company by Babcock pursuant to the Purchase Agreement.
 - (2) The appointment and removal of the Special Director shall be effected by a notice or notices in writing signed on behalf of Babcock or the relevant Company of the Babcock Group (as the case may be) and given to the Company at its Registered Office and shall take effect forthwith upon receipt.
 - (3) The Company shall procure at the written request of Babcock or the relevant Company of the Babcock Group (as the case may be) that the Special Director shall be appointed as a Director of such subsidiary company or companies of the Company as Babcock or the relevant Company of the Babcock Group (as the case may be) shall specify.
 - (4) The Company shall reimburse to the Special Director all reasonable expenses incurred by him in connection with his office and shall indemnify the Special Director in a form satisfactory to Babcock or the relevant Company of the Babcock Group (as the case may be) against reasonable actions taken by him in his capacity as a Director.

BORROWING POWERS

- 26.
- (1) Subject to the remaining provisions of this Article 26 the Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money and the fulfilment of obligations and the performance of contracts to enter into leasing hire or credit purchase transactions and to mortgage or charge the property assets and uncalled capital of the Company and (subject to Section 80 of the Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.
 - (2) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous written consent of the holders of the 'C' Shares, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by

the Company then exceed or would as a result of such borrowing exceed the greater of:-

(a) £5,000,000; and

(b) an amount equal to two times the aggregate of:-

- (i) the nominal amount paid up on the share capital of the Company; and
 - (ii) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries of the Company and deducting any debit balance on the combined profit and loss account, all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except in so far as provided for in such balance sheet.
- (3) A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (2) of this Article be owing by the Company and its subsidiaries without such sanction shall be conclusive in favour of the Company and all persons dealing with the Company.
- (4) No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 26 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given in respect of any such debt or liability shall be invalid or ineffectual except where the lender or recipient of the security or other person to whom a liability is incurred has actual express notice at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

GRATUITIES AND PENSIONS

27. The Directors may exercise all the powers of the Company conferred by the Memorandum of Association of the Company to pay and/or provide pensions, annuities, gratuities, superannuation, and other allowances, benefits, advantages, facilities and services both for persons who are or have been Directors of, or who are or have been employed by the Company and their dependants and relatives and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

PROCEEDINGS OF DIRECTORS

28. Any Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to

any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

29. Any Director or member of a committee of Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the Meeting can hear each other and any Director or member of a committee participating in such a meeting in this manner shall be deemed to be present in person at such meeting.
- 29A. So long as there is an Investors' Director appointed pursuant to Article 25, there shall be no quorum at any Meeting of the Board of Directors and accordingly no business transacted at any Meeting of the Board of Directors shall be valid unless the Investors' Director is present or alternatively unless the Investors' Director has received at least 7 days' prior written notice of such Meeting and the business to be transacted thereat and has given written consent to the business referred to in such notice of Meeting being moved in his absence and Clause 89 in Table A shall be construed accordingly.
- 29B. So long as Babcock or the relevant Company within the Babcock Group shall have appointed a Special Director there shall be no quorum at any Meeting of the Board of Directors and accordingly no business transacted at any Meeting of the Board of Directors shall be valid unless the Special Director is present or alternatively unless the Special Director has received at least 7 days' prior written notice of such Meeting and the business to be transacted thereat and has given written consent to the business referred to in such notice of Meeting being moved in his absence and Clause 89 in Table A shall be construed accordingly.

ALTERNATE DIRECTORS

30. (1) Each Director shall have the power (i) at any time to appoint as an alternate Director, either another Director or any other person who in the case of an alternate appointed by a Director other than the Investors' Director shall be approved for that purpose by resolution of the Directors and (ii) at any time, to terminate such appointment.
- (2) The appointment of an alternate Director shall automatically terminate on the happening of any event which, if he were a Director, would cause him to vacate the office of Director or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.
- (3) Every appointment, removal or resignation of an alternate Director, shall be in writing signed by the appointer or (as the case may be) by the alternate Director and shall take effect (subject to any approval required under sub-clause (1) of this Article) upon receipt of such written appointment, removal or resignation at the Registered Office of the Company.
- (4) An alternate Director shall, (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled to receive notices of all Meetings of the Directors or of any committee of the Directors of which his appointor is a member, and to attend and, in place of his appointor, exercise the voting rights which would have been exercisable by his appointor and be counted for the purposes of a quorum at any such Meeting at which his appointor is not personally present and generally, in the absence of his appointor, to perform and exercise all the functions, powers and duties as a Director of his appointor and to receive notice of all General Meetings. An alternate Director shall during his appointment, be an officer of the Company and shall not be deemed to be an agent

of his appointor but shall not be entitled to any remuneration or fee from the Company.

- (5) A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at Meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

INDEMNITY

31. Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss or damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto PROVIDED THAT this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

Aberdeen, 31st March 1994

What is contained on this and the preceding 18 pages is a print of the Articles of Association adopted by Special Resolution of the members of Atlantic Power & Gas (Holding) Limited.


.....
Chairman

ACM:ATLANTICCONSENT.LTR

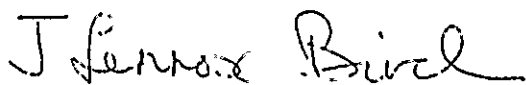
Date: 31st March 1994.

The Directors
Atlantic Power & Gas (Holding) Limited
Salvesen Tower
Blaikies Quay
ABERDEEN
AB1 2PW

Dear Sirs

We refer to the Extraordinary General Meeting of the Company to be held on 31st March 1994 at which it is proposed that the Special Resolution be considered for the purpose of giving financial assistance. We hereby confirm that we consent to the passing of such Special Resolution and the giving of the said financial assistance.

Yours faithfully



.....
For and on behalf of
Babcock International Group PLC

Company No: 109608

THE COMPANIES ACT 1985

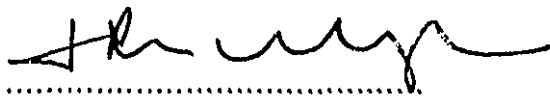
WRITTEN RESOLUTION OF ATLANTIC POWER & GAS (HOLDING) LIMITED

Passed on 31st March 1994

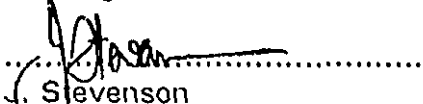
We, the undersigned, being all the Members for the time being of the Company entitled to receive notice of and attend and vote at a General Meeting in respect of the resolution set out below HEREBY PASS the following resolution as a Written Resolution pursuant to the Articles of Association of the Company, s381A of the Companies Act 1985 and all other powers in that behalf.

R E S O L U T I O N

1. That the Agreement attached to this Resolution (a copy of which was provided to all of the Shareholders prior to their consideration of this Resolution) and for the purpose of identification signed by the Chairman and proposed to be entered into between the Company and the Vendor providing for the purchase by the Company of 40,000 "B" Shares of £1.00 each in the Company registered in the name of the Vendor pursuant to Section 162 of the Companies Act 1985 be and hereby is approved and that the said proposed purchase and the doing of all things incidental thereto be authorised accordingly.


.....

J. Milligan


.....

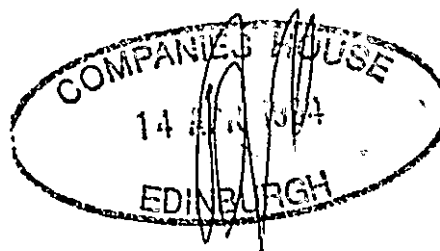
J. Stevenson


.....

R. McAinsh per Power of Attorney


.....

For and on behalf of Babcock International
Group PLC



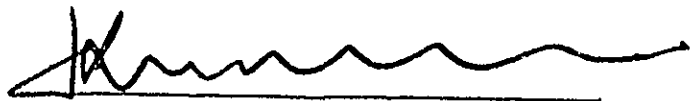
DATED: 31st March, 1994

ATLANTIC POWER & GAS (HOLDING) LIMITED

and

BABCOCK INTERNATIONAL GROUP PLC

A G R E E M E N T
FOR PURCHASE OF OWN SHARES

A handwritten signature in black ink, consisting of a series of connected loops and a final horizontal stroke, positioned above a solid horizontal line.

THIS AGREEMENT is made 31st March, 1994.

BETWEEN

- (1) ATLANTIC POWER & GAS (HOLDING) LIMITED No. 109608 whose Registered Office is situate at 9th floor, Salvesen Tower, Blaikies Quay, Aberdeen ("the Company").
- (2) BABCOCK INTERNATIONAL GROUP PLC whose Registered Office is situate at The Lodge, Badminton Court, Church Street, Amersham, Bucks. HP7 ODD ("the Vendor").

RECITALS

- (A) As at the date hereof the Company has an authorised Share Capital of £700,000 divided into 600,000 Cumulative Redeemable Preference Shares of £1.00 each, 40,000 "B" Shares of £1.00 each and 60,000 "A" Shares of £1.00 each, all of which are issued and fully paid.
- (B) The Vendor is the registered proprietor and legal owner of inter alia 40,000 "B" Shares of £1.00 each in the capital of the Company ("the Shares").
- (C) The Company is empowered under its Articles of Association to purchase its own shares pursuant to Section 162 of the Companies Act 1985.
- (D) The terms of this Agreement have been approved by Written Resolution of the Company passed in accordance with the provisions of the Companies Act 1985 (as amended) immediately prior to the execution hereof.
- (E) An unexecuted copy of this Agreement was appended to the Written Resolution at the time at which the Written Resolution was supplied to relevant shareholders, for signature. The Auditors of the Company have approved the Written Resolution and stated that although the Written Resolution concerns them as Auditors they do not consider that it needs to be considered by the members of the Company in General Meeting.

NOW IT IS AGREED as follows:-

1. SALE AND PURCHASE

The Vendor hereby agrees to sell as legal owner and the Company hereby agrees to purchase pursuant to Section 162 of the Companies Act 1985 with effect from completion the Shares free from all liens charges and encumbrances and together with all benefits and rights attached thereto which are accrued as at completion.

2. CONSIDERATION

The consideration for the sale and purchase of the Shares shall be £40,000 payable in cash on completion ("the Consideration").

3. COMPLETION

3.1 The sale and purchase of the Shares shall be completed three working days following the earlier of:-

3.1.1 the receipt by the Vendor of a letter from the Inland Revenue in response to the Vendor's tax advisers, Messrs. Arthur Andersen's letters of 18th and 21st March 1994 ("the Application Letters") giving confirmation that the Inland Revenue are satisfied that none of the transactions outlined in the Application Letters will be such that notice under Section 703(3) ICTA 1988 would be given in respect of them ("the Confirmation"), and

3.1.2 in the event that the Confirmation is not given within three months of the date hereof, the Company having validly (to the reasonable satisfaction of the Vendor) declared and paid to the Vendor (the Vendor having received cleared funds into a bank account of its choosing) a dividend in the sum of £500,000.

3.2 At completion:-

3.2.1 The Vendor shall surrender to the Company the share certificates in respect of the Shares for cancellation by the Company.

3.2.2 The Company will telegraphically transfer the Consideration to a bank account nominated by the Vendor.

4. FURTHER ASSURANCE

Each party undertakes to the other to execute all such other documents and do all such other acts and things as the other shall require in order to perfect the provisions of this Agreement and this undertaking shall survive completion.

5. WARRANTIES

The Vendor hereby warrants to the Company that:-

5.1 it is the beneficial owner of the Shares; and

5.2 there is no pledge, lien, mortgage, charge, option, right to acquire or other encumbrance on, over or affecting any of the Shares and there is no agreement to give or create any such encumbrance and no claim has been or will be made by any person to be entitled to any of the foregoing.

6. CANCELLATION OF SHARES

Upon completion the Shares shall be cancelled and the issued share capital of the Company reduced accordingly in accordance with Section 160(4) of the Companies Act 1985.

7. This Agreement is subject to English Law and the parties submit to the exclusive jurisdiction of the English Courts.

IN WITNESS WHEREOF

**Coopers
& Lybrand**

chartered accountants

32 Albyn Place
Aberdeen AB1 1YL

telephone 0224 210100

cables Colybrand Aberdeen
telex 887474 COLYRN G
facsimile 0224 576183

your reference

our reference
DR/ps/0351

The Directors
Atlantic Power & Gas (Holding) Ltd
Salvesen Tower
Blaikies Quay
Aberdeen

31 March 1994

Dear Sirs

Written Resolution pursuant to s 381A of the Companies Act 1985

We acknowledge receipt of your proposed resolution dated 31 March 1994, a copy of which is appended. In our opinion, the resolution concerns us as auditors, but the resolution need not be considered by the company in a general meeting.

Yours faithfully

Coopers & Lybrand



G

Notice of increase
in nominal capital

123

Please do not
write in
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf)

For official use

Company number

[] [] [] []

109608

Name of company

* insert full name
of company

* Atlantic Power & Gas (Holding) Limited

§ the copy must be
printed or in some
other form approved
by the registrar

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 31st March 1994 the nominal capital of the company has been
increased by £ 10,000 beyond the registered capital of £ 700,000

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new
shares have been or are to be issued are as follow:

Please tick here if
continued overleaf

☐

‡ Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed

J.A. Kerr

Designation ‡

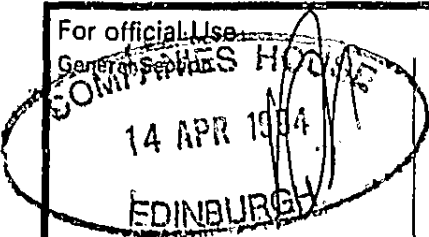
Director

Date 13/04/94

Presentor's name address and
reference (if any):

Messrs . Kerr & Co.
Solicitors
181 West George Street
Glasgow G2 2LH
DX GW53
PCL/EH

For official Use
General Section



Post room

ATLANTIC POWER & GAS (HOLDING) LIMITED
Company No. 109608

NOTICE is hereby given that an Extraordinary General Meeting of the Members of the above named Company will be held at Aberdeen on 31st March 1994 for the purpose of considering and if thought fit passing the following Resolutions as Special Resolutions:-

RESOLUTION

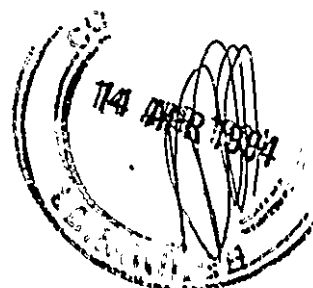
1. That the provision of financial assistance by the Company in connection with the purchase of own shares by the Company by the borrowings and interest and other sums under a Term Facility Letter from the Clydesdale Bank Public Limited Company ("the Bank") being secured by existing security arrangements between the Bank and the Company, be and is hereby approved for the purposes of Section 155 of the Companies Act 1985.
2. That the provision of financial assistance by the Company in connection with the purchase of own shares by the Company by the borrowings and interest and other sums under a Loan Note between the Company and Abtrust Scotland Investment Company PLC be and is hereby approved for the purpose of Section 155 of the Companies Act 1985.
3. That the provision of financial assistance by the Company in connection with the purchase of own shares by the Company by the borrowings and interest and other sums under a Loan Note between the Company and Grampian Regional Council Superannuation Fund be and is hereby approved for the purposes of Section 155 of the Companies Act 1985.

BY ORDER OF THE BOARD

.....
J. Hanna
~~Secretary~~ DIRECTOR

Date: *THIRTY-FIRST*, March 1994

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.



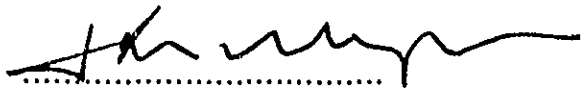
COMPANY NUMBER :

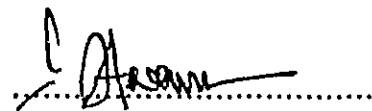
ATLANTIC POWER & GAS (HOLDING) LIMITED

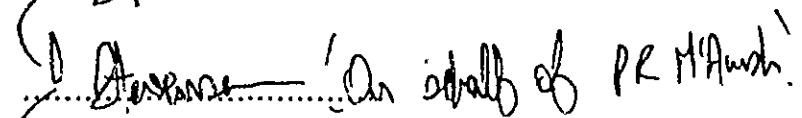
CONSENT TO SHORT NOTICE

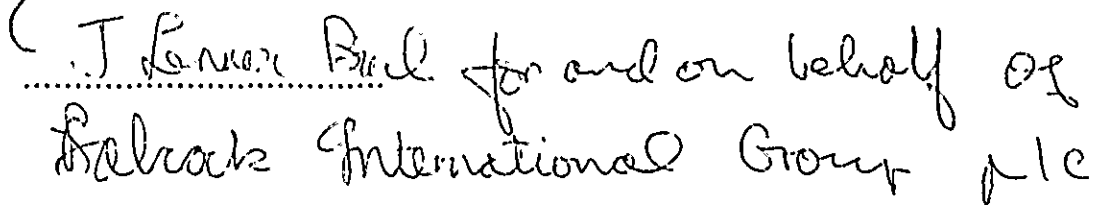
We the undersigned being all the Members of Atlantic Power & Gas (Holding) Limited hereby consent to the Holding of an Extraordinary General Meeting of the Company in accordance with the Notice attached and to the passing thereof as Special Resolutions of the Company of the Resolutions set forth in such Notice notwithstanding that less than Twenty one days Notice thereof has been given.

Date: 31st March 1994


.....


.....

 'On behalf of PR M'Ansh'

 J. Lennore Brack for and on behalf of
Belrock International Group plc

COMPANY NUMBER: 109608

ATLANTIC POWER & GAS (HOLDING) LIMITED

MINUTES OF AN EXTRAORDINARY GENERAL MEETING OF THE ABOVE NAMED
COMPANY HELD AT ABERDEEN ON 31ST MARCH 1994

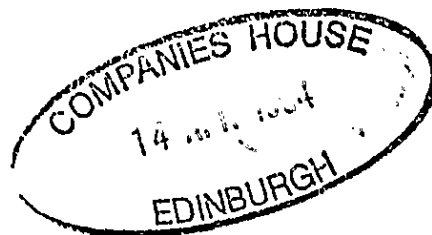
PRESENT : J Milligan (Chairman).
J. Stevenson
J. Birch (authorised representative of
Babcock International Group plc)

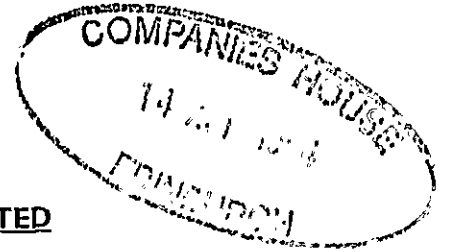
IN ATTENDANCE:

1. Mr. Milligan took the chair.
2. It was noted that a quorum was present.
3. The Notice convening the Meeting was taken as read.
4. There was produced to the Meeting a Form of Statutory Declaration made by the Directors of the Company relating to the financial assistance referred to in the Resolution set out in the Notice of Meeting together with the Auditor's report thereon each dated 31st March 1994.
5. The Chairman after explaining the purposes of the meeting proposed the Resolutions set out in the Notice of Meeting as Special Resolutions.
6. Mr. Stevenson seconded the Resolution.
7. The Chairman put the Resolutions to the Meeting in turn and on a show of hands declared it to be duly carried unanimously as Special Resolutions.
8. There being no further business, the Chairman declared the Meeting closed.



Chairman





ATLANTIC POWER & GAS (HOLDING) LIMITED

NOTICE is hereby given that a Class Meeting of the holders of Cumulative Redeemable Preference Shares of £1 each of the Company will be held at Aberdeen on 31st March 1994 at 4.40 am/pm for the purpose of considering and if thought fit passing the following Special Resolutions:-

- "1. That the 60,000 issued ordinary shares of £1 each in the Company held by Messrs Milligan, McAinsh and Stevenson be and are hereby reclassified as 60,000 'A' Shares and the 40,000 issued ordinary shares of £1 each in the Company held by Babcock International PLC be and are hereby reclassified as 40,000 'B' Shares.
2. That the Articles of Association of the Company be amended as follows:-
 - (a) By the deletion of Article 3 and the insertion of the following new Article 3:-

"3. The authorised share capital of the Company is Seven Hundred Thousand Pounds (£700,000) divided into Sixty Thousand (60,000) 'A' shares of £1 each, Forty Thousand (40,000) 'B' shares of £1 each (together "the Ordinary Shares") and Six Hundred Thousand (600,000) cumulative redeemable preference shares of £1 each ("the Preference Shares")."
 - (b) By the insertion of the words "Subject to the provisions of Article 4(1)(d) below" at the beginning of Article 4(1)(a)(i).
 - (c) By the deletion of Article 4(1)(d) and the insertion of the following new Article 4(1)(d):-

"(d) Notwithstanding the provisions of Article 4(1)(a)-(c) above:-

 - (i) The 'B' shares shall entitle the holders thereof, in priority to the payment of dividends to the holders of all or any other shares in the capital of the Company to the first £2,460,000 in aggregate of dividend declared by the Company on or after 31st March 1994, to be divided amongst the 'B' Shares pro rata according to the amount paid up or credited as paid up on such shares but shall not entitle the holders of 'B' Shares to any further or additional participation in the income of the Company.

- (ii) Subject to the payment of the Preference Dividend and the provisions of paragraph (c) above of this Article (4)(1) any further profits which the Company may determine to distribute in respect of any Financial Year shall belong to and be distributed amongst the holders of the 'A' Shares pro rata according to the amount paid up or credited as paid up on such shares."

By order of the Board

.....
Secretary *J. Adams*
Director

Date: 31st March 1994

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.

CONSENT TO SHORT NOTICE

We, the undersigned, being a majority of the holders of Cumulative Redeemable Preference Shares of £1 each of Atlantic Power & Gas (Holding) Limited together holding not less than 95% in nominal value of those Shares giving a right to attend and vote at the meeting convened by the attached Notice hereby agree that the said meeting shall be deemed to have been duly called and that the Resolution set out in the said Notice may be proposed and passed notwithstanding that shorter notice than that specified in the Companies Act, 1985 or the Company's Articles of Association has been given.

Yours faithfully,

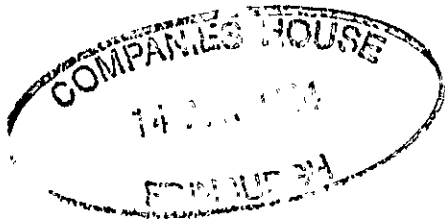
[Signature]

[Signature]

T Lennore Brick
for and on behalf
of Bulcock International
Group plc

ATLANTIC POWER & GAS (HOLDING) LIMITED
Company No. SC109608

MINUTE of EXTRAORDINARY GENERAL
MEETING of MEMBERS of the COMPANY held
at Aberdeen on 31st March 1994



- Present -

J Mulligan (Chairman)

J Stevenson

J Finch (authorised representative
of Aberdeen International Group
plc)

- In attendance -

1. QUORUM

The Chairman declared that a quorum was present.

2. SPECIAL RESOLUTION NO 1

The Chairman proposed that the first Resolution set out in the Notice be passed as a Special Resolution. Mr Stevenson seconded the motion and on a show of hands the Resolution was passed unanimously. No questions were asked and no poll was demanded.

3. SPECIAL RESOLUTION NO 2

The Chairman proposed that the second Resolution set out in the Notice be passed as a Special Resolution. Mr Stevenson seconded the motion and on a show of hands the Resolution was passed unanimously. No questions were asked and no poll was demanded.

4. FURTHER BUSINESS

There being no further business the meeting terminated.


.....
Chairman

ATLANTIC POWER & GAS (HOLDING) LIMITED
Company No. SC109608

WRITTEN RECORD OF A DECISION of the sole holder of Cumulative Redeemable Preference Shares of £1 each.

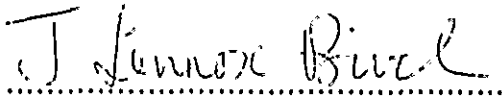
SPECIAL RESOLUTION NO. 1

That the first Resolution set out in the Notice be and is hereby passed as a Special Resolution.

SPECIAL RESOLUTION NO 2

That the second Resolution set out in the Notice be and is hereby passed as a Special Resolution.

This decision is made this 31st day of March 1994.



For and on behalf of
Babcock International Group PLC

ATLANTIC POWER & GAS (HOLDING) LIMITED

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at Aberdeen on 31st March 1994 at ~~4.45~~ 10am/pm for the purpose of considering and if thought fit passing the following Special Resolutions subject only to the consent of the Cumulative Redeemable Preference Shareholders:-

- "1. That the 60,000 issued ordinary shares of £1 each in the Company held by Messrs Milligan, McAinsh and Stevenson be and are hereby reclassified as 60,000 'A' Shares and the 40,000 issued ordinary shares of £1 each in the Company held by Babcock International PLC be and are hereby reclassified as 40,000 'B' Shares.
2. That the Articles of Association of the Company be amended as follows:-
 - (a) By the deletion of Article 3 and the insertion of the following new Article 3:-

"3. The authorised share capital of the Company is Seven Hundred Thousand Pounds (£700,000) divided into Sixty Thousand (60,000) 'A' shares of £1 each, Forty Thousand (40,000) 'B' shares of £1 each (together "the Ordinary Shares") and Six Hundred Thousand (600,000) cumulative redeemable preference shares of £1 each ("the Preference Shares")."
 - (b) By the insertion of the words "Subject to the provisions of Article 4(1)(d) below" at the beginning of Article 4(1)(a)(i).
 - (c) By the deletion of Article 4(1)(d) and the insertion of the following new Article 4(1)(d):-

"(d) Notwithstanding the provisions of Article 4(1)(a)-(c) above:-

 - (i) The 'B' shares shall entitle the holders thereof, in priority to the payment of dividends to the holders of all or any other shares in the capital of the Company to the first £2,460,000 in aggregate of dividend declared by the Company on or after 31st March 1994, to be divided amongst the 'B' Shares pro rata according to the amount paid up or credited as paid up on such shares but shall not entitle the holders of 'B' Shares to any further or additional participation in the income of the Company.

- (ii) Subject to the payment of the Preference Dividend and the provisions of paragraph (c) above of this Article (4)(1) any further profits which the Company may determine to distribute in respect of any Financial Year shall belong to and be distributed amongst the holders of the 'A' Shares pro rata according to the amount paid up or credited as paid up on such shares."

By order of the Board

.....
A. Stamer
~~Secretary~~, DIRECTOR

Date: 31 March 1994

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.

CONSENT TO SHORT NOTICE

We, the undersigned, being a majority of the Members of Atlantic Power & Gas (Holding) Limited together holding not less than 95% in nominal value of the Shares giving a right to attend and vote at the meeting convened by the attached Notice hereby agree that the said meeting shall be deemed to have been duly called and that the Resolution set out in the said Notice may be proposed and passed notwithstanding that shorter notice than that specified in the Companies Act, 1985 or the Company's Articles of Association has been given.

Yours faithfully,

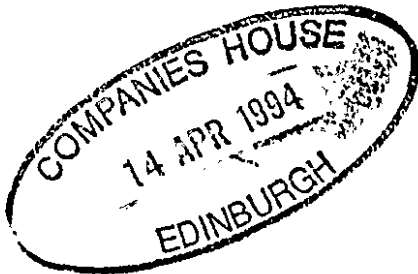
.....

.....

.....
T. Finnis Birch
for and on behalf
of Babcock International
Group plc

.....

ATLANTIC POWER & GAS (HOLDING) LIMITED
Company No. SC109608



MINUTE of EXTRAORDINARY GENERAL
MEETING of DIRECTORS of the COMPANY
held at Aberdeen on 31st March 1994

- Present -

J. Milligan (Chairman)

J. Stevenson

*J. Birch (authorised representative
of Subrock International Group
plc).*

- In attendance -

1. QUORUM

The Chairman declared that a quorum was present.

2. RESOLUTION NO 1

The Chairman proposed that the first Resolution set out in the Notice be passed as an Ordinary Resolution. Mr Stevenson seconded the motion and on a show of hands the Resolution was passed unanimously. No questions were asked and no poll was demanded.

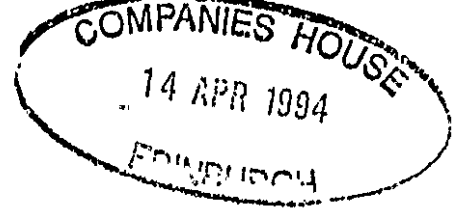
3. RESOLUTION NO 2

The Chairman proposed that the second Resolution set out in the Notice be passed as a Special Resolution. Mr Stevenson seconded the motion and on a show of hands the Resolution was passed unanimously. No questions were asked and no poll was demanded.

4. FURTHER BUSINESS

There being no further business the meeting terminated.

Chairman



ATLANTIC POWER & GAS (HOLDING) LIMITED

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at Aberdeen on 31st March 1994 at 6.00 pm for the purpose of considering and if thought fit passing the following Resolutions:-

1. **AS AN ORDINARY RESOLUTION**

- (a) That, notwithstanding any interest of the Directors of the Company therein, the Subscription Agreement between Abtrust Scotland Investment Company PLC, Grampian Regional Council (as administering authority of Grampian Regional Council Superannuation Fund), the Shareholders (as therein defined) and the Company produced to the meeting be and is hereby approved and that any two Directors of the Company or any Director of the Company and the Company Secretary be and are hereby authorised to execute the same on behalf of the Company and to do all acts and things necessary, desirable or expedient to complete the same.
- (b) That, the Company borrow from Abtrust Scotland Investment Company PLC ("ASIC") and Grampian Regional Regional Council (as administering authority of Grampian Regional Council Superannuation Fund ("GRC") the sum of £627,000 and £168,000 respectively and that the Loan Notes between the Company and ASIC and GRC produced to the meeting be and are hereby approved and that any two Directors of the Company or any Director of the Company and the Company Secretary be and are hereby authorised to execute the same on behalf of the Company and to do all acts and things necessary, desirable or expedient to complete the same.
- (c) That, the authorised share capital of the Company be increased from £700,000 to £710,000 by the creation of 10,000 'A' Shares of £1 each.
- (d) That, the directors of the Company be and are hereby unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to exercise any power of the Company to allot 10,000 'A' Shares of £1 each in the capital of the Company in the capital of the Company; Provided that this authority shall expire on 30th April 1994.
- (e) That, the 420,000 Cumulative Redeemable Preference Shares of £1 each in the capital of the Company be and are hereby redeemed at par in accordance with the Articles of Association of the Company.
- (f) That, conditional only upon the redemption by the Company of each of its Cumulative Redeemable Preference Shares of £1 each the Company cancel its then entire authorised but unissued Cumulative Redeemable Preference Shares of £1 each and that consequently the authorised share capital be reduced to £110,000 divided into 70,000 'A' Shares of £1 each and 40,000 'B' Shares of £1 each.

2. AS A SPECIAL RESOLUTION

(g) That, with effect from the cancellation of the Cumulative Redeemable Preference Shares of £1 each in the capital of the Company:-

- (i) the 7,888 'A' Shares of £1 each in the capital of the Company ("A' Shares") allotted to Abtrust Scotland Investment Company PLC and the 2,112 'A' Shares allotted to Grampian Regional Council be and are hereby converted into 10,000 'C' Shares of £1 each having the rights set out in the Articles of Association to be adopted pursuant to paragraph (ii) of this resolution; and
- (ii) the Articles of Association placed before the meeting and signed by the Chairman for identification purposes be and are hereby adopted as the Articles of Association of the Company in substitution for the existing Articles of Association of the Company.

By order of the Board

.....
~~Secretary~~ DIRECTOR 5/3/94

CONSENT TO SHORT NOTICE

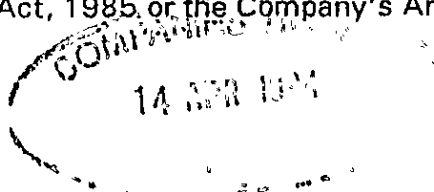
Dear Sirs,

We, the undersigned, being a majority of the Members of Atlantic Power & Gas (Holding) Limited together holding not less than 95% in nominal value of the Shares giving a right to attend and vote at the meeting convened by the attached Notice hereby agree that the said meeting shall be deemed to have been duly called and that the Resolution set out in the said Notice may be proposed and passed notwithstanding that shorter notice than that specified in the Companies Act, 1985, or the Company's Articles of Association has been given.

Yours faithfully,

.....
.....
..... (On behalf of J. Lennese)

.....
J Lennese Birch
for and on behalf of
Balbock International
Group plc



G

COMPANIES FORM No.155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

109608

Name of company

* ATLANTIC POWER & GAS (HOLDING) LIMITED

Note
Please read the notes on page 3 before completing this form.

* insert full name of company

We of John Robert Milligan, of 17 Fullarton Drive, Troon, and

o insert name(s) and address(es) of all the directors

John Stevenson of Wester Cotbank, Drumlithie.

† delete as appropriate

~~the sole director~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

~~(a) that of a recognised bank, licensed institution or within the meaning of the Banking Act 1979~~

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in it.

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the purpose of that acquisition].†~~

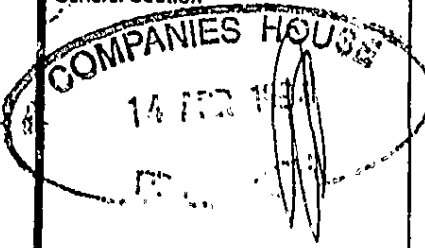
The number and class of the shares acquired or to be acquired is 40,000 "B" Shares of £1 each and 420,000 Cumulative Preference Shares

Presentor's name address and reference (if any):

Kerr & Co.,
Solicitors
181 West George Street
Glasgow G2 2LH
DX GW53
PCL/JFG
041-248-1488

For official Use
General Section

Post room



The assistance will take the form of:

1. £627,000 by way of Loan from Abtrust Scotland Investment Company plc., whose Registered Office is at Ten Queens Terrace, Aberdeen AB9 1QJ to the Company.
2. £168,000 by way of Loan from Grampian Regional Council, Woodhill House, Westburn Road, Aberdeen (duly designated and appointed as the Administration Authority of the Grampian Regional Council Superannuation Fund to the Company.
3. £1,000,000 by way of Loan facility from The Clydesdale Bank Public Limited Company having its Registered Office at 30 St. Vincent Place, Glasgow

The person who ~~(has acquired)~~ will acquire† the shares is:

the Company

† delete as
appropriate

The principal terms on which the assistance will be given are:

1. The Company will until payment in full of the principal sum, pay interest on the principal sum or part thereof being outstanding at the rate of 7.5% per annum half yearly on 31st March and 30th September in each year. The Company will repay the principal sum and the premium in two equal instalments of £344,850 and a premium of £62,700 on 31st December 1995 and 31st December 1996.
2. The Company will until payment in full of the principal sum pay interest on the principal sum or part thereof being outstanding at the rate of 7.5% per annum half yearly on 31st March and 30th September in each year. The Company will repay the principal sum and the premium in two equal instalments of £92,400 and a premium of £16,800 on 31st December 1995 and 31st December 1996.
3. The Company will repay the loan in Twenty consecutive and substantially equal quarterly payments on 31st March, 30th June, 30th September and 31st December together with interest accrued thereon at a daily rate to be determined from time to time.

The amount of cash to be transferred to the person assisted is £ 1,795,000

The value of any asset to be transferred to the person assisted is £ NIL

The date on which the assistance is to be given 31st March

19 94

write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

delete either (a) or
(b) as appropriate

which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) [We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date] (note 3)

~~(b) [It is intended to commence the winding up of the company within 12 months of that date, and I/we xx have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.] (note 3)~~

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

Declared at London

Declarants to sign below

the Twenty first day of March
one thousand nine hundred and twenty four

before me [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

[Signature]

[Signature]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form

your reference

our reference
DR/ps/0350

The Directors
Atlantic Power & Gas (Holding) Ltd
Salvesen Tower
Blaikies Quay
Aberdeen

31 March 1994

Dear Sirs

**Auditors' Report to the Directors of Atlantic Power & Gas (Holding) Limited
Pursuant to Section 156(4) of the Companies Act 1985**

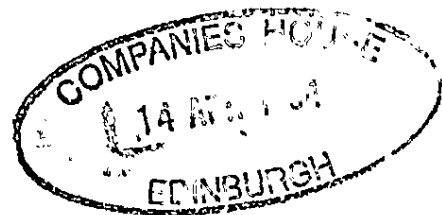
We have examined the attached statutory declaration of the directors of Atlantic Power & Gas (Holding) Limited ("the Company") dated 31 March 1994 in connection with the proposal that the Company should give financial assistance for the purchase of 40,000 of the "B" ordinary shares and 420,000 of the preference shares of the Company.

We have enquired into the state of the Company's affairs so far as necessary for us to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

Coopers & Lybrand



your reference

our reference
DR/ps/0354

The Directors
Atlantic Power & Gas (Holding) Limited
Salvesen Tower
Blaikies Quay
Aberdeen

31 March 1994

Dear Sirs

Buyback of Atlantic Power & Gas (Holding) Limited shares

We have examined the attached letter from the directors of Atlantic Power & Gas (Holding) Limited ("the Company") dated 31 March 1994 in connection with the proposal that the Company will purchase 40,000 of the "B" ordinary shares and 420,000 of the preference shares of the Company. The letter deals specifically with the distributable reserves of the Company available to effect this purchase.

We have enquired into the state of the Company's affairs so far as necessary for us to review the bases on which you have calculated the available distributable reserves.

We confirm that, so far as we are aware for the purposes of section 155(2) of the Companies Act 1985 that while the net assets are not being reduced by the giving of financial assistance this assistance is being provided out of distributable reserves, and that we are not aware of anything to indicate that the opinion expressed by the directors in the letter as to the availability of sufficient distributable reserves to effect the purchase is unreasonable in all the circumstances.

Yours faithfully

Coopers & Lybrand

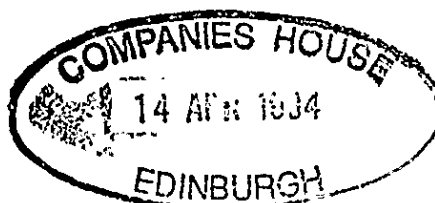




Atlantic Power & Gas Limited

Atlantic Power and Gas (Holding) Limited
Salvesen Tower, Blaikies Quay
Aberdeen AB1 2PW
Telephone: 0224 259500
Telex: 739280
Fax No. 0224 213035 - 10th Floor

Coopers & Lybrand
32 Albyn Place
Aberdeen
AB1 1YJ



31 March 1994

Dear Sirs

Distributable reserves

1 Atlantic Power & Gas (Holding) Limited ("the Company") proposes to purchase 40,000 "B" ordinary shares and 420,000 preference shares of the Company. The consideration payable on this purchase is dependent on whether Inland Revenue clearance is obtained; the consideration will be higher if Inland Revenue clearance is not obtained.

2 We have considered the availability of distributable reserves to effect the purchase in the event that Inland Revenue clearance is not obtained, i.e. the worst case scenarios. In this event, the consideration will be:-

	Nominal Value	Premium	Total Consideration
40,000 "B" ordinary shares	£40,000	£2,460,000	£2,500,000
420,000 preference shares	£420,000	-	£420,000
	<u>£460,000</u>	<u>£2,460,000</u>	<u>£2,920,000</u>

3 The Company has a capital redemption reserve of £180,000, and it is proposed to capitalise this by way of a bonus issue of shares at par. The effect of this on the consideration will be:-


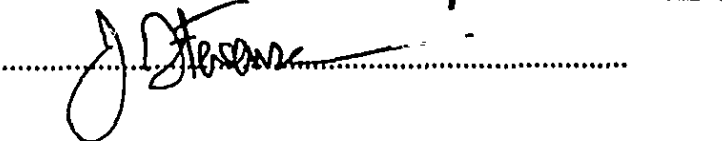
	Nominal Value	Premium	Total Consideration
As above	£460,000	£2,460,000	£2,920,000
Bonus issue	£180,000	(£180,000)	-
	<u>£640,000</u>	<u>£2,280,000</u>	<u>£2,920,000</u>

4 Part of the consideration will be met by the issue of new shares of £625,000. The amount to be funded from distributable reserves will therefore be £2,295,000 (£2,920,000 less £625,000).

5 We set out at Appendix A a schedule showing the distributable reserves of the Company as at 31 March 1993, the date of the most recent audited financial statements, together with the movements of distributable reserves which have taken place since that date up to 31 March 1994.

6 The schedule at Appendix A shows that the available distributable reserves of the Company at 31 March 1994 amount to £2,310,000. In the opinion of the directors, therefore, the Company has sufficient distributable reserves to effect the purchase of the shares in the Company.

Yours faithfully

Group Managing Director

Group Finance Director

Appendix A

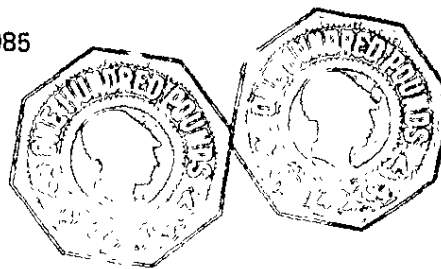
**Available Distributable Reserves as at 31 March 1994
of Atlantic Power & Gas (Holding) Limited**

Distributable reserves as at 31 March 1993	£126,000
Dividend received from APG/Salamis JV Limited during year to 31 March 1994	£60,000
Dividend receivable from APG/Salamis JV Limited 31 March 1994	£300,000
Dividend receivable from Atlantic Power & Gas Limited 31 March 1994	£1,742,000
Transfer of distributable reserves to capital redemption reserve to effect redemption of preference shares during the year to 31 March 1994.	(£60,000)
Management fee from APG/Salamis JV Limited	£174,000
Dividend paid on preference shares during the year	(£32,000)
	<u>£2,310,000</u>

Return by a company purchasing its own shares

169

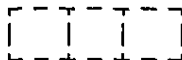
Pursuant to section 169 of the Companies Act 1985



To the Registrar of Companies

For official use

Company number



109608

Please do not write
in the space below.
For Inland Revenue
use only.

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

* insert full name
of company

Name of company

* Atlantic Power & Gas (Holding) Limited

Note

This return must be
delivered to the
Registrar within a
period of 28 days
beginning with the
first date on which
shares to which it
relates were delivered
to the company

Shares were purchased by the company under section 162 of the above Act as follows:

Class of shares	B		
Number of shares purchased	40,000		
Nominal value of each share	£1.00		
Date(s) on which the shares were delivered to the company	14th April 1994		
Maximum prices paid for each share	£1.00		
Minimum prices paid for each share	£1.00		

§ A private company
is not required to
give this information

The aggregate amount paid by the company for the shares
to which this return relates was:

£ 40,000

Stamp duty payable pursuant to section 66 of the Finance Act
1986 on the aggregate amount at 50p per £100 or part of £100

£ 200.00

Insert
Director
Secretary,
Receiver,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed

Designation

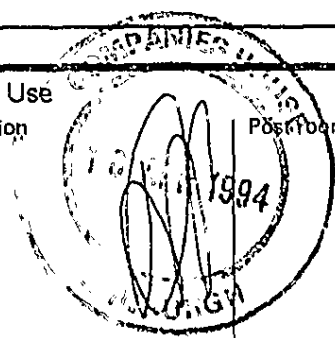
Director

Date 13/04/94

Presentor's name address and
reference (if any):

Messrs. Kerr & Co.,
Solicitors
181 West George Street
Glasgow G2 2LH
DX GW53
PCL/EH

For official Use
General Section



Postroom